

AFFILIATION AGREEMENT

BETWEEN

THE REGENTS OF THE UNIVERSITY OF CALIFORNIA

AND

THE TRUSTEES OF COLUMBIA UNIVERSITY IN THE CITY OF NEW YORK

THIS AGREEMENT is made and entered into effective January 1, 2002, by and between THE REGENTS OF THE UNIVERSITY OF CALIFORNIA, a California corporation acting on behalf of its Walter A. Haas School of Business, Berkeley, hereinafter "Berkeley," having a principal place of business at S545 Haas #1900, Berkeley, CA 94720 and The Trustees of Columbia University in the City of New York a New York corporation acting on behalf of its Graduate School of Business, having a principal place of business at Uris Hall, 3022 Broadway, New York, NY 10027, hereinafter "Columbia."

WITNESSETH:

WHEREAS, Berkeley and Columbia have agreed to provide an Executive MBA Program ("the Berkeley-Columbia Executive MBA Program") designed to educate senior executives from around the world in an intensive, high-level training program which will take place over a nineteen month period in approximately twenty-five (25) 3-day sessions, 20 of which will be held at Berkeley and five at Columbia, and

WHEREAS, at the conclusion of this Executive MBA program, students will obtain two separate degrees, one from Columbia and one from Berkeley, and

NOW, THEREFORE, the parties hereby agree as follows:

1.00 General Overview of the Program:

- 1.01 Students participating in the Berkeley-Columbia Executive MBA Program (hereinafter, "Program") will be enrolled as graduate students at both the University of California, Berkeley, and at Columbia University.
- 1.02 Attached as Schedule A is an overview of the Program. A more detailed description of the Program may be found in the Berkeley Columbia Executive MBA Program Proposal dated May 15, 2001, which is incorporated herein by reference and not attached.

- 1.03 Attached as Schedule B is a description of the financial arrangements between the parties. Schedule B is incorporated herein.
- 1.04 Attached as Schedule C is a description of the degrees that will be conferred upon successful completion of the Program and the eligibility of Executive MBA degree holders to apply for membership in the respective Berkeley and Columbia alumni associations. Schedule C is incorporated herein.

2.00 Academic Responsibility:

- 2.01 Each university shall be solely responsible for the presentation of its programs and the participation of its faculty during the Program while at either University's facility as described in the Berkeley Columbia Executive MBA Program Proposal dated May 15, 2001.
- 2.02 In the event that a scheduled faculty member is unable or unwilling to provide instruction, the university that employs (or employed) said faculty member shall be obligated to provide promptly another faculty member with comparable academic credentials and expertise to teach the course. If said university is unable to provide such a replacement, the other university may, but is not obligated to, provide a suitable replacement instructor. In such an event, the university providing the replacement shall be responsible for payment to the replacement instructor, and any fees or other benefits that would have been recovered by the university originally intended to teach the course will be assigned and/or recovered by the university that provided a replacement instructor.

3.00 Student Conduct:

- 3.01 Students enrolled in the Program shall be subject to the same student conduct rules that are applicable to graduate students at the respective universities. The applicable student conduct code is determined by the location where the instruction occurs.
- 3.02 In the event an enrolled Executive MBA student files an appeal of a student code of conduct decision made by the applicable university, as set forth in 3.01 above, the university that made the decision or took any related action shall have sole jurisdiction over the appeal.

4.00 Student Responsibility:

- 4.01 Each university must inform its students that insurance is not provided for any of their activities, including, but not limited to, travel, on-site participation in the courses, or participation in field work. Students must additionally be informed that they must obtain their own personal liability insurance because the universities will not provide any liability insurance coverage.
- 4.02 Each university will be responsible for ensuring that its students understand their financial responsibilities and commitments.

- 4.03 The parties agree that students will be required to obtain their own health insurance as a condition of participation in the Program. If students do not obtain or have health insurance, they will be required to enroll in Berkeley's health insurance plan for the fee set by that plan.

5.00 Annual Program Review:

- 5.01 Prior to the admission of each new cohort of students, the parties will review and evaluate the entire program and make adjustments according to the following conditions:
- i) Both parties must agree to planned direct expenditures for the upcoming Program year.
 - ii) Both parties must agree to cohort size.
 - iii) Both parties must agree to student fee levels. Fee levels at Berkeley are subject to review and approval by the Office of the President of The Regents of the University of California. Fee levels at Columbia are subject to review and approval by Columbia's Board of Trustees.
 - iv) Both parties must agree to any changes in the academic program and its content.
 - v) Both parties agree that any public announcements, web sites, marketing, or public promotions, including internet and media promotions, will be approved in advance by the other party.

6.0 Change in Program:

- 6.01 Material changes to the attached Schedules may be made with a fully executed amendment to the schedules executed by the Deans of the Business Schools at Berkeley and Columbia.
- 6.02 Non-material financial adjustments to the attached Schedules must be agreed to in writing by the respective chief financial officers of the Business Schools at Berkeley and Columbia.
- 6.03 Non-material, non-financial adjustments to the attached Schedules may be made by Berkeley and Columbia project managers upon their mutual written agreement.
- 6.04 Any material changes to the body of this Agreement must be drawn as an amendment to this Agreement signed by the authorized representatives of both parties.

7.00 Intellectual Property Rights:

- 7.01 Copyright ownership of any course materials created by an instructor in the Program shall be determined by the university's copyright policies applicable to that instructor; Columbia's copyright policy is applicable to instructors employed by Columbia and Berkeley's copyright policy is applicable to instructors employed at Berkeley.

7.02 An instructor's participation in the Program shall not alter any rights he or she may have to ownership of course materials under the respective university policy applicable to the instructor.

8.00 Mutual Indemnification:

8.01 Columbia shall defend, indemnify, and hold Berkeley, its officers, employees and agents harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees) or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of Columbia, its officers, agents, or employees.

8.02 Berkeley shall defend, indemnify, and hold Columbia, its officers, employees and agents harmless from and against any and all liability, loss, expense (including reasonable attorneys' fees) or claims for injury or damages arising out of the performance of this Agreement but only in proportion to and to the extent such liability, loss, expense, attorneys' fees, or claims for injury or damages are caused by or result from the negligent or intentional acts or omissions of Berkeley, its officers, agents, or employees.

9.0 Insurance:

Both parties agree to keep in full force and effect during the term of this Agreement at their own expense:

Comprehensive or Commercial General Liability Insurance or an equivalent funded program of self-insurance as follows:

a.	Each Occurrence	\$1,000,000
b.	Products/Completed Operations Aggregate	\$1,000,000
c.	Personal and Advertising Injury	\$1,000,000
d.	General Aggregate *	\$1,000,000

* (not applicable to comprehensive form)

Within thirty (30) days of the execution of this Agreement, both parties shall file Certificate(s) of Insurance or self-insurance with each other. Insurance certificate(s) issued to the other party for Commercial General Liability shall name the other party as an additional insured. Such provision shall apply in proportion to and to the extent of the negligent acts or omissions of one party including any person or persons under that party's direct supervision and control.

Thirty (30) days advance written notice shall be provided to the other party of any modification, change, or cancellation of any of the insurance coverages. If the above insurance is written on a claims made form, it shall continue for three (3) years following termination of this Agreement. The insurance shall

provide for a retroactive date of placement prior to or coinciding with the effective date of this Agreement.

Insurance certificate(s) for general liability insurance shall be sent to the project managers of the other university.

Each university will provide Worker's Compensation insurance as required by law.

10.00 Notices:

10.01 Any and all notices required, permitted, or desired to be given hereunder by one party to the other shall be in writing and shall be delivered to the other party personally or by United States mail, to the parties at the following addresses and to the attention of the person named. Addresses and persons to be notified may be changed by the parties by giving ten days prior written notice thereof to the parties.

If to Berkeley:

(Programmatic) Robert Gleeson
Executive Director
Berkeley-Columbia EMBA Program
University of California, Berkeley
Berkeley, CA 94720-1910
(510) 642-0306

(Contractual) Brian Donohue
Business Contracts Administrator
University of California, Berkeley
Business Contracts Office
6701 San Pablo Avenue Suite 218
Mail Code #5600
Berkeley, CA 94720-5600
(510) 642-3128

If to Columbia:

(Program) Meyer Feldberg, Dean
Columbia Business School
Uris Hall
3022 Broadway
NY NY 10027-6902

(Contractual) Office of the General Counsel
Attn. Felice Rosan
412 Low Memorial Library
Columbia University
NY NY 10027-6902

11.00 Termination:

11.01 The term of this Agreement shall begin on the date first shown above and will continue thereafter until terminated by either party.

11.02 Either party may terminate this Agreement for convenience upon 90 days' written notice to the designated persons listed in the paragraph entitled Notices. Notwithstanding such termination, the parties must continue to provide the same high level of instruction and academic program as originally contemplated by the parties until such time that the course of instruction for the currently enrolled cohort class is completed. This provision shall survive any termination of this Agreement.

11.03 In the event of termination, the parties agree to immediately discontinue use of any promotional materials or other distributions, in whatever medium, related to the Program. Both parties must agree in advance to any public statements about the termination of the Agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective duly authorized representatives as of the date first above written.

TRUSTEES OF COLUMBIA UNIVERSITY
IN THE CITY OF NEW YORK

THE REGENTS OF THE
UNIVERSITY OF CALIFORNIA

By _____
Title _____
Date _____

By _____
Title _____
Date _____

COLUMBIA BUSINESS SCHOOL

By _____
Title _____
Date _____

Schedule A: ACADEMIC PROGRAM

Prefix	EMBA Course #	MBA Course #	Taught by	Title	Type	Instructor	Alternate Title	Term	Haas Units	Semester
BA	205X	E205	Haas	Creating Effective Organizations	Core	Jennifer Chatman	OB	1	2	Summer 2002
BA	200SX	200S	Columbia	Data Analysis for Management	Core	Paul Thurman	Stats	1	2	Summer 2002
BA	201AX	201A	Columbia 2002	Economic Analysis for Managers	Core	Ray Fisman	Econ	1	2	Summer 2002
BA	202AX	202A	Columbia	Financial Accounting	Core	Amir Ziv	Fin Acct	1	2	Summer 2002
XMBA	200QX	200Q	Haas	Decision Models	Core	Andy Shogan	Dec Mdls	2b	1	Fall 2002
XMBA	203X	203	Columbia	Finance	Core	Wei Jiang	Finance	2	2	Fall 2002
XMBA	201BX	201B	Haas	Global Economic Environment	Core	Andrew Rose	Macro	2	2	Fall 2002
XMBA	202BX	202B	Columbia	Managerial Accounting	Core	open	MA/DM	2a	1	Fall 2002
XMBA	206X	E206	Haas	Marketing Organization and Management	Core	Russell Winer	Marketing	2	2	Fall 2002
XMBA	209X	299B/E21	Haas	Competitive and Corporate Strategy	Core	Paul Tiffany	Corp Strt	3	2	Spring 2003
XMBA	222X	222	Columbia	Financial Information Analysis	Elective		Fin Info	3	2	Spring 2003
XMBA	295DX	295D	Haas	Entrepreneurial Finance	Elective	Engel, Freeman	Entrepreneursh	3	2	Spring 2003
XMBA	204X	204	Columbia	Operations Management	Core	Safwan	Ops	3	2	Spring 2003
XMBA	264X	264	Haas	High-Technology Marketing	Elective	Glazer	Hi-tech Mktg	4	2	Summer 2003
XMBA	297AX/BX*	297A/B	Haas	International Field Study	Elective	Teunissen	Intl Study I	4	3	Summer 2003
XMBA	285X	285	Columbia	International Finance	Elective		Intl Fin	4	2	Summer 2003
XMBA	257X		Columbia	Leadership	Elective		Ldrshp	4	2	Summer 2003
XMBA	293AX/BX*		Columbia	Team Project Course	Elective	Thurman	Team I	4	3	Summer 2003
XMBA	290EX	290E	Haas	Management of Technology	Elective	Teece/Chesbrogh	MOT	5	2	Fall 2003
XMBA	290DX	C290D	Haas	Information Technology Strategy	Elective		Info Tech	5	2	Fall 2003
XMBA	297AX/BX*	297A/B	Haas	International Field Study	Elective	Teunissen	Intl Stdy II	5	3	Fall 2003
XMBA	252X	252	Columbia	Managerial Negotiations	Elective		Negotiations	5	2	Fall 2003
XMBA	293AX/BX*		Columbia	Team Project Course	Elective	Thurman	Team II	5	3	Fall 2003
									Total Units	48
									Haas Units	25
Columbia units total 72 (1:1.5)										

Schedule B: FINANCIAL ARRANGEMENTS

1.00 Summary:

The financial arrangements are based on the following principles.

- a. Total revenue and direct Program costs are to be shared equally.
- b. Direct Program costs are defined in Section 2.02 below.
- c. Payment of faculty salaries and applicable expenses, including travel, is the responsibility of the university that employs the faculty member or instructor.
- d. Any losses suffered by the Program, such as through an inability to collect student fees, shall be shared equally by the respective universities.
- e. The parties will convene on an annual basis to discuss and plan the succeeding year's programs and finalize the direct program costs to be incurred by each party for that year.

2.00 Total revenue and direct program costs are to be shared equally:

2.01 Total revenue is defined as revenue from student fees and tuition and application fees, referred to as Fund Sources on the attached Schedule B-1.

2.02 Program Costs are defined as follows:

i) Direct Program Costs Are: Direct Program Costs are defined as A) the reproduction of course materials, purchase of textbooks for students and faculty, software licenses required for instruction, as well as other course materials and equipment directly purchased for distribution to students and faculty; B) Rental cost of off-site facilities, local transportation to and from hotel to campus, food and lodging, special events including all commencement costs, orientation, field study, and international seminar activities and C) Marketing costs including marketing consultants, web design, publications, mailings, advertising, and open houses including transportation, facility rental, and refreshments; and registration fees for protection of intellectual property assets.

ii) Direct Program Costs Are Not: Direct Program Costs do not include faculty and staff salaries and benefits, non-instructional operating supplies and expenses, faculty and staff travel, capital expenditures, administrative and indirect costs related to administration of the programs at each university, general computing support.

3.00 Net Revenue Allocation:

3.01 Net Revenue Allocation will be based on the calculation of Total Fund Sources, subtracting the Direct Program Costs, resulting in Net Revenue. The Net Revenue will be divided 50%-50% to each of the respective universities.

3.02 The planned allocation for the first six years of the program is below.

Berkeley-Columbia EMBA Program Budget Summary

EXPENSES SUMMARY

	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
Direct Program Costs	814,570	2,188,253	2,613,643	2,744,325	2,881,541	3,341,535
Fixed Costs	556,500	678,225	649,924	682,420	716,541	752,368
Marketing & Public Relations	481,000	505,050	530,303	556,818	584,659	613,891
<i>Advertising</i>	290,000	304,500	319,725	335,711	352,497	370,122
<i>Marketing Travel/Information Sessions</i>	55,000	57,750	60,638	63,669	66,853	70,195
<i>Brochures/letterhead/printing/design/mailling</i>	80,000	84,000	88,200	92,610	97,241	102,103
<i>Web Development/maintenance</i>	28,000	29,400	30,870	32,414	34,034	35,736
<i>Other Marketing</i>	28,000	29,400	30,870	32,414	34,034	35,736
Special Events	35,000	36,750	77,175	81,034	85,085	89,340
<i>Orientation</i>	35,000	36,750	38,588	40,517	42,543	44,670
<i>Graduation</i>	0	0	38,588	40,517	42,543	44,670
Classroom Rental	24,000	96,000	0	0	0	0
Social Events	0	23,100	24,255	25,468	26,741	28,078
Mailings	16,500	17,325	18,191	19,101	20,056	21,059
Variable Costs	258,070	1,510,028	1,963,719	2,061,905	2,165,000	2,589,167
Computing Software & Equipment	110,000	115,500	121,275	127,339	133,706	140,391
International Seminar	0	346,500	363,825	382,016	401,117	421,173
Field Study Activities	11,000	11,550	12,128	12,734	13,371	14,039
Textbooks	54,560	300,080	329,406	345,876	363,170	381,329
Meal/Lodging	82,510	736,398	1,137,085	1,193,940	1,253,637	1,632,235
Indirect Program Costs	1,425,375	2,207,426	2,065,997	2,159,997	2,398,197	2,501,832
Fixed Costs	1,363,375	2,021,426	1,879,997	1,973,997	2,072,697	2,176,332
Instruction	168,000	775,000	813,750	854,438	897,159	942,017
Faculty Travel	200,000	210,000	220,500	231,525	243,101	255,256
Staff Travel	39,000	40,950	42,998	45,147	47,405	49,775
Administrative Personnel - Berkeley	206,687	350,163	367,671	386,055	405,357	425,625
Administrative Personnel - Columbia	206,687	350,163	367,671	386,055	405,357	425,625
Facilities	500,000	250,000	20,000	21,000	22,050	23,153
S&E	16,500	17,325	18,191	19,101	20,056	21,059
Phone/FAX/Mail	16,500	17,325	18,191	19,101	20,056	21,059
Career Services Operations	10,000	10,500	11,025	11,576	12,155	12,763
Variable Costs						
Berkeley Campus Indirect Charges	62,000	186,000	186,000	186,000	325,500	325,500
Total Expenses	2,239,945	4,395,679	4,679,640	4,904,322	5,279,738	5,843,366

Schedule C: ACADEMIC DEGREES and ALUMNI ASSOCIATION

1.00 Degree:

- 1.01 Upon completion of the course requirements, each enrolled student will receive from the Regents of the University of California the degree of:

MASTER OF BUSINESS ADMINISTRATION

- 1.02 Upon completion of the course requirements, each enrolled student will receive from the Trustees of Columbia University the degree of:

MASTER OF BUSINESS ADMINISTRATION

2.00 Alumni Association:

Upon graduation, all shall be eligible to become members of the alumni associations of both the University of California, Berkeley and Columbia University.