AFFILIATION AGREEMENT

THIS AGREEMENT made and entered on this 1st day of March, 2013

By and between

THE UNIVERSITY OF NEW ORLEANS ("University")

and the

PRIVATEER ATHLETIC FOUNDATION ("Affiliate")

whose address is Privateer Athletic Foundation, Lakefront, New Orleans, LA 70148

WHEREAS, as stated in its articles of incorporation, the Affiliate is a separately incorporated 501(c)(3) organization and is responsible for fund-raising for the University of New Orleans specifically including, but not limited to, its Athletic Department and for assisting the University in formulating and effectuating policy in connection with its Athletic Department; and

WHEREAS, the primary purpose of the Affiliate is to raise the necessary resources to further educational opportunities for student athletes while building a competitive NCAA Division I sports program; and

WHEREAS, many foundations, associations, and closely affiliated organizations render invaluable support to and work very closely with the University; and

WHEREAS, such foundations, associations, and affiliated organizations often use the University's name in carrying out their functions, and in some cases, use University facilities, personnel, or resources in raising funds for and otherwise supporting the University and its programs; and

WHEREAS, because of the close association of this Affiliate with the University, it is prudent and beneficial to have a clear statement, agreed upon by the parties, of the responsibilities, authority, and the relationship of the University and this related Affiliate; and

WHEREAS, it is, therefore, appropriate that the University and this related Affiliate document clearly the relationship of the University and the Affiliate and their respective responsibilities and authority; and

WHEREAS, because this Affiliate is often closely identified with the University, if not in fact, at least the perception of citizens, alumni, and contributors to the support and development of the University, it is important that the University and the Affiliate agree to the standards and procedures for accounting for and
auditing of accounts of the Affiliate while at the same time preserving the private
and independent status of the Affiliate.

NOW, THEREFORE, the parties agree as follows:

I. The purpose of the Affiliate is to receive, hold, invest, and administer
property and to make expenditures to support programs and activities designed to
advance, promote, or otherwise benefit the University. The Affiliate has been formed
for non-profit activities and not for pecuniary profit or financial gain.

II. The Affiliate shall have the following duties and responsibilities:

A. The Affiliate’s primary objective shall be to provide support to the
University. Therefore, the Affiliate may not engage in activities contrary to this
objective. In addition, the acts, deeds, functions, and activities of the Affiliate shall in
no way conflict with the authority of the University.

B. The Affiliate in fulfilling its mission, may:

1. solicit and accept (whether by way of outright, limited or
conditional gifts, grants and bequests, in trust or otherwise)
things of value of all kinds, including property, both real and personal,
whether principal or income, tangible or intangible, vested or
contingent, within the limits of the law, for the purpose of providing
funds for the general purpose of the Affiliate and for purposes of
providing scholarships, activities in research, or other such
designated benefits for the university and its faculty, staff, and
students as may be prescribed by testators or donors to the
Affiliate; and

2. receive, hold and administer such donations, bequests, devices,
and gifts for the purpose so determined, subject to such terms
and conditions as may be imposed by respective testators or
donors, and to distribute to students granted scholarships or to
the University the funds or property under control of the
Affiliate for the purposes specified by the testators or
donors or determined by the Affiliate; and

3. expend funds for the establishment and operation of the
Affiliate and for any expenses incidental to the conduct of
the affairs of the Affiliate.

C. Reimbursement practices

1. The Affiliate 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 Affiliate by the University pursuant to La. R.S. 17:3390B(3).

2. Personnel hired directly by the Affiliate are not subject to paragraph B (3)(a).

D. The Affiliate, in its sole direction and without obtaining approval from the University, subject only to any specific direction or restrictions relating to any particular donation, may invest the donations as it deems appropriate, consistent with established investment criteria of the Affiliate and consistent with reasonable and prudent investment standards, further subject to state rules and regulations where applicable.

E. Under no circumstances shall any of the net earnings or assets of the Affiliate inure to or be distributed to the benefit of its directors, officers, or other private persons, except that the Affiliate shall be authorized and empowered to pay reasonable compensation for services rendered and to make payments and distributions in furtherance of the overall purpose of the Affiliate.

F. The Affiliate shall be responsible for establishing and implementing a system of controls which ensures compliance with all applicable laws and regulations specifically including state and federal laws regarding the nonprofit, tax-exempt status of the entity.

III. Duties, functions, and responsibilities of the University include:

A The University shall accept funds from the Affiliate for the purpose of promoting the well-being and advancement of the University and all the colleges, schools, departments, and divisions comprising it, 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.

IV. Services to be performed:

A By the Affiliate:

1. The Affiliate agrees to perform services consistent with its mission generally and as specifically set forth in this Agreement.

2. If the University, as its sole direction, delivers for deposit with a qualified Affiliate as set forth in La. R.S. 17:3129.5 matching funds
which have been provided from the state to the University, such funds will be managed in accordance with a Funds Management Agreement, attached hereto as “Attachment.” This Agreement shall be executed between the University and the Affiliate and shall be in accordance with the management boards of the University of Louisiana System and the Louisiana Board of Regents policies and with all applicable state laws and regulations.

3. In addition, the Affiliate may perform other services consistent with its overall purpose for the benefit of the University.

B. By the University:

1. The University agrees to make available to the Affiliate, whenever feasible, facilities, personnel, or other supports provided that the University is reimbursed directly or in kind for any cost associated with these items.

2. Also, the University may perform other services consistent with its overall purpose for the benefit of the University.

V. The books and records of the Affiliate shall be kept in accordance with generally accepted accounting principles and 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. Any audit findings, audit exceptions, or any misuse of funds shall be reported to the Board of Directors of the Affiliate who shall maintain a written policy regarding the handling and resolution of such occurrences. A copy of this policy shall be provided to the University. The Affiliate shall take appropriate corrective action to remedy such occurrences.

VI. Additionally, in the case that the Affiliate is acting as a depository for public funds, said funds shall be audited annually by an independent professional auditor in accordance with generally accepted auditing standards and other agreed upon procedures, if any, as required by the legislative auditor, the University of Louisiana System board as well as the legislative auditor and the Louisiana Board of Regents, if necessary, copies of his annual audit. All audit findings or exceptions involving public funds or the misuse of public funds shall be reported without delay to the University’s management board for appropriate action with a copy to the chief financial officer of the University and to the Board of Regent’s chief financial officer. The Board may require specific corrective action as it deems necessary in order to protect the integrity of public funds held by the Affiliate. The Board may also demand the immediate withdrawal of some or all public funds on deposit with the Affiliate.
VII. Indemnification

A. Indemnification by the Affiliate

The Affiliate agrees to indemnify, save and hold harmless the University, as well as its Board of Supervisors of the University of Louisiana System, the Louisiana Board of Regents, and their respective officers, employees, and agents, against any and all claims, damages, liability whatsoever including costs, expenses and attorney's fees incurred as a result of any act or omission by the Affiliate, or its officers, employees, or agents relating to the provisions of this Agreement.

B. Indemnification by the University

The University agrees to indemnify, save and hold harmless the Affiliate and its Board Members, officers, employees and agents, against any and all claims, damages and liability whatsoever including costs, expenses, and attorney's fees incurred as a result of any act or omission by the University, its officers, employees, or agents relating to the provisions of this Agreement.

VIII. This agreement shall continue in effect until terminated by either party in accordance with paragraph (I) or by the operation of law. If this agreement is terminated by the University or by operation of law, the agreement shall continue in full force and effect until receipt by the Affiliate of the notice of the occasion for such termination, and any transactions entered into by the Affiliate prior to the receipt of such notice shall be binding upon the University.

IX. Nothing in this Agreement shall be construed as to invalidate or restrict the Affiliate's private and independent status.

X. The agreement shall remain in effect unless either party gives to the other party sixty (60) days written notice of its intent to terminate. Should any substantial misuse of funds or fraudulent activity on the part of the Affiliate be discovered, the University may, at its discretion, terminate this agreement. In such case, the Affiliate 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, and the general public that said Affiliate is affiliated with the University or any colleges, schools, departments, and divisions comprising it.

XI. 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 address:
University:  
Peter Fos, President
The University of New Orleans
2000 Lakeshore Drive
New Orleans, LA 70148

Organization:  
Michael F. Sapera, CPA
P.O. Box 8993
Mandeville, LA 70470-8993

XII. This agreement constitutes the entire agreement between the parties and shall be amended in writing, executed by all parties hereto.
IN WITNESS WHEREOF, the parties hereto have executed this agreement on the date first above written.

WITNESSES:

THE UNIVERSITY OF NEW ORLEANS

[Signatures]

By: ________________________________
    Peter J. Fos

WITNESSES:

PRIVATEER ATHLETIC FOUNDATION

[Signatures]

By: ________________________________
    Michael F. Sapera