

AMENDMENT #3 TO THE UH/RCUH INTERNAL AGREEMENT

This Agreement is entered into this 27th day of July 2007, by and between the UNIVERSITY OF HAWAII, hereinafter referred to as the "UNIVERSITY," and THE RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII, hereinafter referred to as the "CORPORATION," collectively "Parties."

WITNESSETH:

WHEREAS, the UNIVERSITY and the CORPORATION entered into that certain Internal Agreement dated June 28, 1996, which became effective July 1, 1996, and amended on May 12, 2000 (Addendum #1 to UH/RCUH Internal Agreement), August 1, 2000 (Amendment #1 to Internal Agreement), March 16, 2001 (Addendum #2 to UH/RCUH Internal Agreement") and April 30, 2003 (Amendment #2 to UH/RCUH Internal Agreement);

WHEREAS, the Parties desire to amend the Internal Agreement.

NOW, THEREFORE, in consideration of the mutual promises herein contained, the Parties agree as follows:

Article 6.2 of the Internal Agreement, as amended on August 1, 2000 and on April 30, 2003, is further amended to read as follows:

Schedule A. Without exception, all UNIVERSITY extramurally sponsored research and training awards service ordered to the CORPORATION will be included in the fee computation. For quarterly billing purposes, effective July 1, 2007 the estimated fee will be based on the following computation:

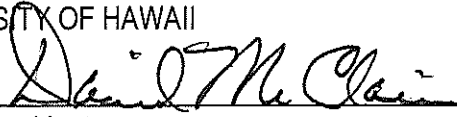
<u>UH MTDC</u>	X	RCUH Operating	=	UH Management Fee
All Projects MTDC		Expenses		

where historic data is used to estimate the first ratio and the RCUH Board approved budget (less contingency allowances) is used for the second factor. UH MTDC shall include only UH extramural projects including UH Hilo, the Maui High Performance Computing Center, and the Pacific Disaster Center. MTDC generated by direct projects, revolving funds, special service facility and recharge center charges, and any other non-UH extramurally-sponsored research or training awards shall not be included in UH MTDC and shall be included in All Projects MTDC. At the close of the fiscal year, actual figures for the fiscal year will be used to compute the actual UH Management Fees for that fiscal year and any required adjustment to billing based on the estimated fee will be made on the next quarterly bill after the issuance of the audited financial statements for that fiscal year. For the actual computation, MTDC will be on a cash basis and RCUH Operating Expenses will be as reflected in the audited financial statements of RCUH for that fiscal year.


Pursuant to Article 6.7 of the Internal Agreement dated June 28, 1996, which became effective July 1, 1996 and amended on May 12, 2000, August 1, 2000, March 16, 2002 and April 30, 2003, the CORPORATION will submit to the UNIVERSITY an annual accounting report on Schedule A expenses that has been certified by an independent certified public accountant. For fiscal year 2006-07 only, the CORPORATION will submit certified accounting reports to the UNIVERSITY on Schedules A, B and C expenses.

IN WITNESS WHEREOF, the parties have executed this Agreement on the above date.

UNIVERSITY OF HAWAII

By: 
Its President

RESEARCH CORPORATION OF THE UNIVERSITY OF HAWAII

By: 
Its Executive Director

Approved by the RCUH Board of Directors at its 5/24/07 meeting.
Approved by the UH Board of Regents at its 7/26-27, 2007 meeting.