

ATTACHMENT 1

AFFILIATION AGREEMENT

THIS AGREEMENT made and entered into this 16th day of May,

2018, by and between,

THE UNIVERSITY OF LOUISIANA AT LAFAYETTE

("University")

and

THE UNIVERSITY OF LOUISIANA AT LAFAYETTE FOUNDATION

("Foundation");

WHEREAS, as stated in its articles of incorporation, the Foundation is a separately incorporated 501(c)(3) organization responsible for identifying and nurturing relationships with potential donors and other friends of the University; soliciting cash, securities, real and intellectual property, and other private resources for the support of the University; and acknowledging and stewarding such gifts in accordance with donor intent and its fiduciary responsibilities; and

WHEREAS, the University recognizes that gifts to the Foundation are made with thoughtful care and with great affection for and devotion to the University for the purpose of supporting the University's institutional goals, including its instruction, research and public service missions and its students, faculty and staff; and

WHEREAS, it is, therefore, prudent and beneficial for the University and this Foundation to document clearly their relationship and their respective responsibilities and authority; and

WHEREAS, the University is a state educational institution, part of the University of Louisiana System, and within the jurisdiction of the Louisiana Board of Regents of state colleges and universities; and

WHEREAS, the University, through the University President, currently plans, promotes, organizes, implements and operates a full range of programs for the solicitation and receipt by gift, bequest, devise or otherwise, of money, securities and all other forms of personal and real property; and

WHEREAS, the Foundation acknowledges that it is the responsibility of the University President, or his designee, to ensure that all development efforts are coordinated in an interactive fashion so as to encourage the success of the University's fundraising efforts in support of the agenda established by the University President; and

WHEREAS, the Foundation and the University continue to work in tandem to develop the most effective ways to benefit the University and its faculty, students and programs; and

WHEREAS, the relationship of the Foundation and University was formerly governed by a Joint Operating Agreement dated December 18, 2009, which is superseded by this Agreement; and

NOW, THEREFORE, the University and the Foundation agree as follows:

The Foundation's Relationship to the University

1. The Foundation is a separately incorporated 501(c)(3) non-profit organization created to raise, manage, distribute, and steward private resources to support, advance, and promote the mission of the University.

2. The Foundation is responsible for the control and management of all its assets, including the prudent management of all gifts consistent with donor intent.
3. The Foundation is responsible for the performance and oversight of all aspects of its operations based on a comprehensive set of bylaws that clearly address the board's fiduciary responsibilities.
4. The Foundation will engage in activities consistent with the objective of providing support to the University. Nothing herein is intended to limit the ability of the Foundation to expend funds on its behalf to achieve the mutual goals of the Foundation and the University.
5. All gift solicitations on behalf of the University will be coordinated through the University's Office of Advancement.
6. The Foundation agrees to work with the University's Office of Advancement to identify, cultivate and solicit prospective donors and work with other University volunteers to enhance the overall development effort of the University. The Office of University Advancement agrees to provide appropriate orientation for Foundation board members so that Foundation efforts are consistent with University goals. The Office of University Advancement will endeavor to provide board members with a high comfort level with the process of enhancing the cultural, academic, and social conditions at the University through championing improvements in the curriculum, faculty/staff, student base, and physical assets on the campus.
7. The Foundation acknowledges that from time-to-time the University will establish fundraising policies and guidelines pertaining to fundraising and will follow said policies and guidelines in all development endeavors.

The University's Relationship to the Foundation

1. The University President or his/her designee should communicate the University's priorities and long-term plans to the Foundation. The Chairman of the Foundation should

have regular, reasonable access to the University President or his/her designee and to other members of the President's senior administrative team for the purpose of being an active and prominent participant in strategic planning for the University.

2. The University recognizes that the Foundation is a private corporation with the authority to keep relevant records and data confidential consistent with state and federal law.

Foundation Responsibilities

Asset Management

1. The Foundation will receive, hold, manage, invest, and disburse contributions of cash, securities, and things of economic value of all kinds, including property, both real and intellectual, whether principal or income, tangible or intangible, including immediately vesting gifts and deferred gifts that are contributed in the form of planned and deferred-gift instruments. ("Assets")
2. The Foundation will serve as an instrument for entrepreneurial activities for the University and engage in such activities as purchasing, developing, or managing real estate for University expansion, student housing, or retirement communities. It also may hold licensing agreements and other forms of intellectual property, borrow or guarantee debt, or engage in other activities to increase Foundation revenue with no direct connection to a University purpose.
3. The books and records of the Foundation will be kept in accordance with generally accepted accounting principles.
4. Foundation will establish asset investment policies that adhere to applicable federal and state laws, including the Uniform Prudent Management of Institutional Funds Act (UPMIFA).
 - a. Donations that have specific directions or investment restrictions will be invested by the Foundation in its sole discretion, subject only to the specific directions or restrictions of the particular donation.

- b. In accordance with Article 7, Section 14 of the Louisiana Constitution, no funds or property of the university may be donated, loaned, or pledged to any affiliate, unless the parties agree to a cooperative endeavor for a specific, defined project. In such an instance, the parties will enter into a cooperative endeavor agreement, which must be approved by the UL Board of Supervisors and, if applicable, the Division of Administration.
 - c. The University may choose to use the Foundation's management expertise regarding the maintenance of investment portfolios to assist the University with its Endowed Chair and Endowed Professorships Program. Should the University and Foundation agree to this arrangement, they may enter into a Funds Management Agreement. In accordance with the Funds Management Agreement, the Foundation will comply with the Board of Regents' Statement of Investment Policy and Objectives, including specific audit requirements.
5. The Foundation's responsibilities will include management of the Assets received, held by or entrusted to Foundation to support the University, including providing scholarships for University students and funds for research, professorial chairs, athletic programs and educational activities generally. Foundation will provide effective and prudent management of the Assets, including investment of the Assets according to an investment policy which shall be shared with the President of the University each fiscal year, setting forth procedures, objectives and a summary of any changes from the previous year.

Foundation Funding and Administration

1. The Foundation has the right to use a reasonable percentage of the Assets and assess annual fees for services to support its operations.
2. The Foundation shall reimburse, either directly or through in-kind services, the cost of housing, personnel, which personnel shall remain public servants for all purposes, and other support furnished to the Foundation by the University, if any, pursuant to R.S. 17:3390(B)(3). Reimbursement of any amounts due to the University shall be remitted within 90 days of the date of purchase or services rendered. Amounts payable to the University at June 30th shall be remitted within 60 days to allow the University to accomplish timely fiscal year-end accounting close-outs.
3. Under no circumstances shall any of the net earnings or Assets of the Foundation inure to or be distributed to the benefit of its directors, officers, or other private persons, except that

the Foundation is authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the overall purpose of the Foundation.

4. The Foundation is responsible for establishing and implementing a system of controls that ensure compliance with all applicable laws and regulations, specifically including state and federal laws regarding the non-profit, tax-exempt status of the Foundation.

- a. Approved Expenses

- i. All disbursements by Foundation for administrative and operating expenses will be in accordance with policies adopted by its governing board. Such policies will provide for sound and prudent business practices, the payment or reimbursement of ordinary, necessary and reasonable business expenses, and the avoidance of conflicts-of-interests.
- ii. Any supplemental compensation and/or benefits for a University employee must be approved by the Board of Supervisors, upon recommendation of the University and System Presidents, before they are paid. Absent exceptional circumstances and approval by the System President, such compensation or benefits shall be paid through the University, not directly to the employee by the Foundation. For purposes of this paragraph, supplemental compensation or benefits shall mean all compensation or benefits in addition to the base University compensation and benefits approved by the Board of Supervisors for duties performed for the University and does not include reimbursement to the University from Foundation of any compensation or benefit.
- iii. Reasonable travel, entertainment, educational benefits or reimbursements may be paid to a University employee (or authorized traveler, if applicable) in accordance with University policies and procedures. Payments may be made for such expenses within and above state limits when specifically approved by appropriate University administrators in accordance with University policy. Pending further specification of University policy, such expenses require approval of the employee's dean, vice president or other equivalent administrative official.
- iv. Reasonable moving or relocation expenses of a University employee may be paid only upon recommendation of the University President.
- v. Any single payment of \$1,000 or more made to or on behalf of a university employee must be reported to the university on a quarterly basis. Supporting documentation must be made available to the University upon request.

b. Prohibited Expenses

- i. Fines, forfeitures or penalties of a University employee may not be paid.
 - ii. The Foundation may not present gifts on behalf of a University employee nor reimburse University employees for gifts that are represented as having personally come from the employee.
 - iii. Political contributions prohibited by applicable Internal Revenue Service Regulations or state laws and regulations may not be made or reimbursed. Accordingly, the Foundation will not provide funds in any manner for University employees to endorse political parties or candidates, attend political fund- raisers, participate in lobbying activities, etc.
 - iv. Any expense or reimbursement that would create, under all the circumstances, a reasonable conclusion on behalf of the Foundation that the benefit to the individual University employee outweighs the benefit to the University may not be paid.
 - v. Any expense or reimbursement that would create, under all the circumstances, a reasonable conclusion on behalf of the Foundation that the amount is extravagant or lavish beyond the appropriate University purpose may not be paid. While not necessarily controlling, reference should be made to regulations adopted by the Internal Revenue Service in connection with allowed business expenses.
 - vi. Funds shall not be disbursed in connection with contracts (or other agreements) between the Foundation and a University employee unless justified in writing and with specificity demonstrating, among other justifications, that the proposed contractual duties with the Foundation are not those which the employee should perform directly for the University. All such contracts must be approved by the University President in accordance with PPM FS-III.VII.-1. The requirements of the *Louisiana Code of Governmental Ethics* must also be considered by the Foundation if the University employee (or a related person) has an ownership interest in a legal entity with which the Foundation is considering contracting.
 - vii. Any expense or reimbursement request not described above as authorized (or through written joint amendment or clarification of this Agreement) shall not be paid to or on behalf of a University employee without specific recommendation of the University President.
5. The Foundation's financial statements shall be audited annually in accordance with generally accepted auditing standards by an independent professional auditor who shall furnish to the University and the legislative auditor copies of his annual audit and management letter (including supplemental assurances) within six months of the

Foundation's fiscal year end. [R.S. 17:3390(D)(1)]. However, any information needed for the System's financial report must be provided to the university within 60 days of the fiscal year close. If the engaged CPA cannot issue the report timely, then the CPA is not meeting the terms of the contract and may or may not be considered for selection in the next fiscal year.

6. For those affiliated organizations included in the ULS reporting entity, the audit engagement letter must be presented to the ULS System President for approval prior to the commencement of the audit, which approval will not be unreasonably withheld.
7. The Foundation's engagement letter with the independent CPA will require that the auditor provide supplemental assurances that the Foundation has complied with specific requirements of this Affiliation Agreement.
8. The National Collegiate Athletic Association (NCAA) requires that the University President submit a report that includes all athletic financial activity (both internal and external) to assist him/her in maintaining adequate oversight of and in exercising control over financial activity of or on behalf of the University's intercollegiate athletics program. Therefore, the Foundation's audited annual financial statements will include a supplementary schedule in a format provided by the University of all revenues, expenses and capitalized expenditures made to or on behalf of the University's intercollegiate athletics program.
 - a. The independent auditor's report will include assurances that this schedule is fairly stated in relation to the Foundation's financial statements taken as a whole.
 - b. If the Foundation has no transactions relating to the University's athletics program, the notes to the financial statements will include a statement to this effect.
 - c. The Foundation will make available to the University's independent auditor any documentation that is required to enable that auditor to perform the supplemental procedures that are required by the NCAA for affiliated organizations.
 - d. Any audit findings, audit exceptions, or any misuse of funds shall be reported to the Foundation's Board of Directors, who shall maintain a written corrective action

plan regarding the handling and resolution of such occurrences. A copy of this corrective plan shall be provided to the University President. The Foundation shall take appropriate corrective action to remedy such occurrences.

9. The Board of Supervisors for the University of Louisiana System may, at any time, review all accounting records, files, and documentation of the Foundation that pertain to payments made to or on behalf of University employees and/or University programs/projects. Notwithstanding the preceding requirements, the identity of donors and other related confidential donor information of the Foundation shall be exempt and not available for disclosure.

Disbursements

1. All disbursements shall be made in accordance with donor intent to the extent known, in conformity with the written provisions of any instrument governing disposition of the funds, as provided in any policies and arrangements mutually determined by the University and the Foundation, and in compliance with federal and state law. All requests from the University for funds from the Foundation for the University must be approved by the President of the University and submitted to the Foundation in writing and with reasonable notice. Such requests must be made using the "Request for Funds from UL Lafayette Foundation" form where appropriate. In performance of these tasks, the Foundation should provide services in such a manner that donors and prospects trust that their gifts will be used in the best interest of the University, and that their wishes will be respected regarding the use of their funds.

Financial Reporting Requirements

1. Foundation agrees to provide on a monthly basis a report detailing the transactions for each University account maintained by the Foundation. The report shall be provided to the President, the Vice President for Advancement, and to the Office of the Vice President for Business and Finance of the University. On an annual basis, the Foundation shall provide the University, as soon as possible and in any event no later than one hundred twenty (120) days after the end of its fiscal year, two copies of the annual financial statements presented in accordance with generally accepted accounting principles, or, if the accounting records

are maintained on a basis other than generally accepted accounting principles which have been consistently applied, then that basis may be used for reporting purposes. Such statements will be audited, in accordance with generally accepted auditing standards, by a firm of independent public accountants designated by the Foundation. Contemporaneously with the delivery thereof, the Foundation will deliver to the University any management letter, internal control report or any other document resulting from such audit.

2. Consistent with its document retention policies, the Foundation will maintain copies of the policies, budgets, disbursements and expenditures in connection with the performance of its obligations hereunder. Such materials shall be open to review by personnel authorized by the University President at any time upon reasonable written notice to the Foundation. Notwithstanding the foregoing, nothing contained herein shall be construed as providing the University or any governmental agency or department, or the general public, with any right of access to any other books, records or documents of the Foundation. The University acknowledges that the Foundation is not, and shall not be construed as, either a public or quasi-public entity, department or agency of the State of Louisiana or the University and, accordingly, shall not be required to observe or perform the rules, regulations, laws or policies or procedures which are imposed upon public agencies or departments, nor provide any right to the public which the public may have with respect to any state or public department or agency, except as otherwise specifically provided by statute regarding university-related foundations.

University Responsibilities

General

1. The University President and University Advancement leadership will work in conjunction with the leadership of the Foundation to identify, cultivate, and solicit prospects for private gifts.
2. The University shall accept funds from Foundation for the purpose of promoting the well-being and advancement of the University and to develop, expand, and improve the University's curricula, programs, and facilities so as to provide greater educational

advantages and opportunities; encourage teaching, research, scholarship, and service; and increase the University's benefits to the citizens of the State of Louisiana and the United States of America.

3. The University shall use such funds in accordance with the terms and conditions as may be imposed by testators and donors, within the limits of the law.
4. The University and Foundation shall have open communication regarding both the application of the policies set forth herein and mechanisms that would allow each party to better accomplish their common goals. The University President will bring any recommendations that arise from such discussions to the University of Louisiana System President for further consideration.

Services Provided by University to Foundation

1. All references to the Foundation Office Building refer to the Foundation's administrative office facilities located at 705 East. St. Mary Boulevard, Lafayette, Louisiana, 705 W. Taft Street, Lafayette, Louisiana, and any other subsequently acquired building used for office space occupied by the Foundation or University Advancement staff.
2. The University agrees to provide Foundation with the following services:
 - a. utilities for the Foundation Office Building including electricity, water, gas and sewage;
 - b. daily custodial services for the Foundation Office Building including custodial labor to be assigned by the University and the necessary supplies;
 - c. pest control service for the Foundation Office Building on a monthly basis to be provided by a contractor selected by the University and in accordance with the terms of the contract between the University and the pest control company;
 - d. solid waste pickup and disposal for the Foundation Office Building on a weekly basis to be provided by a contractor selected by the University and in accordance with the terms of the contract between the University and the waste disposal company; and
 - e. computer and Information Services in accordance with a Shared Technology Agreement between Foundation and University to include the following terms and conditions:

- i. access to University database and information management systems specific to Foundation purposes. University shall be responsible for all costs and expenses of the database and information management systems, including any updates to system security, backups, user roles, and system audits, and all associated components, including, but not limited to costs and expenses of other associated software. The University shall provide training for Foundation personnel and will coordinate the use of the donor database system;
 - ii. gift processing services including gift receipting, acknowledgments, data entry and other information processing services in coordination with Foundation personnel;
 - iii. assistance by University personnel in prospect research and donor identification;
 - iv. assistance in creation of survey documents, mailing, and data input for potential donor surveys;
 - v. gift record data for use by Foundation in audit reports;
 - f. insurance on the Foundation artwork (fire, theft, and destruction through natural causes insured at appraised value).
3. The abovementioned services shall be provided by the University at no cost to the Foundation; however, the cost of these services shall be deemed to be a partial payment by the University to the Foundation for the services provided to the University by the Foundation.
 4. The University shall provide to the Foundation routine maintenance services to maintain the Foundation Office Building and the grounds. Such services shall be provided by the University Physical Plant Department at the direction of the appropriate University official. These services shall not include major repairs or capital improvements. In the event the need should arise for major repairs to the Foundation Office Building, as agreed upon by both parties, and the cost is determined to be in excess of Five Thousand (\$5,000.00) Dollars, the University and the Foundation shall provide equal funding with both parties contributing one-half of the total cost. Capital improvement projects for the Foundation Office Building and/or grounds agreed upon by both parties shall be funded on an equal basis whereby both parties will contribute one-half of the total cost unless other terms and arrangements are agreed upon by both parties.

5. The University's funding for major repairs and/or capital improvements shall be deemed to be partial payment by the University to the Foundation for the services provided to the University by the Foundation.

Terms of the Affiliation Agreement

1. This Affiliation Agreement is intended to set forth policies and procedures that will contribute to the coordination of mutual activities of the University and the Foundation.
2. If either party believes that the other party has failed in any material respect to perform its obligations under this Agreement, then that party will provide written notice to the other party, describing the alleged failure in reasonable detail. If the alleged breaching party fails to cure the alleged breach of this Agreement within ninety (90) business days, then the non-breaching party may immediately submit this matter for Conflict Resolution.
3. Either party may deliver written notice to the other requesting a termination of this agreement. Within thirty days of receipt of the notice of termination of this Agreement, the Chairman of the Foundation, two representatives appointed by the Foundation who are not Foundation members, the President of the University and two representatives of the University appointed by the President of the University who are not employed by the University ("Termination Committee") shall meet and make a good faith attempt to resolve the disputed issues through mediation before a mediator mutually acceptable to both parties. Mediation costs shall be shared equally. If the parties are unable to resolve the reasons for the requested termination through the mediation, the Termination Committee shall reconvene after a thirty day "cooling off" period to again meet and make a good faith attempt to resolve the disputed issue through a second mediation with the mediator. The second mediation will occur within 15 days of the expiration of the "cooling off" period. Unless resolved at the second mediation, within 15 days thereafter the terminating party shall submit a final written offer to the non-terminating party of terms to prevent termination of the agreement. The non-terminating party will submit a written response within 15 days of receipt of the terminating party's offer. The Termination Committee will reconvene within 15 days after receipt of the non-terminating party's response to determine

if a third meeting with the mediator is warranted. Unless a majority vote of the Termination Committee approves further mediation, this Affiliation Agreement will terminate. If the majority of the Termination Committee recommends further mediation, a third mediation will be set with the Termination Committee, but neither the President of the University, nor the Chairman of the Foundation will attend. Within ten (10) days following this third mediation, the Termination Committee will submit a written recommendation to the President of the University either proposing a resolution between the University and Foundation or termination of this Affiliation Agreement. The President of the University may either accept or reject the recommendation of the Termination Committee. If the President of the University rejects the recommendation of the Termination Committee, the recommendation of the Termination Committee will be presented to the University of Louisiana System for approval or rejection at its regularly scheduled meeting.

4. Should the University choose to terminate this agreement, the Foundation may require the University to pay, within 180 days of written notice, all debt incurred by the Foundation on the University's behalf including, but not limited to, lease payments, advanced funds, and funds borrowed for specific initiatives. Should the Foundation choose to terminate this agreement, the University may require the Foundation to pay debt it holds on behalf of the Foundation in like manner.
 - a. Should the University choose to terminate this agreement, the agreement shall continue in full force and effect until the expiration of the required notice period. Any transactions entered into by the Foundation prior to the receipt of such notice shall be binding upon the University. University shall not be liable for any transactions entered after the commencement of the notice period. In such case, the Foundation shall be prohibited from using the University's name to solicit donations or for any other purpose and shall not in any way represent to alumni, contributors, or the general public that said Foundation is affiliated with the University.
 - b. Notwithstanding Paragraph 3 above, should any substantial misuse of funds or fraudulent activity on the part of the Foundation be discovered, the University may, at its discretion, immediately terminate this agreement. In such case, the Foundation shall be prohibited from using the University's name to solicit donations or for any other purpose and shall not in any way represent to alumni, contributors, or the general public that said Foundation is affiliated with the University.

5. Should the Foundation fail to maintain an affiliation agreement with the University or the affiliation agreement is terminated by either party, all Foundation funds will be used in accordance with donor intent and will become the property of a University-affiliated organization approved by the University of Louisiana System that shall qualify as a tax exempt organization under §501 (c)(3) of the Internal Revenue Code or corresponding provision of any future United States Internal Revenue law. The Foundation will remit the funds to the University-affiliated organization using the timeline or schedule of transfers to be mutually agreed to by the Foundation and the University but not to exceed a period of 180 days.
6. Nothing in this Agreement shall be construed as to invalidate or restrict the Foundation's private and independent status.
7. Whenever any notice or demand is required or permitted under this Agreement, such notice or demand shall be given in writing and delivered in person or by certified mail to the following addresses:

University: President and Administrative Vice President

Foundation: Chairman & Chief Executive Officer

8. It is mutually understood and agreed that no alteration, amendment, modification or supplement of the terms of this Agreement shall be valid unless made in writing and signed by both of the parties hereto. No oral understandings or agreements not incorporated herein, and no alterations or variations of the terms hereof shall be binding unless made in writing between the parties hereto.

Miscellaneous

Severability

1. If any provision contained herein shall be held, for any reason, to be invalid, illegal or unenforceable in any respect, such provision shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein.

Indemnification by the Foundation

1. The Foundation agrees to indemnify, save and hold harmless the University, as well as its Board of Supervisors of the University of Louisiana System, Regents, officers, employees, and agents against any and all claims, damages, liability whatsoever including costs, expenses and attorneys fees incurred as a result of any act or omission by the Foundation, or its employees, agents, or sub-contractors relating to the provisions of the Agreement.

Indemnification by the University

1. The University agrees to indemnify, save and hold harmless the Foundation and its Board Members, officers, employees and agents, against any and all claims, damages and liability whatsoever including costs, expenses and attorneys fees incurred as a result of any act or omission by the University, its employees, agents or sub-contractors relating to the provisions of the Agreement.

No Assignment

1. This Agreement, and the rights and benefits of the parties hereto, may not be assigned in whole or in part by either party without prior written consent signed by both parties.

Governing Law

1. This Agreement and its performance shall be construed and enforced in accordance with the laws of the State of Louisiana.

Term

1. The term of this Agreement shall be from May 16, 2018 through May 16, 2028, and shall automatically be renewed on a year to year basis thereafter unless either party gives written notice of non-renewal at least 90 days prior to the end of any extended term

year, provided however, that every fifth year, the parties agree to discuss the terms and consider revisions and modifications as mutually agreed by the parties in writing.

Transfer of Assets Upon Dissolution

1. In the event of the dissolution of the Foundation, all assets of the corporation of whatever nature, after payment of all liabilities, will be donated or transferred to The University of Louisiana at Lafayette or its successor or to the University's designee that shall qualify as a tax exempt organization under §501 (c)(3) of the Internal Revenue Code or corresponding provision of any future United States Internal Revenue law, except such assets held by the Foundation upon a condition that occurs by reason of the dissolution, which assets shall be returned or conveyed in accordance with such requirements.

Conflict Resolution

1. In the event of any dispute between the Foundation and the University, as to their relationship or any terms or conditions of this Agreement, the following steps will be initiated to resolve such dispute:
 - a. A party (referred to as "plaintiff" on occasion) may begin negotiations by delivering a written letter to the opposing party (referred to as "defendant" on occasion) describing the dispute and identifying any related documents, data and/or information relied upon in support of its contention. Following such notice, the Chairman of the Foundation and the President of the University will meet and attempt to resolve the dispute.
 - b. If the parties are unable to resolve the dispute within 20 working days, a committee of two representatives of the Foundation and two representatives of the University will meet to resolve the dispute.
 - c. If the dispute is not resolved within 30 working days of the first meeting of informal negotiations the plaintiff party will submit a final written offer for settling all disputed items or a notice that it will not offer to settle the dispute. Within five working days of its receipt, the defendant party must accept or reject the written offer.
 - d. If the parties at this point have settled the dispute, they will immediately execute settlement agreements and any other applicable document amendments. If the dispute has not been resolved, both parties agree to select a mutually agreeable Louisiana attorney arbitrator, with not less than 20 years of experience with arbitration proceedings and who has mediated or arbitrated not less than five

hundred cases. If the parties are unable to agree on an arbitrator, each party shall appoint an arbitrator of its choice. The two arbitrators so nominated shall appoint the third arbitrator. The arbitration shall be conducted in accordance with the then existing Louisiana Rules of Civil Procedure. The arbitrator will decide the issues in the dispute and within the bounds set by the contentions of the parties. The decision of the arbitrator(s) will be final and binding on all parties and not appealable.

- e. In the event of arbitration, as referenced above, all costs and expenses, including reasonable attorney fees, incurred by the prevailing party and exercised in defending any of the rights or remedies hereunder or enforcing any of the terms, conditions and provisions hereof, shall be paid by the unsuccessful party.

Amendment to Articles of Incorporation and By-Laws

1. At all times while this Agreement is in effect, the Foundation shall take no action to amend its Articles of Incorporation or By-laws, where the effect of such amendment would be to alter those provisions of the Articles of Incorporation and By-laws that require the Foundation to be operated for the support of the University, until the University President shall have been given the same notice of any proposed amendment as is required to be given Foundation trustees.

Use of Public Personnel and Facilities

1. Any use of public personnel and facilities by the Foundation shall be in accordance with sound business practices, state law, Board of Regents Policy and Policies and Procedures of the University.

No Third-Party Beneficiaries

1. Nothing in this agreement, whether expressed or implied, is intended to confer any rights or remedies under or by reason of this agreement or the transactions contemplated hereby on any persons other than the parties to it and their respective successors and assigns, nor is anything in this Agreement intended to relieve or discharge the obligation or liability of any third persons or any party to this agreement, nor shall any provision give any third persons any right of subrogation or action over or against any party to this agreement.

Joint Drafting

1. The Foundation and the University have jointly participated in the negotiation and drafting of this Agreement. In the event any question of intent or interpretation arises, this Agreement shall be construed as if drafted equally, by all parties.

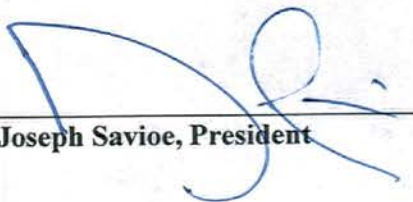
[SIGNATURES ON FOLLOWING PAGE]

IN WITNESS WHEREOF, the parties have caused this Affiliation Agreement to be executed by their duly authorized officers as of the day and date first above written.

WITNESSES:

Colette Billeaud
Print Name: COLETTE BILLEAUD
Mattie Cook
Print Name: Mattie Cook

UNIVERSITY OF LOUISIANA AT LAFAYETTE

By: 
E. Joseph Savioe, President

WITNESSES:

Colette Billeaud
Print Name: COLETTE BILLEAUD
Mattie Cook
Print Name: Mattie Cook

UNIVERSITY OF LOUISIANA AT LAFAYETTE
FOUNDATION

By: 
Wayne Elmore, Chairman, Board of Trustees