

AGREEMENT

This Agreement ("Agreement") is entered into as of May ²⁶, 2011, between TRUSTEES OF DAVIDSON COLLEGE ("Davidson") and MADRAS CHRISTIAN COLLEGE ("MCC").

RECITALS:

WHEREAS, Davidson is a liberal arts college located in Davidson, North Carolina, United States of America; and

WHEREAS, MCC is a liberal arts college located near Chennai, India; and

WHEREAS, Davidson and MCC have long enjoyed an institutional affinity and friendship; and

WHEREAS, MCC has been the host campus for Davidson's Semester-In-India study abroad program for several years, housing Davidson students and faculty members in its International Guest House (hereafter, the "Existing Facility"); and

WHEREAS, MCC desires to construct a new facility to serve as an International Guest House (hereafter, the "New Facility"); and

WHEREAS, Davidson desires to secure housing on MCC's campus for the Semester-In-India study abroad program for the next several instances of the program.

NOW, THEREFORE, in consideration of the mutual agreements and promises contained herein, and other good and valuable consideration, the sufficiency of which is hereby acknowledged, Davidson and MCC agree as follows:

TERMS AND CONDITIONS:

1. MCC's Responsibilities.

a) MCC shall provide housing for Davidson students and faculty members for the Semester-In-India program in the manner and subject to the conditions set forth in this Section 1 of the Agreement.

b) Davidson's payments to MCC pursuant to Section 2 of this Agreement shall be considered pre-payment of rent and utilities for the Semester-In-India program. Davidson will be credited with one hundred thousand U.S. dollars and no cents (\$100,000.00) of pre-paid rental and utilities expenses. MCC will deduct one thousand one hundred U.S. dollars and no cents (\$1,100.00) from Davidson's pre-paid balance for every Davidson student housed at MCC for an academic semester (equal to approximately ninety (90) days), and an additional one thousand one hundred U.S. dollars and no cents (\$1,100.00) for each faculty member (and family of the faculty

member) housed at MCC for an academic semester (equal to approximately ninety (90) days).

c) MCC will provide housing for Davidson students and faculty members for the Semester-In-India program in September, October, and November (hereafter "Fall Semester") in the academic years 2011, 2012, and 2014. MCC will also reserve housing for Davidson students and faculty members for the Semester-In-India program for the Fall Semesters in the academic years 2013 and 2015 through 2020. No later than August 31st of the prior year, Davidson shall confirm or release its reservation for the Fall Semester of the following academic year. If Davidson confirms its reservation, MCC agrees to provide housing for Davidson students and faculty members for the following Fall Semester. If Davidson releases its reservation, MCC will have no obligation to reserve housing for Davidson the following academic year.

d) If the number of Davidson students and faculty members housed by MCC over all of the Fall Semesters in the academic years 2011 through 2020 does not exceed 90, then Davidson shall not owe MCC any additional funds for housing or associated costs; provided, however, that family members of faculty members will not be included in this count (the rental payment of \$1,100.00 per faculty member being intended by the parties to include the faculty member's family members). If, however, the total number of Davidson students and faculty members housed by MCC over all of the Fall Semesters in the academic years 2011 through 2020 exceeds 90, then Davidson shall pay MCC an additional one thousand one hundred U.S. dollars and no cents (\$1,100.00) for every extra student or faculty member.

e) Prior to completion of the New Facility, MCC shall house Davidson students and faculty members in the Existing Facility. Upon completion of the New Facility, MCC shall house Davidson students and faculty members in the New Facility.

f) MCC shall provide suite accommodations for the faculty member directing the Semester-In-India program and the faculty member's family members.

2. Davidson's Responsibilities.

a) It is Davidson's understanding that MCC intends to construct the New Facility in substantially the form and design shown in the drawing attached hereto as Exhibit A and incorporated herein by reference. Based on that understanding, Davidson shall pay to MCC One Hundred Thousand U.S. Dollars and No Cents (\$100,000.00) or one-half of the actual construction costs of the New Facility, whichever is less, in the manner and subject to the conditions set forth in this Section 2 of the Agreement.

b) As a token of good faith, Davidson shall pay to MCC, by wire transfer, an initial advance of Ten Thousand U.S. Dollars and No Cents (\$10,000.00) within ten (10) business days of the Effective Date.

c) The balance of the amount owed to MCC under this Agreement shall be paid in progress billings based on the percentage of completion of the New Facility. MCC shall periodically send to Davidson written certification that the New Facility is twenty percent (20%), forty percent (40%), sixty percent (60%), eighty percent (80%), and one hundred percent (100%) substantially completed. MCC's certifications shall include evidence of actual construction and labor costs incurred by MCC for the construction of the New Facility (e.g., construction invoices). MCC's certifications shall also include a payment request to Davidson for Twenty Thousand U.S. Dollars and No Cents (\$20,000.00) for every twenty percent increment of the building completion of the New Facility; provided however, (i) that Davidson shall deduct the ten thousand dollar (\$10,000.00) advance from the first progress billing; and (ii) if the actual construction costs of the New Facility are less than two hundred thousand U.S. Dollars (\$200,000.00), then the amount owed to MCC by Davidson under this Agreement shall be proportionately reduced (the intention of the parties being that Davidson will not pay for more than one-half of the construction costs of the New Facility or \$100,000.00, whichever is less).

d) Within ten (10) business days of receiving from MCC written certification of percentage completion or substantial completion, Davidson shall either certify or deny the amounts requested by MCC. If Davidson certifies the requested amount, then Davidson shall pay MCC the requested amount by wire transfer within five (5) business days. If Davidson denies the requested amount, Davidson shall send MCC a written explanation of the reason for the denial. Davidson may deny any amounts (i) exceeding \$100,000.00 or one-half of the actual construction costs of the New Facility, whichever is less; or (ii) for which Davidson has not received sufficient written evidence. Davidson shall determine in its own reasonable discretion the sufficiency of written evidence of amounts owed and of substantial completion of the New Facility.

e) Prior to making any material changes to the design of the New Facility as set forth in Exhibit A, MCC shall first consult with Davidson.

3. Relationship of Parties. MCC and Davidson are independent parties and neither party shall be, nor represent itself to be, the franchiser, partner, broker, employee, servant, agent, or legal representative of the other party for any purpose whatsoever. Neither party is granted any right or authority to assume or create any obligation or responsibility, express or implied, on behalf of, or in the name of, the other party, or to bind the other party in any matter or thing whatsoever. The parties do not intend to form a partnership or joint venture as a result of this Agreement.

4. Indemnification of Davidson. MCC agrees to defend, indemnify and hold Davidson and its employees, trustees, officers, volunteers, agents, insurers, and vendors harmless against any and all claims, suits, actions, loss, cost, liability, damages, expenses or other costs of any kind (including attorneys fees) (collectively, "Losses") resulting from or associated with construction of the New Facility or MCC's breach of this Agreement, without regard to whether Davidson caused or contributed to the Losses. The parties expressly acknowledge and agree that Davidson has no control over the

construction of the New Facility and accordingly Davidson shall not be responsible to MCC or any third party for any Losses resulting from or associated with construction of the New Facility.

5. Certification by MCC. MCC certifies that the New Facility shall be constructed in accordance with all applicable building codes and any other applicable laws, rules, and regulations.

6. Governing Law; Arbitration. This Agreement shall be governed by, and its provisions construed in accordance with, the laws of the State of North Carolina, without giving effect to any conflicts of laws principles that require the application of the law of a foreign state. Any dispute, controversy or claim arising out of or relating to this Agreement or the breach thereof shall be finally settled by a binding arbitration in the English language in accordance with the commercial arbitration rules of the American Arbitration Association then in effect to take place in North Carolina. For enforcement of an arbitration award in India, only the international provisions of India's Arbitration Act shall apply, not the domestic provisions.

7. Termination. If there is a material default by either party in the performance of the terms and conditions of this Agreement, and such default continues for a period of thirty (30) days after receipt by the defaulting party of written notice thereof from the non-defaulting party (setting forth in detail the nature of such default), then this Agreement shall terminate at the option of the non-defaulting party as of the 31st day following the receipt of such written notice. If, however, the default cannot be remedied within such thirty (30) day period, such time period shall be extended for an additional period of not more than thirty (30) days, so long as the defaulting party has notified the non-defaulting party of its plans to initiate substantive steps to remedy the default and diligently thereafter pursues the same to completion within such additional thirty (30) day period.

8. Miscellaneous.

a) *Severability; Waiver.* If any provision of this Agreement is, for any reason, held to be invalid or unenforceable, the other provisions of this Agreement will remain enforceable and the invalid or unenforceable provision will be deemed modified so that it is valid and enforceable to the maximum extent permitted by law. Any waiver or failure to enforce any provision of this Agreement on one occasion will not be deemed a waiver of any other provision or of such provision on any other occasion.

b) *No Assignment.* Neither this Agreement nor either party's rights and obligations herein, may be assigned or transferred without the other party's prior written consent. This Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and permitted assigns.

c) *Entire Agreement.* This Agreement constitutes the final, complete and exclusive agreement of the parties with respect to the subject matter hereof, supersedes

and merges all prior discussions between the parties with respect to such subject matter, constitutes the final, complete and exclusive agreement of the parties with respect to such subject matter, and supersedes and merges all prior discussions between the parties with respect to such subject matter.

d) *Third Party Beneficiaries.* This Agreement is for the sole benefit of the parties hereto and their permitted assigns and nothing herein expressed or implied shall give or be construed to give to any person or entity, other than the parties hereto and such assigns, any legal or equitable rights hereunder.

e) *Notices.* Any notices may be delivered by international courier or by electronic mail. Except as otherwise provided herein, such notices shall be effective upon receipt.

f) *Force Majeure.* Neither party to this Agreement shall be in default or accrue liability hereunder by reason of its delay in the performance of or failure to perform, in whole or in part, any of its obligations hereunder if such delay or failure resulted from acts of nature, fire, or other catastrophe; enemy, hostile governmental or terrorist action; electrical, power or mechanical failure or other communication failure; work stoppage; delays or failure to act of any carrier or agent; direction or effect of an order from a court or government agency or body; or any other such cause beyond a party's reasonable control (a "Force Majeure").

g) *No Presumptions.* The parties intend that the presumptions of laws or rules relating to the interpretation of contracts against the drafter of any particular clause should not be applied to this Agreement and therefore waive their effects.

9. Term. The effective date ("Effective Date") of this Agreement shall be the date of execution and shall continue in effect until the parties have satisfied their respective obligations under this Agreement, or until modified or terminated by the parties.

IN WITNESS WHEREOF, the parties have executed this Memorandum as of the day first written above.

MADRAS CHRISTIAN COLLEGE

By: R. W. Alexander Jesudasan

Title: Principal

Date: May 26, 2011

THE TRUSTEES OF DAVIDSON COLLEGE

By: John W. Kuykendall

Title: President

Date: May 26, 2011