

AGENCY AGREEMENT

This Agreement made this 30th day of September, 1996 by and between UNIVERSITY OF LOUISVILLE FOUNDATION, INC. (hereinafter referred to as the "Corporation") and the UNIVERSITY OF LOUISVILLE (hereinafter referred to as the "University").

WITNESSETH:

WHEREAS the University is a public institution of higher education existing and operating in accordance with the laws of the Commonwealth of Kentucky, performing services for the community and the public interest; and

WHEREAS the Corporation is a non-profit organization existing and operating in accordance with the laws of the Commonwealth of Kentucky, performing educational, research, artistic and community service functions in the public interest; and

WHEREAS the Corporation is a tax exempt organization pursuant to Section 501 (c) (3) of the Internal Revenue Code of 1954, as amended; and

WHEREAS the Corporation in the exercise of its lawful duties has determined the necessity of performance of certain business functions with respect to its operations and the expenditure of funds; and

WHEREAS the Corporation has concluded that either its personnel are not available to perform said functions, or it would not be feasible at this time to utilize its personnel to perform said functions; and

WHEREAS the Corporation has determined that an Agency Agreement with the University is the most efficient manner of carrying out certain Corporation business; and

WHEREAS the University is available and qualified to perform said functions; and

WHEREAS for the hereinabove stated reasons the Corporation desires to avail itself of the services of the University, as agent;

NOW THEREFORE, it is hereby mutually agreed by and between the parties hereto as follows:

1. That the performance of this agreement shall be governed by any and all applicable laws, regulations and policies relating to the activities of the University and the Corporation, and all such laws and regulations are hereby incorporated by reference and made a part hereof as if fully set forth herein.

2. That the Corporation shall deliver to the University, as agent, sufficient and appropriate sums of money to be held, managed, and treated by the agent in accordance with this agreement. Such sums of money shall be sufficient to provide the University the necessary resources to settle any previously unreimbursed disbursements and to maintain a balance of working capital sufficient to meet Corporation's needs for activities by the agent.

3. That the University, as agent, holds and manages these funds at the direction of the Corporation officer who is designated to authorize their expenditure. No funds may be spent without written approval from such designated officer. The University, as agent, cannot deny or delay the performance of payroll or other functions described herein with respect to Corporation business operations so long as the Corporation's operations adhere to any applicable laws, regulations or policies relating to the activities of the University and the Corporation and funds are available.

4. The University and the Corporation agree to consult with and provide prior notice to the other thirty (30) days in advance of any proposed changes in this agreement, which changes shall not be effective until signed in writing by persons with contractual authority on behalf of the Corporation and University respectively.

5. That all of the funds hereby transferred to the University shall be held and managed by the University for the Corporation with full power in the University as agent. However, this agreement shall create no obligation on the part of Corporation to transfer any funds to University except as shall be required to reimburse University for expenditures made pursuant to this agreement.

6. That the University is hereby authorized to act through its employees, officers and trustees as agent for the Corporation and to do or perform all duties necessary for the businesslike performance of the obligations of the Corporation in the name of the Corporation.

7. That, without limitation to the foregoing, the University is specifically authorized and directed to receive and disburse monies on behalf of the Corporation to meet its obligations, to represent and negotiate on behalf of the Corporation, to enter into contracts on behalf of and in the name of the Corporation, to engage auditors and file reports required of the Corporation by law, and to take any other action which the University deems necessary for carrying out the duties of the Corporation or for the normal conduct of the Corporation's business affairs, subject to appropriate approval by Corporation's officers.

8. That University shall promptly transfer to the bank account of Corporation any funds received by University on behalf of Corporation. University agrees to scrupulously adhere to donor restrictions in any expenditures of funds transferred, granted or given to University by Corporation, or expended by University as agent of Corporation.

9. That University may charge the Corporation and reimburse itself such expenses and costs for administrative, legal and accounting services as the University shall incur in performance of its duties under this agreement.

10. That the Corporation shall assure that each of its employees, prior to commencing work for the Corporation, provides information necessary for compliance with federal, state, and local wages and tax laws to University which shall act as paymaster for Corporation; including provision of group insurance, worker's compensation and annuity benefits to each such employee as agent of Corporation in accord with the limitations of such group insurance or annuity programs applicable to University employees.

11. That, as paymaster under this agreement, the University shall, at the end of each payroll period, assemble all payroll documentation and determine, if required or authorized, withholding for local, state and federal income and/or occupational taxes and employer's contribution under the federal Social Securities law, and thereafter distribute the payroll checks for the Corporation.

12. That the University shall, no later than January 31 of each year of this agreement, provide to each Corporation employee such wage and tax statements as may be required by law, as agent of the Corporation.

13. That the Corporation agrees to fund any cash deficits that may occur as a result of any and all disbursements under this agreement.

14. That the Corporation shall save, indemnify, and hold harmless the University from any and all liability and/or claims and/or damages and/or expenses that the University may sustain or become liable for or shall pay upon or in consequence of the acts of the Corporation. The Corporation specifically represents to the University and the University relies upon such representation, that it is a non-profit Kentucky corporation and has as its sole purpose activities which are classified as tax exempt purposes pursuant to Section 501(c)(3) of the Internal Revenue Code of 1954, as amended. The Corporation further represents that it has obtained the grant of an exemption from federal income taxes pursuant to Section 501(c)(3) of the Internal Revenue Code of 1954, as amended. The Corporation

further represents that it will make no expenditure of funds, and will request the University to make no expenditure of funds, for any purpose which would not be consistent with classification as such a Section 501(c)(3) corporation, even should the Corporation not be so classified.

15. That the initial period in which the subject services are to be performed is from July 1, 1985 to June 30, 1986, except that both parties reserve the right to terminate any or all of the services covered by this Agreement provided the other party is given written notice thirty (30) days in advance of any such termination with said notice to specify the services or functions to be ended. This agreement shall automatically renew for subsequent one-year terms.

16. During the performance of this contract, the Corporation hereby agrees as follows:

(a) The Corporation will not discriminate against any employee because of race, creed, religion, color, sex, age or national origin. The Corporation will take affirmative action to insure that applicants are employed, and that employees are treated during employment without regard to their race, creed, religion, color, sex, age or national origin. Such action shall include, but not be limited to the following: employment, upgrading, demotion or transfer, recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The Corporation agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this non-discrimination clause.

(b) The Corporation will, in all solicitations or advertisements for employees placed by or on behalf of the Corporation, state that all qualified applicants will receive consideration for employment without regard to race, creed, religion, color, sex, age, or national origin.

(c) The Corporation will send to each labor union or representative of workers with which he has a collective bargaining agreement or other contract or understanding, a notice to be provided advising the said labor union or worker's representative of the Corporation's commitments under this section, and shall post copies of the notice in conspicuous places available to employees and applicants for employment. The Corporation will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for non-compliance.

In case the work to be performed is paid for in whole or in part with funds obtained from the Federal Government or borrowed on the credit of the Federal Government pursuant to a grant, contract, loan, insurance or guarantee, or undertaken pursuant to any Federal program involving such grant, contract, loan, insurance or guarantee, during the performance of this contract, the Corporation, in addition, agrees to the following:

(d) The Corporation will comply with all provisions of Executive Order No. 10925 of March 6, 1961, as amended by Executive Order 11114 of June 22, 1963, and of the rules, regulations, and relevant orders of the President's Committee on Equal Employment Opportunity created thereby.

(e) The Corporation will furnish all information and reports required by Executive Order 10925 of March 6, 1961, as amended by Executive Order 11114 of June 22, 1963, and by the rules, regulations and orders of the said Committee, or pursuant thereto, and will permit access to its books, records and accounts by the administering agency and the Committee for purposes of investigation to ascertain compliance with such rules, regulations and orders.

(f) In the event of the Corporation's non-compliance with the non-discrimination clauses of this contract or with any of the said rules, regulations or orders, this contract may be canceled, terminated or suspended in whole or in part and the Corporation may be declared ineligible for further Government contract or Federally-assisted construction contracts in accordance with procedures authorized in Executive Order No. 10925 of March 6, 1961, as amended by Executive Order No. 11114 of June 22, 1963, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order or by rule, regulation or order of the President's Committee on Equal Employment Opportunity, or as otherwise provided by law.

(g) The Corporation will include the provisions of paragraphs (1) through (7) in every subcontract or purchase order unless exempted by rules, regulations or orders of the President's Committee on Equal Employment Opportunity issued pursuant to Section 303 of Executive Order 10925 of March 6, 1961, as amended by Executive Order 11114 of June 22, 1963, so that such provisions will be binding upon each subcontractor or vendor. The Corporation will take such action with respect to any subcontract or purchase order as the administering agency may direct as a means of enforcing such provisions, including sanctions for non-compliance. Provided, however, that in the event a corporation becomes involved in, or is threatened with, litigation with a subcontractor or vendor as a result of such direction by the

agency, the Corporation may request the United States to enter into such litigation to protect the interests of the United States.

(h) Corporation agrees not to discriminate on the basis of handicap with regard to any employee or applicant for employment who is otherwise qualified.

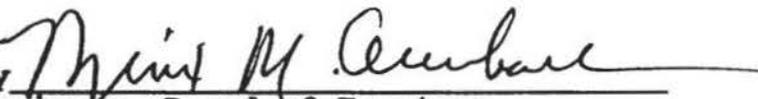
17. That, for administrative convenience of University as Agent, Corporation shall require terms and conditions in its employee contracts similar to those for University employees.

18. Corporation agrees to maintain such liability and property insurance as University shall reasonably require from time to time. University agrees to act as general agent and manager for Corporation's real estate and equipment to conserve and protect same in accord with Corporation's wishes or in accord with specific lease or use agreements entered into from time to time.

19. All records of Corporation, including those loaned to or used for the benefit of the University from time to time and not governed by specific lease or other agreement, or loaned to or used by University pursuant to this agreement, are confidential and proprietary and shall remain the exclusive property of Corporation. University's access or use of such records shall be solely for purposes authorized by Corporation and University shall have no right to make disposal or disclosure of such records except upon court order.

IN WITNESS WHEREOF the parties hereto by their authorized representatives subscribed to this agreement as of the day and date first hereinabove written.

UNIVERSITY OF LOUISVILLE

By 
Chairman, Board of Trustees

UNIVERSITY OF LOUISVILLE FOUNDATION, INC.

By 
Chairman, Board of Directors