

## AFFILIATION AGREEMENT

**THIS 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 (the "Board"), for and on behalf of The University of Alabama at Birmingham (the "University"), and The Alumni Association of the University of Alabama School of Medicine, an Alabama non-profit corporation (the "Association").

### WITNESSETH:

**WHEREAS**, the Association has been established and exists to support the welfare and benefit of the University of Alabama School of Medicine (the "School"); and

**WHEREAS**, the parties believe that an arrangement under which the Association supports the School should be set forth in an affiliation agreement; and

**WHEREAS**, the parties have negotiated the terms and conditions for such an arrangement as provided herein;

**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 Finance and Administration, shall provide the Association with personnel necessary to collect, disperse (either as an expenditure or transfer), and report on all funds of the Association. Specifically and not by way of limitation, the University agrees to do the following:

- a. Provide an accounting for all Association funds.

b. Establish appropriate accounts for accounting and reporting purposes.

c. Handle banking functions of the Association.

d. Coordinate with the external auditor appointed to conduct the annual financial audit.

e. Prepare all financial reports, including an annual financial report.

f. Communicate and coordinate 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 Association.

g. Account for other assets, such as land and securities not managed by outside firms or individuals.

h. Prepare the annual budget for Association in consultation with the Executive Committee of the Association.

2. Development and Administrative Services. The University, through the Office of the Vice President for Development, Alumni and External Affairs, shall provide the Association with personnel necessary to assist the Association with respect to certain development functions. Specifically and not by way of limitation, the University agrees to do the following:

a. Coordinate and 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 Association. This support shall include planning and organizing meetings of the Association Board of Directors and its standing committees; preparing, reviewing, and disseminating minutes of meetings of the Board and its standing committees; maintaining administrative, financial, and property files of the Association; and provide such other support services of the University as may be agreed upon by the parties (e.g., security, mail, etc.).
- d. Allow the Association to use trademarks owned by the Board and University so long as the Association's use is consistent with the Board's or University's requirements.

3. Programmatic Services. The University, through the Office of the Dean of the School of Medicine, shall provide the Association with personnel necessary to assist the Association with respect to certain programmatic functions. Specifically and not by way of limitation, the University agrees to do the following:

- a. Encourage Association participation in the "white coat ceremony".
- b. Provide opportunities for Association interaction with students of the School.

4. Association Duties and Obligations. The Association agrees that it will at all times cooperate with the University in all ways to facilitate the University's obligations set forth in this Agreement. The parties recognize that the Board is responsible for ensuring the integrity and reputation of the University and must be assured that the Association will adhere to certain standards. Therefore, the Association agrees to do the following:

- a. To comply with the terms of Board Rule 411, "Minimum Standards, Acceptance, and Reporting of Gifts and Use of Gift Revenue," as it applies to the Association.
- b. To adopt and follow a Conflict of Interest Policy consistent with the Internal Revenue Service's Model Conflict of Interest Policy.
- c. To maintain financial and accounting records in accordance with Generally Accepted Accounting Principles. Such records shall be audited annually by a Certified Public Accounting firm. The Association shall submit its annual audited financial statements to the University through the liaison identified below.
- d. To cooperate with the University and provide the necessary information so that its IRS Form 990 can be completed in a timely fashion.
- e. To comply with state and federal laws applicable to its activities.
- f. To acknowledge that the School uses and will continue to use the trade name "UAB School of Medicine"; that the official colors of the School are green and gold; and that the School's alumni since 1969 are UAB alumni. The official name of the School is the University

of Alabama School of Medicine.

g. Upon request of the University, to provide the University with any and all data relating to alumni or donors. The Association acknowledges that the University may use such data in its communications with donors and alumni as well as for such other purposes that benefit the University.

h. To cooperate and work with the UAB National Alumni Association and its affiliated organizations as well as to cooperate and work with the Dean of the School of Medicine.

i. To amend its Articles of Incorporation or Bylaws to the extent necessary to comply with the terms of this Agreement.

5. Employees & Board. The Association shall have no employees. All services provided hereunder by the University shall be provided University employees. The Office of the Vice President for Development, Alumni and External Affairs shall provide a University employee to serve as the Association's executive director and such other employees as necessary. The selection of the executive director will be in consultation with the Executive Committee of the Association. In the interest of maintaining good corporate practice, the Association will amend its articles of incorporation and bylaws to provide term limits for its officers and members of its Executive Committee. The term for officers and Executive Committee members shall be limited to three (3) year terms. The term limit shall not apply to any ex officio officer or director who is an employee of the University or the Board.

6. Term. The initial term of this Agreement shall be a period of three (3) years, beginning June 1, 2009, and continuing through May 31, 2012. Unless terminated by either party by written notice to the other given not less than ninety (90) days prior to the June 1 anniversary date, this Agreement shall continue automatically for one or more renewal terms, without limitation. Notwithstanding any provision herein to the contrary, either party may terminate this Agreement with ninety (90) days prior written notice to the other party. Upon termination of this Agreement, the Association shall cease use of any trademark of the University and shall transfer any and all of its assets to the Board of Trustees or an entity designated by the B.O.T. for the purpose of promoting the study and teaching of medicine.

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

8. Relationship of the Parties.

8.01. 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.

8.02. 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. All accounts, documents, and other records of the Association maintained by the University under this Agreement shall retain their character as Association accounts, documents, and records, shall be kept confidential by the University, and shall not be subject to public inspection to the extent permitted by applicable law.

8.03. The parties acknowledge that certain employees of the University may serve from time to time as corporate officers of the Association. No University employee serving as an Association officer shall receive or be entitled to receive any compensation from the Association for services performed in that capacity, except that such individual shall be entitled to reimbursement from the Association for actual expenses incurred in the discharge of his/her duties as an officer of the Association.

9. Liaison. The Office of the Vice President for Finance and Administration of the University shall serve as the principal contact for the liaison within the Association with respect to the financial services provided to the Association hereunder. The Office of the Vice President of Development, Alumni and External Affairs of the University shall serve as the principal contact for and liaison with the Association with respect to the development and administrative services provided to the Association hereunder. The Office of the Dean of the School of Medicine shall serve as the principal contact for the liaison with the Association for programmatic services.

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

11. 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 not incorporated herein are void and of no effect.

12. Dissolution. The Association acknowledges that, under its Articles of Incorporation, as amended, all property, of whatever kind and character, is to be distributed to the Board for the exclusive use and benefit of the University upon the liquidation or termination of the Association.

13. Amendments. Any changes, modifications, and amendments to this Agreement must be reduced to and approved in writing by both parties. The Association agrees that it will not amend its articles of incorporation or bylaws without the advance approval from the Board.

**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 AT BIRMINGHAM

THE ALUMNI ASSOCIATION OF THE  
UNIVERSITY OF ALABAMA SCHOOL OF  
MEDICINE

BY: *Jim L. J. J.*

ITS: *President Pro Tem*

DATE: *Aug. 22, 2009*

BY: \_\_\_\_\_

ITS: \_\_\_\_\_

DATE: \_\_\_\_\_