FUNDS MANAGEMENT AGREEMENT

THIS AGREEMENT made and entered into this ___ day of ___
20__, by and between

UNIVERSITY OF NEW ORLEANS ("University")

and the

UNIVERSITY OF NEW ORLEANS FOUNDATION ("Affiliate")

WHEREAS, the Affiliate is a tax-exempt 501(c)(3) non-profit corporation, one of
whose purposes is to receive and manage donations in the form of endowments, grants and
unrestricted gifts from private sources (hereinafter "Donations"), for the support of the
University; and

WHEREAS, the Louisiana Board of Regents receives annual appropriations from the
Louisiana Quarterly Education Support Fund ("Support Fund") to be expended for the
purposes cited in Constitution Article 7, Section 10.1(D)(1) (currently collectively referred to
as the "Endowed Chair and Endowed Professorships Program"); and

WHEREAS, the University receives Donations and Support Fund monies from the
Louisiana Board of Regents for the Endowed Chair and Endowed Professorships Program;
and

WHEREAS, the Endowed Chair and Endowed Professorships Program provides
permanent endowments created by private contributions to the University that equals 60
percent of each endowment, matched by 40 percent of Support Fund monies from the
Board of Regents (collectively, "Program Assets"); and

WHEREAS, the Affiliate is capable of providing management and investment
services acting as depository for such Program Assets;

NOW, THEREFORE, the parties agree as follows:
1. The University and the Affiliate have a current Affiliation Agreement that has been approved by the Board of Supervisors for the University of Louisiana System.

2. At its discretion, the University may deliver Program Assets for deposit with the Affiliate.

3. The Affiliate acknowledges that the Program Assets being delivered belong to the University and the use of the revenues generated by the investment of these Program Assets is the sole responsibility of the University.

4. The Affiliate, on behalf of the University, shall account for, maintain, and invest the Program Assets in accordance with the Board of Regents' *Statement of Investment Policy and Objectives*.

5. The Affiliate shall use its management expertise and best efforts to analyze the portfolio and earnings potential of Program Assets investments to ensure their adequate maintenance and performance and shall make such investments thereof as are consistent with prudent investment management principles.

6. The Affiliate shall furnish to the University and Board of Regents an annual accounting of all Program Assets and will recognize the Board of Regents’ right, at its discretion, to audit the books and records of account of any institution’s endowment fund and any segregated account thereof in accordance with the Board of Regents' *Statement of Investment Policy and Objectives*.

7. The Affiliate may charge an investment/management fee not to exceed the maximum fee allowed by the Board of Regents' *Statement of Investment Policy and Objectives*. Such fee shall be reported to the Board of Regents in the year-end report.

8. In accordance with the Affiliation Agreement between the University and the Affiliate, the Affiliate’s financial statements shall be audited annually in accordance with generally accepted auditing standards by an independent professional auditor.
   a. The Affiliate’s engagement letter with the independent CPA will require that the auditor provide supplemental assurances that the Affiliate has complied with this Funds Management Agreement, which includes compliance with the Board of Regents’ *Statement of Investment Policy and Objectives*.
   b. The Affiliation Agreement requires the independent professional auditor to furnish copies of his annual audit and management letter, if any, to the University and
the legislative auditor. A copy of the annual audit and management letter, if any, shall also be submitted to the Board of Regents.

c. When the Affiliate becomes aware of potential audit findings or exceptions involving Program Assets or the misuse of Program Assets, regardless of the status of any audit that may be in progress, such information shall be reported without delay to the Board of Supervisors for the University of Louisiana System and to the University President. The Board of Supervisors or University President may require specific corrective action as deemed necessary in order to protect the integrity of public funds held by the Affiliate. Such corrective action may include the immediate withdrawal of some or all Program Assets held by the Affiliate.

9. This Funds Management Agreement shall continue in full force and effect until terminated by 120 days written notice by either party or by operation of law.
   a. Should the University choose to terminate this Agreement, the Agreement shall continue in full force and effect until receipt by the Affiliate of the notice of termination, and any transaction entered into by the Affiliate prior to the receipt of such notice shall be binding upon the University.
   b. Should any substantial misuse of funds or fraudulent activity on the part of the Affiliate be discovered, the University may, at its discretion, immediately terminate this Agreement.
   c. Immediately upon termination of this Agreement, the Affiliate will provide the University with complete documentation of the Program's investment portfolio. The Affiliate will then transfer Program Assets back to the University based on the time schedule to be determined by the University.

10. Whenever any notice or demand is required or permitted under this Agreement, such notice or demand shall be given in writing and delivered in person or by certified mail to the following addresses:

   University:
   President
   University of New Orleans
   Lakefront New Orleans
   New Orleans, LA 70148
Affiliate:

President and CEO
University of New Orleans Foundation
2021 Lakeshore Drive, Suite 420
New Orleans, LA 70122

11. This Agreement constitutes the entire Agreement between the parties for funds management services and shall only be amended in writing, executed by all parties hereto.

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

UNIVERSITY:
University of New Orleans

By: Peter J. Fos
President

AFFILIATE:
University of New Orleans Foundation

By: Patrick M. Gibbs
President and CEO

WITNESSES:

By: Deborah B. Causey
Jan C. Hooks

By: Julius W. Hurn
Bernd R. Hassel