

MEMORANDUM OF UNDERSTANDING

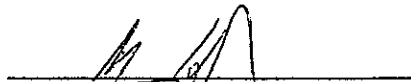
Between
National Association of State Student Grant and Aid Programs (NASSGAP)
And
The Pell Institute for the Study of Opportunity in Higher Education (The Pell Institute)
Effective January 12, 2005

1. All funds minus \$5,000 currently held by the NASSGAP Treasurer on behalf of the NASSGAP/National Council of Higher Education Loan Programs (NCHELP) Research Network (Network) will be transferred to The Pell Institute (a division of the Council for Opportunity in Education) and will be deemed the sole property of The Pell Institute. As of January 12, 2005, the total balance of the account is \$24,532.36. The amount to be transferred is \$19,532.36.
2. The funds referenced in Point 1 shall be dedicated solely by The Pell Institute to the operation of the NASSGAP Research Committee for the purpose of operating Network activities.
3. NASSGAP shall appoint Colleen T. O'Brien as permanent chair of the NASSGAP Research Committee. Colleen O'Brien, serving also as the representative of the Network, shall have sole discretion regarding the direction of expenditures from the funds referenced in Point 1, including interest and/or investment earnings. By mutual agreement, the parties may appoint a successor to Colleen O'Brien who shall assume all responsibilities assigned to Colleen O'Brien under this Memorandum of Understanding.
4. The Pell Institute shall maintain the funds referenced in Point 1, including any interest or investment earnings derived from the funds, in a federally insured instrument providing liquidity appropriate to meet Network expenses as identified by Colleen O'Brien.
5. In no event shall costs associated with the Network become the responsibility of the Pell Institute.
6. By mutual agreement between NASSGAP and the Network, the Network will give NASSGAP \$5,000 each year on October 1 for four years (2005, 2006, 2007, and 2008) to help support the NASSGAP annual survey and the association.
7. Should the Network cease to operate in the future, the disposition of funds identified in Point 1 shall be at the sole discretion of The Pell Institute. The Network shall be deemed to have ceased operations if no meetings have been conducted over a period of 24 consecutive months.



Theresa Antworth
NASSGAP President

2-22-05
Date



Maureen Hoyer
The Council for Opportunity in Education

2-10-05
Date