

MEMORANDUM OF UNDERSTANDING BETWEEN
TEXAS WOMAN'S UNIVERSITY FORMER STUDENTS ASSOCIATION
AND
THE TEXAS WOMAN'S UNIVERSITY FOUNDATION

THIS AGREEMENT, entered into as of this 12th day of April, 2016, by and between the Texas Woman's University Foundation and the Texas Woman's University Former Students Association and any other subsequent name that formally represents the Alumni Association of Texas Woman's University (TWU).

This Memorandum of Understanding sets forth the terms and understanding between the Texas Woman's University Foundation (the "Foundation") and the TWU Former Students Association (the "Association"). Under this agreement, the Foundation will receive and govern donations on behalf of the Association. The Association will retain responsibility for the administration and distribution of donations directed to the Association.

BACKGROUND

The Association was established in 1905 as the Alumnae Association of the College of Industrial Arts and incorporated in 1971 as the National Alumnae Association of the Texas Woman's University. The membership approved the change of name from the National Alumnae Association to the Former Students Association in 2002. The Association is a committed partner of TWU by supporting its mission and core values. The Association has an interest in promoting the welfare of TWU and her student body through provision of connecting and engaging alumni in the continuous life of TWU scholarships and other donations.

The Foundation was organized and incorporated in 1952 for the purpose of stimulating voluntary private support from alumni, parents, friends, corporations, foundations, and others for the benefit of TWU. The Foundation exists to raise and manage private resources supporting the mission and priorities of TWU, and to provide opportunities for students a margin of institutional excellence unavailable solely with state funds.

As stated in its articles of incorporation, the Foundation is a separately incorporated 501(c)(3) organization and is responsible for encouraging a program of benefactions to TWU, and to provide an agency authorized to receive and administer donations of money or other donations designed to increase the renown, extend services, improve facilities, or promote in any way the welfare of TWU.

The Foundation and the Association desire to foster a cooperative relationship to ensure that there is an integrated and consistent fundraising plan for those interested in giving to TWU.

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:

The Foundation will accept and receipt all donations made to the Association and serve as the fiscal agent to all funds created on behalf of the Association, including the responsible investing of said funds and fulfilling all reporting requirements to the IRS, the donors and the Association. The Association will be responsible for the administration of said funds, which includes determining use and distribution of all funds donated to the Association.

The Foundation and Association agree to work in a closely coordinated and cooperative manner to adopt and pursue strategies designed to promote efficiency and to maximize effective contacts with potential benefactors and to eliminate duplications of effort and expense in fundraising activities.

I. Association Responsibilities—*Alumni Programming and Constituent Communication*

- The Association shall create programming that provides communication and engagement opportunities to consistently connect alumni and other constituents to TWU.
- The Association shall create an environment conducive to increasing levels of private support for the mission and priorities of the Texas Woman's University.
- The Association will administer all funds created on its behalf and shall maintain and provide copies to the Foundation of the plans, budgets, and donor and alumni records developed in connection with the performance of its obligations.

II. Foundation Responsibilities—*Asset Management and Fiscal Agent*

- The Foundation shall assume responsibility for the acceptance and management of all charitable donations to the Association.
- The Foundation will establish asset-allocation, disbursement, and spending policies that adhere to applicable federal and state laws including the Uniform Prudent Investor Act (UPIA), enacted in 1992, the Uniform Prudent Management of Institutional Funds Act (UPMIFA), enacted in 2006, and the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA), enacted in 2007.
- The Foundation will receive, hold, manage, invest, and disperse contributions of cash, securities, patents, copyrights, and other forms of property, including immediately vesting donations and deferred donations that are contributed in the form of planned and deferred-donation instruments.

- The Foundation will engage an independent accounting firm annually to conduct an audit of the Foundation's financial and operational records and will provide the Association with a copy of the annual audited financial statements, including management letters.
- The Foundation is the primary depository of private donations and will transfer funds to the designated funds within the Association in compliance with applicable laws, TWU policies, and donor gift agreements.

III. Governance and Compliance

- Discretionary funds distributed by the Association on behalf of TWU must be reasonable business expenses that support the institution, are consistent with donor intent, and do not conflict with the law.
- When distributing donation funds to the Association, the Foundation will disclose any terms, conditions, or limitations imposed by donor or legal determination on the donation. The Association will abide by such restrictions and provide appropriate documentation.
- The Foundation will provide quarterly investment and expenditure statements to the Association.
- The Foundation will copy the Association on any stewardship reports sent to donors who have established endowments on behalf of the Association.
- The Association will retain one seat on the Foundation Board of Directors as a full voting member and the TWU Director of Alumni Relations will serve as an ex-officio member of the Foundation Board as long as this agreement is in place.

IV. Terms of the Memorandum of Understanding (MOU)

This MOU is at-will and may be modified by mutual consent of authorized officials from the Foundation Board of Directors and the Association Board of Directors. This MOU shall become effective upon signature by the Chairman of the Foundation Board of Directors, and the President of the Association Board of Directors, and will remain in effect until modified or terminated by either one of the partners by mutual consent.

To ensure effective achievement of the items of the agreement, the Association 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.

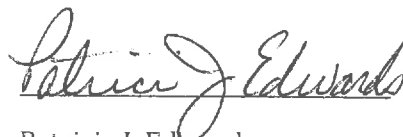
Either party may, upon 90 days prior written notice to the other, terminate this agreement. Notwithstanding the foregoing, either party may terminate this MOU in the event the other party defaults in the performance of its obligations and fails to cure the default within a reasonable time after receiving written show cause notice.

Consistent with provisions appearing in the Association's bylaws and its articles of incorporation, should the Association cease to exist, the Association will transfer its assets and property to the Foundation, in accordance with the law and donor intent.

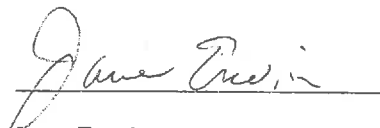
Consistent with provisions appearing in the Foundation's bylaws and its articles of incorporation, should the Foundation cease to exist or cease to be an Internal Revenue Code §501(c)(3) organization, the Foundation will transfer its assets and property to the institution, to a reincorporated successor Foundation, or to the state or federal government for public purposes, in accordance with the law and donor intent. At such a time, the Association may choose which of the aforementioned options best suit its purposes.

This Agreement supersedes all prior written or oral agreements relating to the subject matter and may not be altered or amended except in writing executed by both parties.

IN WITNESS WHEREOF, the parties have caused this Memorandum of Understanding to be executed by their duly authorized officers as of the day and date first above written.

 4-12-16

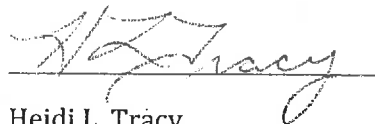
Patricia J. Edwards
President
TWU Former Students Association

 4/12/16

Jane Erwin
Chairwoman
TWU Foundation Board

 4/12/16

Anne Scott
Director of Alumni Relations
Texas Woman's University

 4/12/16

Heidi L. Tracy
Executive Director
TWU Foundation Board