

AFFILIATION AGREEMENT

THIS AFFILIATION AGREEMENT (herein, the “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 at Birmingham (herein, the “University”), and the UAB Diabetes Trust Foundation, an Alabama non-profit corporation (herein, the “Foundation”).

WITNESSETH:

WHEREAS, the Foundation has been established and exists to benefit the University and the educational, scientific, research, and charitable activities that may be carried out by the University; and

WHEREAS, the Foundation has need of certain services and facilities which the University is able to provide in exchange for a fair remuneration paid to it by the Foundation; and

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:

Section 1. Foundation Purpose. The Foundation acknowledges that it has been created and exists for the purpose of supporting any charitable, scientific, educational, or research activities undertaken by The University of Alabama at Birmingham or The University of Alabama Hospital related to diabetes.

Section 2. Financial Services. The University, through the Office of the Vice President for Financial Affairs and Administration (herein, the “VPFAA”), shall provide the Foundation with 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;
- d. Coordinate with the auditor appointed to conduct the annual financial audit 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;
- g. Assist the Foundation in accounting for other assets, such as land and securities not managed by outside firms or individuals; and
- h. Provide administrative support to the Foundation. This support shall include assistance with or in the following tasks: 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; assist in the management of the assets of the Foundation; and, maintaining administrative, financial, and property files of the Foundation.

Section 3. Development Services. The University, through the Office of Vice President for Development, Alumni, and External Relations (herein, "VPDAE") shall provide the Foundation with 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 assist with private fund-raising efforts, including but not limited to annual giving programs, capital projects, and comprehensive campaigns. 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.

Section 4. Term. The Agreement shall be effective as of October 1, 2013 and remain in effect for a period of twelve (12) months. The Agreement shall continue automatically for successive annual terms, unless terminated by either party by written notice to the other given not less than ninety (90) days prior to the effective date of the termination. Upon termination of this Agreement, the Foundation shall cease use of any trademark of the University and shall transfer its assets to the University or an entity designated by the University.

Section 5. Assignment. This Agreement may not be assigned by either party without the express written consent of the other.

Section 6. Relationship of the Parties.

6.01. 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.

6.02. 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 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.

6.03. 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 of his/her duties as an officer of the Foundation. Nothing in this Agreement shall be understood as creating an employment relationship between such 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.

6.04. The parties recognize that while neither party shall have direct control over the other, the Board is responsible for ensuring the integrity and reputation of the University and must be assured that the Foundation, as an organization associated with the University, will adhere to certain standards. Therefore, the Foundation agrees to do the following:

- a. 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 Foundation.
- b. The Foundation agrees to maintain and follow a Conflict of Interest Policy consistent with the Internal Revenue Service's Model Conflict of Interest Policy.
- c. The Foundation shall 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 Foundation shall

submit its annual audited financial statements to the University through the liaison identified below.

d. The University agrees to cooperate with the Foundation and provide the necessary information so that its IRS Form 990 can be completed in a timely fashion.

e. The Foundation agrees to comply with state and federal laws applicable to its activities.

6.06 As provided for in its Articles of Incorporation, the property and resources of the Foundation shall be used exclusively for the support of the University and its mission.

Section 7. Liaison. The VPFAA of the University shall serve as the principal contact for and liaison with the Foundation with respect to the financial services provided to the Foundation hereunder. The VPDAE of the University shall serve as the principal contact for and liaison with the Foundation with respect to the development services provided to the Foundation hereunder.

Section 8. Standard of Performance and Cooperation. The parties shall exercise reasonable care and devote its best efforts to the performance of its duties under this Agreement and shall cooperate with each other to facilitate such performance.

Section 9. Liquidation or Termination of Foundation. The Foundation acknowledges that, under its Articles of Incorporation, as amended, all property, of whatever kind and character, is to be distributed to The Board of Trustees of The University of Alabama for the exclusive use of the University upon the liquidation or termination of the Foundation.

Section 10. 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.

Section 11. Amendments. Any changes, modifications, and amendments to this Agreement must be reduced to and approved in writing by both parties. The Foundation agrees that it will not amend its charter or articles of incorporation without approval from the Board.

SIGNATURES APPEAR ON THE FOLLOWING PAGE

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
THE UNIVERSITY OF ALABAMA
AT BIRMINGHAM**

Patricia A. Raczynski

BY: Patricia A. Raczynski
ITS: AVP- Financial Affairs
DATE: September 9, 2014

**THE UAB DIABETES TRUST
FOUNDATION**

C. Clifford

BY: Christopher B. Clifford
ITS: Associate Vice President
DATE: September 8, 2014

THE UAB DIABETES TRUST FOUNDATION

ACTION BY UNANIMOUS CONSENT OF
THE BOARD OF DIRECTORS
WITHOUT A MEETING

The undersigned, being all of the members of the Board of Directors of The UAB Diabetes Trust Foundation (the "Foundation"), an Alabama nonprofit corporation, hereby authorize, approve, ratify and consent to the following:

1. The adoption of an affiliation agreement between the Foundation and the Board of Trustees of the University of the Alabama for the University of Alabama at Birmingham, which is attached hereto as Exhibit, and incorporated herein by reference.

Executed as of this 20th day of August, 2014.

DIRECTORS:

Ray L. Watts

Dr. Ray Watts

Richard L. Margison

T. Michael Goodrich

Marsha H. Hire

Rebecca Reardon

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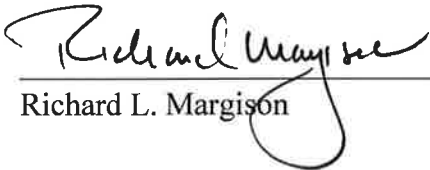
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