AFFILIATION AGREEMENT
BETWEEN
TEXAS A&M UNIVERSITY-CORPUS CHRISTI
AND
TEXAS A&M-CORpus CHRISTI FOUNDATION

This Agreement is made and entered into this 27 day of October, 2004, by and between Texas A&M University-Corpus Christi, hereinafter referred to as the “University” and Texas A&M-Corpus Christi Foundation, hereinafter referred to as the “Foundation”.

RECITALS:

The University is an institution of higher education, a component of The Texas A&M University System, and an agency of the State of Texas.

The Foundation is organized for the primary purpose of financially supporting the University in order to further the purposes, duties and missions of the University.

The Foundation solicits, receives, and recognizes gifts which support the educational, research and service missions of the University.

Tex. Govt. Code § 2255.001 requires a state agency for which a private organization exists that is designed to further the purposes and duties of the agency to adopt rules governing the relationship between the organization and the agency. The rules adopted shall govern all aspects of conduct of the agency and its employees in the relationship, including: (1) administration and investment of funds received by the organization for the benefit of the agency; (2) use of an employee or property of the agency by the organization; (3) service by an officer or employee of the agency as an officer or director of the organization; and (4) monetary enrichment of an officer or employee of the agency by the organization.

In accordance with Tex. Govt. Code § 2255.001, The Texas A&M University System implemented System Regulation 60.01.01 which addresses the requirements of the statute. Further, System Regulation 60.01.01 requires that an affiliation agreement be executed with each affiliated fund raising organization.

In consideration of the mutual covenants and conditions herein contained, the University and the Foundation agree as follows:

1. FISCAL RESPONSIBILITY:

1.1 The Foundation board has fiduciary responsibility for the operation of the Foundation and the authorization of the expenditure of funds.
1.2 The administration and investment of funds will be at the discretion of the Foundation board.

2. UNIVERSITY EMPLOYEES:

2.1 The Foundation may use the services of University employees for incidental purposes only in exchange for consideration to the University of advancement support funds negotiated on an annual basis through the University's fiscal request to the Foundation and based on the fair market value of the services provided.

2.2 Direct monetary enrichment of University employees (i.e. salaries and associated benefits) by the Foundation is not permitted. Funds shall be forwarded to a University account for payment of supplemental salaries and associated benefits.

2.3 Reimbursements by the Foundation to University employees for travel, expenses, etc. must be made in accordance with University rules or donor restrictions. The Foundation shall report to the University any reimbursement made directly to a University employee.

3. USE OF UNIVERSITY PROPERTY:

3.1 The foundation is assigned usage of the following University property in exchange for consideration to the University in the following manner:

(a) Office space (approximately 165 sq. ft.) for use by the Foundation's Executive Director in exchange for consideration to the University of a minimum of One Thousand Four Hundred Eighty-Five ($1,485) Dollars per year in advancement support funds provided to the University.

(b) Use of University copiers at Three ($.03) Cents per copy and use of University postage machines with postage charges to be reimbursed to the University. The University shall submit a monthly invoice to the Foundation for this service.

4. AUDIT AND REPORTS:

4.1 The Foundation shall be responsible for any audits required by state or federal law. A copy of any such audit shall be provided to the University.

4.2 The Foundation shall provide the University with a copy of an audited report of the financial condition of the Foundation on an annual basis.

4.3 The Foundation shall be responsible for its own fiscal reports, accounting, federal reports, etc.
5. DISBURSEMENT OF FUNDS:

5.1 Disbursements shall be made in support of the University as authorized by the Foundation board.

5.2 All disbursements are subject to the restrictions of the donor.

6. REPRESENTATION ON FOUNDATION BOARD

6.1 The President of the University shall serve as an ex-officio non-voting member of the board of the Foundation and otherwise participate fully in the activities of such board.

6.2 Such service shall be without any remuneration or personal gain, but the President, shall be entitled to have actual expenses incurred for such participation reimbursed, in accordance with section 2.3 above.

6.3 Such participation shall be for the purpose of providing advice and coordination for the mutual interest of the University and the Foundation, including but not limited to presenting annual development goals, priorities and needs of the University.

7. GOVERNANCE OF AGREEMENT:

7.1 No provision of this Affiliation Agreement may conflict with or supersede a requirement of any law of the State of Texas. If any provision is found to be in conflict, it shall be null and void.

7.2 No provision of this Affiliation Agreement may conflict with or supersede a requirement of the Policies and Regulations of The Texas A&M University System. If any provision is found to be in conflict, if shall be null and void.

7.3 This Agreement shall be governed by the laws of the State of Texas.

8. DURATION OF AGREEMENT:

8.1 This Agreement shall be effective on the date set out above, and shall continue in force for a term of five (5) years.

8.2 This Agreement may be terminated by either party upon one hundred eighty (180) days written notice to the other party.
8.3 Modifications to this Agreement may be made from time to time by mutual written agreement of the parties. Those modifications shall become a part of this Agreement as of the effective date of the modification.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first written above.

TEXAS A&M UNIVERSITY-CORPUS CHRISTI

[Signature]
Dr. Robert R. Furgason
President

[Date: 27 October 2007]

TEXAS A&M-CORPUS CHRISTI FOUNDATION

[Signature]
John Buckley
[Title] President - TAMU-CC Foundation

[Date: 10/27/04]