

MBIA MUNICIPAL INVESTORS SERVICE CORPORATION
Investment Advisory Agreement – Non-Discretionary

This Agreement, dated as of the 6th day of June 2005 (this "Agreement"), is by and between MBIA Municipal Investors Service Corporation (the "Adviser") and St. Charles Parish, Louisiana (the "Client"). The parties agree as follows:

1. Appointment

The Client hereby appoints the Adviser as the investment adviser of those assets designated by the Client (the "Advisory Account").

2. Duties of the Adviser

The Adviser shall invest the assets of the Advisory Account as directed by the Client in accordance with the written investment objectives, policies and restrictions of the Client. The Client shall provide the Adviser with an initial Investment Policy or list of authorized investments which shall be incorporated in Exhibit A.

The Adviser will provide to the Client monthly a written report detailing transactions for the period and an inventory of the investments in the Advisory Account. It is agreed that the Adviser, in the maintenance of records, does not assume responsibility for the accuracy of information furnished by the Client or any other person.

Any additional investment management services the Adviser shall provide to the Client are listed in Exhibit B.

3. Non-Discretionary Authority

It is agreed that decisions concerning investments subject to this Agreement shall be made by the Client's authorized representative with the assistance of the Adviser. The approval of the Client is required prior to the execution of any investment transaction for the Advisory Account. The Adviser, when expressly instructed by the Client, will buy or sell securities and place orders for the execution of such transactions with or through such brokers, dealers, or issuers as the Adviser may select, subject to approval by the Client.

4. Changes in Investment Policies or Assets in the Account

The Client is required to notify the Adviser promptly in writing of any modifications to the investment objectives, policies or restrictions applicable to the Advisory Account. The Client agrees to notify the Adviser promptly of any withdrawal of securities from the Advisory Account initiated by the Client.

5. Allocation of Brokerage

When placing orders for the execution of transactions for the Advisory Account, the Adviser will take into consideration not only the available prices but also other relevant factors such as, without limitation, execution capabilities and safekeeping arrangements. The Adviser will exercise good faith in obtaining the best price and execution for each transaction for the Advisory Account.

6. Safekeeping and Custody

The Adviser will not have custody or possession of the assets of the Advisory Account of the Client. The Client shall select and authorize a custodian bank or brokerage firm to hold the assets of the Advisory Account in safekeeping for the Client. The Client shall be solely responsible for all fees involved with any custodial arrangements.

Exhibit B

Work to be Performed

MBIA Municipal Investors Service Corporation will provide the following services for St. Charles Parish:

- Provide full-time non-discretionary management of the Advisory Account.
- Develop and implement investment strategies for the Advisory Account that will seek to enhance portfolio performance under current and future market conditions within the parameters of the investment policy and cash flow needs.
- Provide technical and fundamental market research, including yield curve analysis.
- Obtain and document competitive prices for securities transactions.
- Assist with trade settlements.
- Provide monthly investment reports for the portfolio detailing securities holdings, portfolio composition and sector analyses, portfolio return and weighted average maturity, and daily transaction activity.
- Provide semi-annual and annual portfolio performance reports.
- Perform due diligence reviews of current and proposed broker/dealers.
- Monitor the creditworthiness of the investments in the portfolio.
- Evaluate safekeeping and custodial procedures and agreements.
- Review and update the Parish's investment policy.
- Work with the Parish to develop and update cash flow projections.
- Provide arbitrage rebate reporting through MuniFinancial for bond proceeds managed by MBIA at no additional cost to the Parish.
- Provide reviews of the investment program and portfolio performance with the finance staff, investment committee and/or governing body upon request.

Exhibit C

Fee Schedule for Investment Advisory Services

The annual fee for providing investment advisory services for St. Charles Parish is as follows:

<u>Assets</u>	<u>Annual Fee</u>
Up to and including the first \$25 million	12 basis points (.12%)
Next \$25 - 40 million	10 basis points (.10%)
Amounts over \$40 million	9 basis points (.009%)

The fees for investment advisory services are based on the average value (cost basis) of assets under management. A pro rata portion of the annual fee (1/12) is billed each month based on the average asset value of the portfolio for the month. The fee shall be payable upon receipt of billing from the Adviser.

Monthly fees are based on the schedule outlined above; however, at no time shall the monthly fee be less than \$1,000 regardless of the average net asset value of the assets under management.