

AFFILIATION AGREEMENT
Between the University of Science and Arts of Oklahoma
and the University of Science and Arts of Oklahoma Foundation, Inc.

THIS AGREEMENT, entered into as of this 15th day of December, 2010, by and between the University of Science and Arts of Oklahoma and the University of Science and Arts of Oklahoma Foundation, Inc.

The foundation was organized in 1974 and incorporated in 1977 for the purpose of receiving and managing gifts for the benefit of the University of Science and Arts of Oklahoma.

The University of Science and Arts of Oklahoma Foundation, Inc. exists to receive and manage private resources supporting the mission and priorities of the University of Science and Arts of Oklahoma in order to provide opportunities for students and a margin of institutional excellence unavailable with state funds.

The foundation is an Oklahoma non-profit corporation, recognized as tax exempt under Section 501(c)(3) of the Internal Revenue Code, that was created, and shall be administered and operated exclusively, for the benefit of the University of Science and Arts of Oklahoma, and is responsible for receiving cash, securities, real and intellectual property, and other private resources for the support of the University of Science and Arts of Oklahoma; and acknowledging and stewarding such gifts in accordance with donor intent and its fiduciary responsibilities.

Furthermore, in connection with its gift fund and asset-management activities, the foundation utilizes university and other personnel experienced in planning for and managing private contributions and works with the university to assist and counsel in such activities.

In consideration of the mutual commitments herein contained, and other good and valuable consideration, receipt of which is hereby acknowledged, the parties agree as follows:

Foundation Name, Seal and Logotype

Consistent with its mission to help advance the plans and objectives of the university, the foundation is granted the use of the name, University of Science and Arts of Oklahoma, and other identifying marks in the promotion of its business and activities; however, the foundation shall also operate under its own seal and logotype and shall not use the university seal in the promotion of its business and activities.

University Governance

- The Board of Regents of the University of Science and Arts of Oklahoma is responsible for overseeing the mission, leadership, and operations of the university.
- The Board of Regents is responsible for setting priorities and long-term plans for the University of Science and Arts of Oklahoma.
- The Board of Regents is legally responsible for the performance and oversight of all aspects of University of Science and Arts of Oklahoma operations.
- The Board of Regents is responsible for the employment, compensation, and evaluation of all University of Science and Arts of Oklahoma employees, including the president.

The Foundation's Relationship to the University

- The University of Science and Arts of Oklahoma Foundation, Inc. is an Oklahoma non-profit corporation recognized as tax exempt under IRS Section 501 (c) (3) created to manage, distribute, and steward private resources to support the mission of the university.
- The University of Science and Arts of Oklahoma Foundation, Inc. board of directors is responsible for the control and management of all assets of the foundation, including the prudent management of all gifts consistent with donor intent.
- The University of Science and Arts of Oklahoma Foundation, Inc. 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, including expectations of individual board members based upon ethical guidelines and policies.
- The University of Science and Arts of Oklahoma Foundation, Inc. relies on university employees to fulfill its responsibilities, including but not limited to the foundation chief executive.
- The University of Science and Arts of Oklahoma Foundation, Inc. may earmark a portion of its unrestricted funds to a discretionary fund for the president of the university and shall pay for or reimburse out of this fund such presidential expenditures as are in compliance with state law and university policies.

The University's Relationship to the Foundation

- The University of Science and Arts of Oklahoma recognizes that the foundation is a private corporation with the authority to keep all records and data confidential consistent with the law.
- The university president is responsible for communicating the University of Science and Arts of Oklahoma priorities and long term plans, as approved by the university board, to the foundation.
- The president of the university shall serve as an ex-officio member of the foundation board with voting privileges.

- The chief executive of the foundation shall be included as a member of the university chief executive's cabinet and senior administrative team.
- The University of Science and Arts of Oklahoma shall include the foundation as an active and prominent participant in the strategic planning for the university.
- In consideration for foundation services including but not limited to gift receiving and management and in compliance with Section 4306 of Title 70 of the Oklahoma Statutes, the University of Science and Arts of Oklahoma shall provide in-kind support including office space, computer, database, and telephone systems, utilities, adequate personnel and personnel services, office equipment and supplies, and other such services that may be necessary or required to fulfill its responsibilities and obligations.
- The University of Science and Arts of Oklahoma shall establish and enforce policies that support the University of Science and Arts of Oklahoma Foundation's ability to respect the privacy and confidentiality of donor records.

Foundation Responsibilities

1. Fundraising

- The University of Science and Arts of Oklahoma Foundation, Inc. is not responsible for planning or executing comprehensive fundraising and donor acquisition/cultivation programs in support of the university's mission. These programs, which include but are not limited to annual giving, major gifts, planned gifts, special projects, and campaigns as appropriate, are the responsibility of the university.
- The University of Science and Arts of Oklahoma recognizes that the university bears major responsibility for fundraising. University representatives shall coordinate fundraising initiatives including but not limited to annual giving, major gifts, planned gifts, special projects, and campaigns with the foundation.
- The University of Science and Arts of Oklahoma Foundation, Inc. shall encourage an environment conducive to increasing levels of private support for the mission and priorities of the University of Science and Arts of Oklahoma by prudent management of gift funds.
- The University of Science and Arts of Oklahoma Foundation, Inc. shall establish, adhere to, and periodically assess its gift-management and acceptance policies. It shall promptly acknowledge and issue receipts for all gifts on behalf of the foundation and the university and provide appropriate recognition and stewardship of such gifts.
- The University of Science and Arts of Oklahoma Foundation, Inc. shall establish and enforce policies to protect donor confidentiality and rights.

2. Asset Management

- The University of Science and Arts of Oklahoma Foundation, Inc. shall establish asset-allocation, disbursement, and spending policies that adhere to applicable federal and state laws including the Uniform Prudent Investor Act (UPIA) and the Uniform Prudent Management of Institutional Funds Act (UPMIFA).
- The University of Science and Arts of Oklahoma Foundation, Inc. shall receive, hold, manage, invest, and disperse contributions of cash, securities, patents, copyrights, and other forms of property, including immediately vesting gifts and deferred gifts that are contributed in the form of planned and deferred-gift instruments.
- The University of Science and Arts of Oklahoma Foundation, Inc. shall engage an independent accounting firm annually to conduct an audit of the foundation's financial and operational records and shall provide the University of Science and Arts of Oklahoma with a copy of the annual audited financial statements, including management letters.

3. Flexibility

- The University of Science and Arts of Oklahoma Foundation, Inc. shall explore current opportunities, including acquisition and management of real estate on behalf of the University of Science and Arts of Oklahoma for future allocation, transfer, or use.
- The University of Science and Arts of Oklahoma Foundation, Inc. may 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 issued by third parties, or engage in other activities to increase foundation revenue with no direct connection to a university purpose.
- When distributing gift funds to the university, the University of Science and Arts of Oklahoma Foundation, Inc. shall disclose any terms, conditions, or limitations imposed by donor or legal determination on the gift. The University of Science and Arts of Oklahoma shall abide by such restrictions and provide appropriate documentation.

4. Transfer of Funds

- The University of Science and Arts of Oklahoma Foundation, Inc. is the primary depository of private gifts to the University of Science and Arts of Oklahoma and shall transfer funds to the designated entity within the university in compliance with applicable laws, university policies, and gift agreements.

- The University of Science and Arts of Oklahoma Foundation's disbursements on behalf of the university must be reasonable business expenses that support the university, are consistent with donor intent, and do not conflict with the law.

Foundation Funding and Administration

- The University of Science and Arts of Oklahoma Foundation, Inc is responsible for establishing a financial plan to underwrite the cost of foundation programs, operations, and services.
- The University of Science and Arts of Oklahoma Foundation, Inc has the right to use a reasonable percentage of the unrestricted funds, assess fees for services, or impose gift taxes, to support its operations.
- The University of Science and Arts of Oklahoma Foundation, Inc shall maintain copies of the plans, budgets, and donor and alumni records developed in connection with the performance of its obligations.
- The University of Science and Arts of Oklahoma Foundation, Inc shall provide access to data and records to the university on a need-to-know basis in accordance with applicable laws, foundation policies, and guidelines. The foundation shall provide copies of its annual report, and other information that may be publicly released.

Terms of the Affiliation Agreement

This AFFILIATION AGREEMENT, made this 15th day of December 2010 by and between the board of regents of the University of Science and Arts of Oklahoma and the board of directors of the University of Science and Arts of Oklahoma Foundation, Inc. is intended to set forth policies and procedures that shall contribute to the coordination of their mutual activities.

To ensure effective achievement of the items of the agreement, the university and foundation officers and board representatives shall hold periodic meetings to foster and maintain productive relationships and to ensure open and continuing communications and alignment of priorities.

Either party may, upon 90 days prior written notice to the other, terminate this agreement.

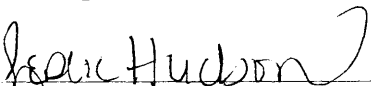
Notwithstanding the forgoing, either party may terminate this agreement in the event the other party defaults in the performance of its obligations and fails to cure the default within a reasonable time after receiving written show cause notice.

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.

Consistent with provisions appearing in the foundation's bylaws and its articles of incorporation, should the foundation cease to exist or cease to be an Internal Revenue Code §501(c)(3) organization, the foundation shall transfer its assets and property to the university, to a reincorporated successor foundation, or to the state or federal government for public purposes, in accordance with the law and donor intent.


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.



Leslie Hudson, Chair
Board of Regents
University of Science and Arts of Oklahoma

12 Jan 11


Date



James Winslow, Chair
Board of Directors
University of Science and Arts of Oklahoma Foundation, Inc

10 Jan 11

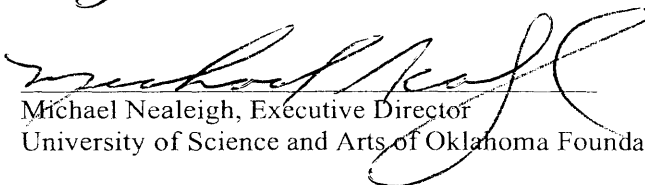
Date



John Weaver, President
University of Science and Arts of Oklahoma

7 Jan 11

Date



Michael Nealeigh, Executive Director
University of Science and Arts of Oklahoma Foundation, Inc

12 Jan 11

Date