

UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE

BOARD OF TRUSTEES

Resolution Approving Wilbur Fund Investment Management Agreement

WHEREAS, the Investment Subcommittee of the Budget, Finance, and Investment Committee asked the administration to examine the feasibility and efficacy of Wilbur Fund assets being co-invested with those of the University through purchase by the Wilbur Fund of shares in the University Long-Term Investment Pool; and

WHEREAS, the administration conducted due diligence to determine the terms and conditions, if any, under which such co-investment is appropriate under applicable law and financial accounting principles, obtaining such direction from qualified external consultants and University officials; and

WHEREAS, the Vice President for Finance and Administration has now reported to the Investment Subcommittee and the University of Vermont Board (“UVM Board”) the results of this due diligence process and made certain recommendations regarding the proposed funds co-investment; and

WHEREAS, the University of Vermont Board has approved the terms and conditions of an Investment Management Agreement (“IMA”) attached hereto, and authorized its Chair to execute the IMA subject to certain conditions; and

WHEREAS the Budget, Finance, & Investment Committee, upon recommendation of its Investment Subcommittee, recommends that this Board approve the terms and conditions of the IMA and authorize the Chair to execute the IMA subject to certain conditions;

NOW THEREFORE, BE IT RESOLVED, that the Board hereby approves the terms and conditions of the IMA and authorizes its Chair to execute the IMA.

Approved by the Board of Trustees: *December 1, 2007*

INVESTMENT MANAGEMENT AGREEMENT

THIS AGREEMENT made as of the 1st day of December, 2007, by and between the UNIVERSITY OF VERMONT BOARD OF TRUSTEES (“UVM Board”) and the UNIVERSITY OF VERMONT AND STATE AGRICULTURAL COLLEGE BOARD OF TRUSTEES (“UVMSAC Board”).

RECITALS:

WHEREAS, the UVM Board is the trustee of the University of Vermont Trust established under the James B. Wilbur Trust Indenture (u/a/d August 12, 1919) (the “Wilbur Fund”);

WHEREAS, the UVMSAC Board has the authority for the investment of the Long-Term Investment Pool (“LTIP”) for the benefit of the University of Vermont;

WHEREAS, the Wilbur Fund and the LTIP are managed separately although similarly;

WHEREAS, the UVM Board and the UVMSAC Board agree that if the Wilbur Fund and the LTIP were managed together there would be several advantages including, but not limited to, the following: (1) the Wilbur Fund would achieve greater diversification through more fund managers and market sectors; (2) to the extent management fees decrease with the size of the managed fund, combining the two funds for investment purposes would decrease fund management fees; (3) to the extent management contracts must be reviewed for the UVMSAC Board and similar contracts must be reviewed for The Wilbur Fund by the UVM Board, there would be economy of administration and reduction of attorney fees reviewing contracts if the two funds were invested together; and (4) if the funds were invested together, the investment committee would be able to monitor the Wilbur Fund’s performance better through quarterly reports; and

WHEREAS, the UVM Board and the UVMSAC Board agree to invest and manage the Wilbur Fund and the LTIP together.

NOW, THEREFORE, in consideration of the mutual promises, covenants, and conditions herein set forth, the parties hereto agree as follows:

1. Joint Investment. The UVM Board agrees to invest the assets of the Wilbur Fund together with the LTIP. Shares shall be assigned to represent proportional ownership of the assets. The date of investment into the pool shall set the proportional ownership.
2. Title to the Wilbur Fund. The UVM Board retains legal title to the assets of the Wilbur Fund.

3. Investment Management. A standing Investment Subcommittee of the Budget, Finance and Investment (“BFI”) Committee has been appointed to manage the investment of the long term pool assets. At least one member of the BFI shall be a UVM Board member. The UVM Board member(s) on the BFI shall act on behalf of the UVM Board with respect to the investment of the Wilbur Fund and shall report to the UVM Board with respect to the investments of the Wilbur Fund.
4. Allocation of Expenses. Investment management costs will be allocated to the Wilbur Fund on a pro rata basis (*i.e.*, a percentage of shares).
5. Accounting. The UVM Office of the Treasurer will provide regular accounting for the investments of the Wilbur Fund and for its income and expenditures. This accounting will be provided to the UVM Board at its regular meetings or upon request of the Chair. The UVM Office of the Treasurer is responsible for third-party reporting and accounting as required by policy, regulation, or law.
6. Termination. This agreement is terminable at will by either party. Upon termination of this Agreement, the Wilbur Fund assets shall be distributed to the UVM Board and invested in such accounts as it may direct.

The parties hereto have signed this agreement all of this the date first above written.

University of Vermont Board of Trustees,
Trustees of the University of Vermont Trust
Under the James B. Wilbur Trust Indenture
(u/a/d August 12, 1919)

University of Vermont and
State Agricultural College
Board of Trustees

By: _____
Name: _____
Its: Chairman of the Board

By: _____
Name: _____
Its: Chairman of the Board