

## TRUST AGREEMENT

This Trust Agreement ("Agreement") is entered into between the Client and the SBA on the Effective Date. The terms "Client," "SBA," "Effective Date," "Funds" and "Pools" are defined in Enclosure 1.

1. The investment strategy to be implemented by the SBA for the Client is described in Enclosure 2.

2. As compensation the SBA will be paid fees as described in Enclosure 3. These fees and other charges will be deducted from the invested Funds in the manner set forth in Enclosure 3.

3. If the investment strategy described in Enclosure 2 is employed for other clients of the SBA, then the Funds may be commingled with the funds of the other clients for investment purposes. A separate accounting of funds for the Client will be maintained at all times.

4. The SBA will perform its duties in accordance with the fiduciary standards set forth in Section 215.47(9), Florida Statutes.

5. Deposits and withdrawals of Funds will be governed by the provisions of Enclosure 3. The SBA will provide the Client with reports as described in Enclosure 3.

6. The persons listed as "designated representatives" of the Client and the SBA on Enclosure 4 are responsible for the day-to-day management and coordination of transactions. Prior to the initial transfer of Funds to the SBA for investment, the Client shall complete the Participant Account Maintenance Form found in Exhibit 1 to Enclosure 4. The designated representatives set forth on Enclosure 4 may be changed by submitting a revised Participant Account Maintenance Form signed by both the Client and the SBA, without a formal amendment to this Trust Agreement being necessary.

7. This Agreement may be modified at any time upon mutual written agreement of the Client and the SBA. This Agreement may be terminated, with or without cause, at any time by either party by giving the other party 30 days advance notice in writing.

8. All notices, requests, instructions, other advice, or documents required hereunder

shall be in writing and delivered personally or mailed by first-class mail, postage prepaid,

**If to the SBA:**

if mailed: State Board of Administration  
Post Office Box 13300  
Tallahassee, Florida 32317-3300  
Attention: Chief of Client Service & ERM

if hand delivered: State Board of Administration  
1801 Hermitage Boulevard, Suite 100  
Tallahassee, Florida 32308  
Attention: SBA Chief of Client Service & ERM

with copies to: SBA Corporate Governance and Investment  
Communications

**If to the Client:**

Kirby Kemper  
FSU Vice President for Research  
109 Westcott Building  
Tallahassee, FL 32306-1330

with copies to: FSU Research Foundation  
97 S. Woodward Ave. Suite 300  
Tallahassee, FL 32306-4166

9. If any provisions of this Agreement are held invalid or unenforceable, such invalidity or unenforceability shall not affect any other provisions, and this Agreement shall be construed and enforced as if such provisions had not been included.

10. The SBA has taken all necessary action to duly authorize the execution, delivery, and performance of this Agreement.

11. This Agreement and any and all enclosures and exhibits attached hereto, which are incorporated into the Agreement by this reference, constitute and embody the entire agreement and understanding of the parties with respect to the subject matter hereof, supersede any prior or contemporaneous agreements or understandings with respect to the subject matter hereof, and, unless otherwise provided herein, cannot be altered, amended, supplemented, or abridged or any provisions waived except by written agreement of the parties as herein provided.

12. This Agreement shall be construed and enforced in accordance with the laws of the United States of America and, to the extent not inconsistent therewith, the laws of the State of


Florida. The Client consents to the exclusive jurisdiction of Florida courts with respect to all legal proceedings instituted by the Client or the SBA hereunder.

13. **DISCLAIMER:** Notwithstanding anything herein to the contrary, the SBA makes no representations, warranties or guarantees regarding the performance of the funds invested hereunder. The SBA agrees only to invest the funds as directed by the Client pursuant to Enclosure 2 of this Agreement.

14. The SBA is authorized to lend, or provide for the lending of any securities purchased or held as investments on behalf of the Client, to brokers, dealers or other borrowers pursuant to Section 215.47(16), Florida Statutes. Securities lending shall be effected pursuant to a securities lending agreement in place between the SBA and a securities lending provider or borrower. The securities lending agreement permits the loaned securities to be transferred into the name and custody and be voted by the borrower. The Client retains its pro rata portion of any economic benefit of the loaned securities equal to its pro rata portion of the Pool, such as coupon payments, dividends, corporate actions and market appreciation/depreciation. The Client retains all economic benefit from loan securities in an investment held on its sole behalf. Cash received as collateral for securities on loan, shall be invested in accordance with investment guidelines as established in the lending agreement.

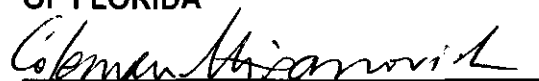
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed and attested by their respective officers thereunto duly authorized on the Effective Date.

**CLIENT**



Kirby W. Kemper  
President

**STATE BOARD OF ADMINISTRATION  
OF FLORIDA**



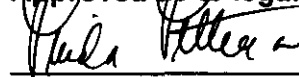
Coleman Stipanovich  
Executive Director

**Attest:**



Betty Southard  
General Counsel

**Approved as to legality:**



Linda Lettera  
General Counsel

**ENCLOSURE 1**

**TO THE TRUST AGREEMENT BETWEEN**

**THE STATE BOARD OF ADMINISTRATION OF FLORIDA**

**AND FLORIDA STATE UNIVERSITY RESEARCH FOUNDATION, INC.**

1. "Client" means the Florida State University Research Foundation, Inc. (FSURF)
2. "SBA" means the State Board of Administration of the State of Florida.
3. The "Effective Date" is February 28, 2006.
4. "Funds" means existing securities, proceeds, income and any future contributions of Client.
5. "Pools" or "Pool" are commingled investment vehicles under the SBA's Commingled Asset Management Program that are managed for the benefit of SBA clients that are non-qualified for retirement fund status.

**ENCLOSURE 2**  
**TO THE TRUST AGREEMENT BETWEEN**  
**THE STATE BOARD OF ADMINISTRATION OF FLORIDA**  
**AND FLORIDA STATE UNIVERSITY RESEARCH FOUNDATION, INC.**

The Client has directed the SBA to invest Funds in three of the Pools offered under the SBA's Commingled Asset Management Program. The SBA shall be responsible for the operation of each individual Pool. The Client retains all responsibility for the allocation of Funds among Pools and acknowledges the following:

1. Pools providing higher expected long-term returns are likely to exhibit greater volatility than Pools providing lower expected long-term returns.
2. The past is not always a valid predictor of the future and erosion of the value of the Funds may naturally occur if market performance falls short of historical norms or forward looking expectations for specified periods of time.
3. Asset allocation will be the primary factor governing future investment returns for Funds under management, assuming sufficient diversification within each Pool.

Investment Pool Descriptions are attached as exhibits hereto.

## EXHIBIT 1 TO ENCLOSURE 2: POOL DESCRIPTION

### Commingled Asset Management Program Money Market Pool (Actively Managed/Non-Qualified)

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#### ***Background and Purpose***

The CAMP Money Market Pool (CAMPMM) invests in U.S. dollar denominated high quality, liquid fixed income securities with shorter-term maturities. Changes in interest rates will cause volatility in the yield of CAMPMM. CAMPMM may be suitable for investors seeking liquidity and preservation of capital, rather than growth of capital. CAMPMM is a commingled pool managed actively for the benefit of SBA clients that are non-qualified for retirement fund status. CAMPMM is designed to provide daily liquidity to clients, based on a 1 day notice requirement. **An investment in CAMPMM is not a bank deposit and is not insured or guaranteed by the F.D.I.C. or any other government entity. It is possible to lose money investing in CAMPMM and returns may not keep pace with inflation. Nothing in this Pool Description shall be construed to contradict or contravene the disclaimers set forth in Paragraph 13 of the Agreement.**

#### ***Investment Objective and Process***

The objective of CAMPMM is to exceed the average 30-day annualized yield achieved by the First Tier Institutional Money Market Funds published in the weekly iMoneyNet Fund Report ("benchmark") over market cycles. The investment process will emphasize the maintenance of a "2a-7 like" fund, reasonably complying with Part 270 of the Investment Company Act of 1940 (17 CFR 270.2a-7, Money Market Funds).

All securities purchased will be consistent with Section 215.47, Florida Statutes and may be loaned to qualified borrowers in accordance with Florida Statutes and consistent with SEC Rule 2a-7.

#### ***Investment Restrictions/Compliance***

The following restrictions will typically be observed and checked at least monthly for compliance. Any exceptions will be resolved in a timely and prudent fashion, in the SBA's sole discretion:

- Non-qualified funds may not purchase 144A securities.
- Repurchase agreements must be fully collateralized by U.S. Government or agency securities.
- All eligible investments must be 2a-7 first tier securities at the time of purchase. In the event an issuer is downgraded below first tier, the SBA must justify retention.
- Exposure to a single issuer shall be limited to 5% of portfolio amortized cost, not to include the U.S. government, and exposure to second tier issuers shall not exceed 1% of portfolio amortized cost.
- The weighted average maturity shall not exceed 90 days. Reset dates will be used to calculate the weighted average maturity of the portfolio.
- Maturity of money market securities shall not exceed 397 days.
- Maturity of government securities shall not exceed 762 days.
- In the event that the deviation between market value and amortized cost exceeds ½ of 1 percent, the SBA shall promptly consider what action, if any, shall be initiated.

#### ***Evaluation***

A performance evaluation will be conducted monthly versus the benchmark. At a minimum, the evaluation will compare three-year moving period performance of the CAMPMM and the benchmark.

## EXHIBIT 2 TO ENCLOSURE 2: POOL DESCRIPTION

### Commingled Asset Management Program Fixed Income Index Pool (Passively Managed /Non-Qualified)

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#### ***Background and Purpose***

The CAMP Fixed Income Index Pool (CAMPFI) primarily invests in U.S. dollar denominated investment grade fixed income securities with intermediate and longer maturities. Changes in interest rates will cause volatility in the net asset value of CAMPFI. As with any bond portfolio, the net asset value of CAMPFI will decline if interest rates rise. Consequently, CAMPFI may be an inappropriate investment for investors required to meet short-term cash needs; however, it may be suitable for investors that have a somewhat longer time horizon. CAMPFI is a commingled pool managed passively for the benefit of SBA clients that are non-qualified for retirement fund status. CAMPFI is designed to provide monthly liquidity to clients, based on a 3 day notice requirement. **An investment in CAMPFI is not a bank deposit and is not insured or guaranteed by the F.D.I.C. or any other government entity. It is possible to lose money investing in CAMPFI and returns may not keep pace with inflation. Nothing in this Pool Description shall be construed to contradict or contravene the disclaimers set forth in Paragraph 13 of the Agreement.**

#### ***Investment Objective and Process***

The objective of CAMPFI is to attain the total return achieved by the Lehman Brothers Aggregate Bond Index minus the MBS component ("benchmark") over market cycles. The investment process will emphasize the maintenance of a portfolio which closely matches the composition and structure of the benchmark (with the exclusion of 144A securities). This process is intended to help limit the periodic return differences between the portfolio and the benchmark over multi-year periods (i.e., tracking error or standard deviation of return differences).

All securities purchased will be consistent with Section 215.47, Florida Statutes. Portfolio securities may be loaned to qualified borrowers in accordance with Florida Statutes. Futures, options and ETF's may be utilized to facilitate asset allocation changes and gain market exposure for cash and/or receivables.

#### ***Investment Restrictions/Compliance***

The following restrictions will be observed and checked monthly for compliance. Although none are expected in the normal course of events, any exceptions will be resolved in a timely and prudent fashion, in the State Board's sole discretion:

- At the time of purchase, all securities will be rated investment grade by two of the nationally recognized services (i.e., Moody's Baa3; S&P BBB-; Fitch BBB-).
- No 144A securities are permitted.
- The portfolio's modified adjusted duration should be +/- 0.25 years of the benchmark.

#### ***Evaluation***

A performance evaluation will be conducted monthly versus the benchmark. At a minimum, the evaluation will compare three-year moving period performance of the CAMPFI and the benchmark to assess whether tracking error is consistent with institutional standards for comparable index portfolios.

## EXHIBIT 3 TO ENCLOSURE 2: POOL DESCRIPTION

### Commingled Asset Management Program Domestic Equity Index Pool (Passively Managed /Non-Qualified)

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#### ***Background and Purpose***

The CAMP Domestic Equity Index Pool (CAMPDE) primarily invests in U.S. stocks that are included within the Russell 3000 Index, except that companies deemed tobacco-related have been excluded from the investable universe. CAMPDE is subject to the fluctuations of the stock market, thus principal is subject to substantial loss. Consequently, CAMPDE is an inappropriate investment for investors required to meet short-term cash needs; however, it may be suitable for investors that have a longer time horizon. CAMPDE is a commingled pool managed passively for the benefit of SBA clients that are non-qualified for retirement fund status. CAMPDE is designed to provide monthly liquidity to clients, based on a 3 day notice requirement. **An investment in CAMPDE is not a bank deposit and is not insured or guaranteed by the F.D.I.C. or any other government entity. It is possible to lose money investing in CAMPDE and returns may not keep pace with inflation. Nothing in this Pool Description shall be construed to contradict or contravene the disclaimers set forth in Paragraph 13 of the Agreement.**

#### ***Investment Objective and Process***

The objective of CAMPDE is to attain the total return achieved by the Russell 3000 Index, excluding tobacco-related stocks ("benchmark") over market cycles. The investment process will emphasize the maintenance of a portfolio which closely matches the composition and structure of the benchmark. This process is intended to help limit the periodic return differences between the portfolio and the benchmark over multi-year periods (i.e., tracking error or standard deviation of return differences).

All securities purchased will be consistent with Section 215.47, Florida Statutes. Portfolio securities may be loaned to qualified borrowers in accordance with Florida Statutes. Futures, options, ETFs and SPDRs may be utilized to facilitate asset allocation changes and gain market exposure for cash. Derivatives will be regularly used to equitize dividend receivables.

#### ***Investment Restrictions/Compliance***

The following restrictions will be observed and checked monthly for compliance. Although none are expected in the normal course of events, any exceptions will be resolved in a timely and prudent fashion, in the State Board's sole discretion:

- Any company identified by Russell Index Services as having a majority of income derived from tobacco operations will not be held in CAMPDE.
- Derivative products with underlying tobacco exposure may be used to accommodate cash flows provided the derivative products represent less than 5 percent of the portfolio and are held for a period of 15 business days or less.

#### ***Evaluation***

A performance evaluation will be conducted monthly versus the benchmark. At a minimum, the evaluation will compare three-year moving period performance of the CAMPDE and the benchmark to assess whether tracking error is consistent with institutional standards for comparable index portfolios.



## **ENCLOSURE 3**

### **TO THE TRUST AGREEMENT BETWEEN THE STATE BOARD OF ADMINISTRATION OF FLORIDA AND THE FLORIDA STATE UNIVERSITY RESEARCH FOUNDATION, INC.**

1. The SBA will receive fees in the amount of 1.5 basis points annualized, calculated and charged monthly based on end-of-month market value of Funds on deposit with the SBA. Additionally, the SBA reserves the sole right to:
  - a) Monthly deduct such fees from the Funds under management, in a manner determined by the SBA.
  - b) Temporarily reduce or waive such fees without amendment to this Agreement.
  - c) Increase fees after 60 days prior notice to the Client.
2. The SBA will pay other charges from the Funds under management directly to third party vendors for services deemed necessary by the SBA to administer or invest the Pools described in Enclosure 2 and the Client's Funds. Such services include, but are not limited to, asset custody and performance measurement. As of the effective date of the Agreement, both parties acknowledge that annual custody charges are less than 0.5 basis points of Funds under management and annual performance measurement charges are less than 0.5 basis points. Such charges may periodically change without prior notice by the SBA or amendment of this Agreement.
3. The SBA will provide the Client with monthly reports each calendar month. A monthly accounting report will be included summarizing transaction activity for the month and fiscal year to date (based on a June 30 fiscal year end). This accounting report shall include account details such as beginning and ending market values, deposit and withdrawal totals and fees and charges deducted at the Client account level. Certain charges will be deducted at the Pool level without monthly disclosure to the Client. SBA will provide the Client with a monthly performance report detailing the monthly and fiscal year to date rates of return versus the appropriate benchmarks, asset allocations, and overall investment performance for the Client. On a best efforts basis, the SBA shall endeavor to deliver such accounting and performance reports to the Client in electronic form by the 15th business day after the end of the respective calendar month but in any event, such reports shall be delivered no later than 30 calendar days after the end of the respective calendar month. The SBA will further provide accounting statements for each Pool to the Client on at least an annual basis for the period ending June 30. Such reports shall be distributed to:
  - a) Sharon Woodall, Director of FSURF
  - b) Ben Alonzo, Assistant Director of FSURF

4. Deposits, withdrawals and transfers:

a) Instructions

- i) Funds for deposit must be wire transferred to the SBA's demand deposit account at the Bank of America on the last business day of the month. Wire instructions are as follows:

Bank of America  
ABA # 026009593  
Credit: State Board of Administration  
Account # 003660048119  
Further Credit to: FSU Research Foundation

- ii) Funds from redemption (withdrawals) will be wire transferred to the bank account information that has been designated on the most recent Participant Account Maintenance Form, unless the request is to effect a transfer between Pools.
- iii) A request for transfer of Funds from one Pool to another Pool shall be communicated in the same manner as a request for redemption or contribution, with approval from authorized Client representatives as designated on the most recent Participant Account Maintenance Form.
- iv) Instructions to redeem or withdraw the Client's entire balance, or an approximation thereof, from the Pools will be fully executed upon closure of all outstanding accounting issues.

b) Examples

- i) Contributions to the CAMP Fixed Income Index Pool require three prior business days advance notice and are made on the first business day of the month. Funds should be wire transferred to the demand deposit account listed under 4.a)i by close of business on the last business day of the month. Contributions will post to the participant account on the first business day,
- ii) Requests for redemptions from the CAMP Fixed Income Index Pool require three business days notice prior to the first business day of the month. Redemptions will be processed on the fourth business day, with the possible exception of a request for complete withdrawal.

**PARTICIPANT ACCOUNT MAINTENANCE FORM**

(one form must be filled out for each participant account)

1) PARTICIPANT ACCT # \_\_\_\_\_  New Account  Change Existing Acct (please check one)

2) COMPLETE ACCOUNT TITLE AND ADDRESS: PHONE NUMBER: (850) 644-8650  
 FSU Research Foundation (FSURF)  
 97 S. Woodward Avenue, Suite 300 FAX NUMBER: (850) 644-3658  
 Tallahassee, FL 32306-4166 E-MAIL ADDRESS: swoodall@admin.fsu.edu

**PLEASE CONTACT YOUR BANK AND REQUEST THE FOLLOWING INFORMATION**

3) NAME AND ADDRESS OF YOUR BANK TO WHICH FUNDS SHOULD BE WIRED:  
 Bank of Amerca ABA # 0260-0959-3  
 ACCOUNT # 0012 0610 2852

4) \*\*\*\*\*IMPORTANT!! Complete this section if your bank is not on-line with the Federal Reserve and utilizes a correspondent bank or its main office for wires.\*\*\*\*\*  
 NAME AND ADDRESS OF ROUTING BANK: \_\_\_\_\_ ABA # \_\_\_\_\_

5) NAME/TITLE OF PERSONS AUTHORIZED TO SIGN A CONTRIBUTION OR REDEMPTION NOTICE: **(2 Signatures Required)**

NAME	NAME
Dr. Kirby W. Kemper, President FSURF	Ms. Beth Hodges, Secretary FSURF
Dr. Brooks Keel, Vice President FSURF	Dr. Fred Leysieffer, Treasurer FSURF

6) NAME/TITLE/SIGNATURE OF PERSONS AUTHORIZED TO CHANGE ACCOUNT INFORMATION:

NAME	TITLE	SIGNATURE
Dr. Kirby W. Kemper	President FSURF	<i>Kirby W. Kemper</i>
Dr. Brooks Keel	Vice President FSURF	<i>Brooks Keel</i>
Dr. Fred Leysieffer	Treasurer FSURF	<i>Fred Leysieffer</i>
Ms. Beth Hodges	Secretary FSURF	<i>Beth Hodges</i>

7) THIS PARTICIPANT REQUIRES 1  OR 2  SIGNATURES FOR CHANGES IN ACCOUNT INFORMATION.  
 (PLEASE CHECK ONE)

8) THIS FORM MUST BE SIGNED BY AN INDIVIDUAL WHO WAS LISTED ON THE PREVIOUSLY SUBMITTED ACCOUNT MAINTENANCE FORM AS AUTHORIZED TO NOTIFY THE SBA OF CHANGES, OR BY THE PARTICIPANT OFFICIAL AUTHORIZED IN THE TRUST AGREEMENT. FOR ANY CHANGES TO BE MADE TO YOUR ACCOUNT INFORMATION, THIS FORM MUST BE COMPLETED AND SUBMITTED TO THE SBA.

9) STATE OF FLORIDA  
 COUNTY OF Leon  
 The foregoing instrument was acknowledged before me this 28 day of February, 2006, by persons listed in 6 above who are personally known to me or who has produced \_\_\_\_\_ as identification

*All persons listed in #6 Above*  
 AUTHORIZED SIGNATURE #1  
 TITLE  
 AUTHORIZED SIGNATURE #2 (IF REQUIRED)  
 TITLE  
 DATE

Notary Public State of Florida  
**Lozlee Brand**  
 Commission # DD287272  
 Expires February 3, 2008  
 My Commission expires: 2-3-08

**PLEASE NOTARIZE FORM AND RETURN ORIGINAL TO BE PROCESSED**

**FOR STATE BOARD OF ADMINISTRATION USE ONLY**

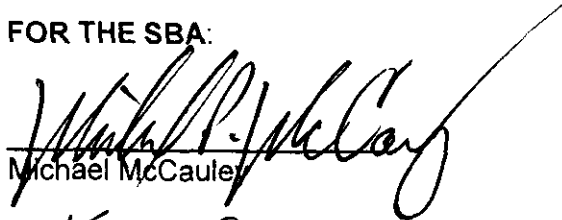
FO Approval _____ Date _____	PARTICIPANT ACCOUNT # _____
DIR or SOO Approval _____ Date _____	
AUDIT Approval _____ Date _____	

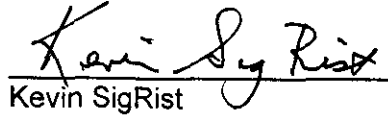
ENCLOSURE 4

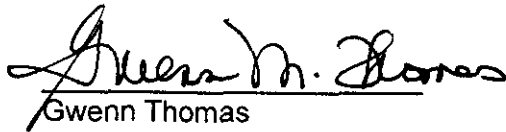
TO THE TRUST AGREEMENT BETWEEN  
THE STATE BOARD OF ADMINISTRATION OF FLORIDA  
AND FLORIDA STATE UNIVERSITY RESEARCH FOUNDATION, INC.

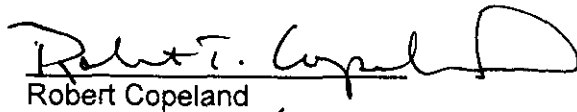
The designated representatives for the SBA are as follows:

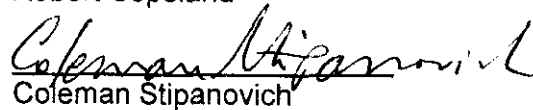
FOR THE SBA:

  
Michael McCauley

  
Kevin SigRist

  
Gwenn Thomas

  
Robert Copeland

  
Coleman Stipanovich

The Client's designated representatives are identified on the most recent Participant Account Maintenance Form.