

**FORM OF
AGREEMENT AND DECLARATION OF TRUST
Creating and Establishing the
FLORIDA LOCAL GOVERNMENT INVESTMENT TRUST
Reflecting Amendments as of August 22, 2019**

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AGREEMENT AND DECLARATION OF TRUST

THIS AGREEMENT AND DECLARATION OF TRUST is made and entered into as of December 1, 1991, by and among Brevard County, Hernando County, Manatee County and Orange County, as the initial participants of the Florida Local Government Investment Trust (the "Initial Participants") and Robert L. Anderson, Scott I. Cowan, Martha O. Haynie, Karen Nicolai, Richard B. Shore and Terry R. Wood, as the initial Trustees of the Florida Local Government Investment Trust (the "Initial Trustees").

W I T N E S S E T H:

WHEREAS, it furthers the public interest for public entities to invest any monies not immediately required to be disbursed and to maximize the net earnings on such funds; and

WHEREAS, the Initial Participants each desire to enter into a trust agreement and thereby establish one or more investment funds (each referred to herein as an "Investment Fund") for pooling their surplus funds for joint investment in accordance with the provisions of this Agreement and Declaration of Trust (the "Agreement"); and

WHEREAS, each of the Initial Participants has duly taken all official action necessary and appropriate to become a party to this Agreement; and

WHEREAS, it is the desire and intent of the Initial Trustees to serve in the capacity of trustees of the Florida Local Government Investment Trust for the purpose of operating, managing and maintaining the assets and liabilities thereof; and

WHEREAS, it is the intent and purpose of this Agreement to invest the pooled funds only in the manner authorized by applicable law; and

WHEREAS, it is proposed that the beneficial interest of any Participant hereunder in the assets of any Investment Fund created pursuant to the provisions of this Agreement shall be divided into non-transferable shares of beneficial interest, which shall be evidenced by share registers maintained by or on behalf of the Trustees; and

WHEREAS, the Initial Participants anticipate that other public entities may wish to become Participants hereunder by becoming parties to this Agreement;

NOW THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, the Initial Participants and Participants hereafter added pursuant to the provisions hereof, mutually undertake, promise and agree for themselves, their respective representatives, successors and assigns that all monies, assets, securities, funds and property now or hereafter acquired by the Trustees, their successors or assigns under this Agreement, shall be held and managed in trust for the mutual and

proportionate benefit of the holders of record from time to time of shares of beneficial interest in one or more Investment Funds established pursuant to this Agreement, without privilege, priority or distinction among such holders, and subject to the terms, covenants, conditions, purposes and provisions hereof as follows:

**ARTICLE I DEFINITIONS AND
CONSTRUCTION**

SECTION 1.01. DEFINITIONS. As used in this Agreement and Declaration of Trust, the following terms shall have the following meanings unless the context hereof otherwise requires. Words importing the singular number shall include the plural in each case and vice versa, and words importing persons shall include firms and corporations.

"Administrator" shall mean the person or persons appointed, engaged by the Trustees in accordance with the applicable provisions of Section 5.01 hereof, to perform the duties described in Section 5.03 hereof.

"Affiliate" shall mean, with respect to any person, another person directly or indirectly controlled by or under common control with such person, or any officer, director, partner or employee of such person.

"Agreement" shall mean this Agreement and Declaration of Trust, including any amendments, supplements or joinders hereto executed and delivered in accordance with the terms hereof.

"Annual Report" shall mean the annual report required by Section 4.15 hereof.

"Board" shall mean the Board of Trustees responsible for the operation and administration of the Trust.

"Business Day" shall mean any day upon which banks in the State are open to transact regular business.

"Clerk's Association" shall mean the Florida Association of Court Clerks and Comptrollers.

"County Association" shall mean the Florida Association of Counties, Inc.

"Custodian" shall mean the bank or trust company engaged by the Trustees in accordance with the applicable provisions of Section 6.01 hereof.

"Custodian Agreement" shall mean the agreement between the Trust and the Custodian referred to in Section 6.01 hereof, as the same may be amended from time to time.

"Development Expenses" means any charges or expenses associated with the initial formation of the Trust, including legal fees and amounts advanced by the County Association and the Clerk's Association.

"Education Expenses" means any charges or expenses associated with education and technical assistance, as set forth in Section 4.20 hereof.

"Fiscal Year" shall mean the annual period beginning October 1 of each year and ending September 30 of the following year unless modified by the Trustees pursuant to Section 4.10 hereof.

"Information Statement" shall mean the information statement or other descriptive document or documents adopted as such by the Trustees and distributed by the Trust to Participants and potential Participants of the Trust as the same may be amended by the Trustees from time to time.

"Initial Participants" shall mean Brevard County, Hernando County, Manatee County and Orange County, which are Public Entities of the State and which, acting with respect to the surplus funds of their respective treasuries, formed this Trust by the execution and adoption of this Agreement.

"Initial Trustees" shall mean Robert L. Anderson, Scott I. Cowan, Martha O. Haynie, Karen Nicolai, Richard B. Shore and Terry R. Wood, as the initial Trustees of the Florida Local Government Investment Trust.

"Investment Advisor" shall mean the person or persons engaged by the Trustees in accordance with the applicable provisions of Section 5.01 hereof to perform the duties described in Section 5.02 hereof.

"Investment Advisory Agreement" shall mean the agreement with the Investment Advisor referred to in Section 5.02 hereof as the same may be amended from time to time.

"Investment Fund" shall mean a trust fund established by the Trustees pursuant to Section 4.02 hereof, to enable the Participants to pool their surplus funds for joint investment in accordance with the provisions of this Agreement.

"Net Asset Value" shall mean the aggregate value of Shares in an Investment Fund, determined in accordance with Section 9.02 hereof.

"Operating Expenses" means any charges or expenses which, in the opinion of the Trustees, are necessary or incidental to or proper for carrying out any of the purposes of this Agreement, including appropriate compensation or fees to persons with whom the Trust has contracted or transacted business.

"Participant" shall mean the Initial Participants and the Public Entities which comply hereafter with the provisions of Section 2.03 hereof.

"Permitted Investments" shall mean the investments authorized by the Trustees for any specific Investment Fund, as authorized by Section 4.02 hereof.

"Public Entity" shall mean any municipality, county, public utility, or other political subdivision of the State, or any department, agency, or instrumentality thereof, or any political or public corporation thereof, existing as a local government entity under the Constitution and laws of the State, which is authorized to invest in the Trust. The term "Public Entity" shall be limited to those types of public entities that are political subdivisions of the State of Florida within the meaning of the Internal Revenue Code of 1986, as amended, integral parts of the State of Florida, or entities whose income qualifies for exclusion from gross income pursuant to Section 115 of the Internal Revenue Code of 1986, as amended.

"Share" shall mean the unit used to denominate and measure the respective pro rata beneficial interest of the Participants in the Trust Property, as described in Article VII.

"Share Register" shall mean the register of Shares maintained pursuant to Article VIII hereof.

"Share Value" shall mean the value of each Share in an Investment Fund, determined in accordance with Section 9.03 hereof.

"State" shall mean the State of Florida.

"Transaction Execution Date" means the Business Day on which a Participant's investment in or redemption from an Investment Fund is executed in accordance with the terms hereof.

"Transaction Valuation Date" means (A) with respect to investments, each Transaction Execution Date, and (B) with respect to redemptions, the Business Day immediately preceding each Transaction Execution Date.

"Trust" shall mean the "Florida Local Government Investment Trust" as established and governed by this Agreement.

"Trust Counsel" shall mean the attorney or firm of attorneys, experienced in matter of local government law and duly admitted to practice law in the State, as may be engaged or employed by the Board pursuant to Section 5.04 of this Agreement.

"Trust Property" shall mean, as of any particular time, any and all property, real, personal, or otherwise, tangible or intangible, which is transferred, conveyed or paid to the Trust or Trustees, and all assets, income, profits and gains therefrom and which, at such time, is owned or held by or for the account of the Trust or the Trustees, including but not limited to Permitted Investments.

"Trustees" shall mean the Initial Trustees of the Florida Local Government Investment Trust designated in Section 3.01 of this Agreement or any successors appointed thereafter as provided in said Section 3.01.

SECTION 1.02. SECTION HEADINGS. Any headings preceding the texts of the several Articles and Sections of the Agreement and any table of contents or marginal notes appended to copies hereof, shall be solely for convenience of reference and shall neither constitute a part of this Agreement nor affect its meaning, construction or effect.

ARTICLE II

CREATION AND PURPOSE OF TRUST

SECTION 2.01. CREATION OF TRUST. There is hereby created and established an investment trust for surplus public funds to be known as the "Florida Local Government Investment Trust," the operation and administration of which shall be the responsibility of the Trustees. The Trustees shall conduct the Trust's activities, hold property, execute all documents and sue or be sued as the "Florida Local Government Investment Trust" and such name (and the name "Trust", wherever used in this Agreement or related documents, except where the context otherwise requires) shall refer to the Board of Trustees in their capacity as Trustees, and not individually or personally, and shall not refer to the officers, agents, employees, counsel, advisors, consultants, accountants, or Participants of the Trust or of such Trustees. Should the Trustees determine that the use of such name is not practicable, legal or convenient, they may use such other designation or adopt such other name for the Trust as they deem proper, and the Trust may hold property and conduct its activities under such designation or name. The Trustees shall take such action as they deem necessary or appropriate to file or register such name in accordance with the laws of the State or the United States of America so as to protect and reserve the right of the Trust in and to such name.

SECTION 2.02. PURPOSE AND NATURE OF TRUST.

(A) The purpose of the Trust is to provide Investment Funds through which Public Entities may pool funds which are not immediately required to be disbursed in order to take advantage of Permitted Investments and maximize net earnings, subject to and in accordance with the provisions of the laws of the State, from time to time in effect, governing the investment of funds by such Public Entities.

(B) The Trust is created pursuant to and shall be subject to and governed by all applicable laws of the State. The Trust is not intended to be, shall not be deemed to be, and shall not be treated as a general partnership, limited partnership, joint venture, corporation, investment company, joint stock company, or any other entity or organization other than a local government surplus funds trust fund. The Participants shall be the beneficiaries of the Trust and their relationship to the Trustees shall be solely in their capacity as Participants and beneficiaries in accordance with the rights conferred upon them hereunder.

(C) This Agreement is an agreement of indefinite term regarding the deposit, redeposit, investment, reinvestment and withdrawal of local government funds within the meaning of the laws of the State. The Trust Property shall be invested in compliance with the laws of the State and the provisions hereof.

SECTION 2.03. PARTICIPANT REQUIREMENTS. A Public Entity may become a Participant by (A) agreeing by written instrument to be bound by the terms of this Agreement, and (B) providing written evidence to the Trust that the Clerk of the Circuit Court, County Comptroller or other comparable officer of such Public Entity has approved participation in the Trust, each in form and substance acceptable to the Trust Counsel. Each Public Entity, once having become a Participant as set forth above, shall continue as a Participant until a subsequent written instrument withdrawing from the Trust is adopted and delivered to the Trustees and Administrator stating that Public Entity's intent to withdraw from participation in the Trust.

SECTION 2.04. PRINCIPAL OFFICE. The Trust shall maintain an office of record in the State and may maintain such other offices or places of business as the Trustees may from time to time determine. The initial office of record of the Trust shall be 3544 Maclay Boulevard, Tallahassee, Florida 32312. The office of record may be changed from time to time by resolution of the Trustees, and notice of such change of the office of record shall be given to each Participant.

**ARTICLE III BOARD
OF TRUSTEES**

SECTION 3.01. APPOINTMENT OF TRUSTEES. The Trust shall be operated and administered by a Board of Trustees consisting of six members. Three Trustees shall be appointed by and serve at the pleasure of the County Association and three Trustees shall be appointed by and serve at the pleasure of the Clerk's Association. Upon appointment, each Trustee shall execute, acknowledge and deliver to the Board and the organization responsible for such Trustee's appointment an instrument in writing accepting such appointment hereunder, and thereupon such Trustee, without any further act, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of a Trustee. Each Trustee shall be appointed for a term of one year or until his or her successor is appointed and qualified as provided herein. There shall be no limit upon the number of successive terms to be served by any Trustee. Trustees' terms shall commence on July 1. Notwithstanding the foregoing, the term of the initial Trustees shall commence on the effective date of this Agreement and expire on June 30, 1992.

The initial Trustees of the Trust are as follows:

<u>Name</u>	<u>Appointing Organization</u>
Robert L. Anderson	County Association
Scott I. Cowan	County Association
Martha O. Haynie	Clerk's Association
Karen Nicolai	Clerk's Association
Richard B. Shore	Clerk's Association
Terry R. Wood	County Association

SECTION 3.02. RESIGNATIONS. Any Trustee may resign by delivering, either by mail or in person, his or her written resignation to the Chairman of the Board and the organization responsible for such Trustee's appointment. Any person appointed to serve as a Trustee while serving as a County Commissioner, Clerk of the Circuit Court or County Comptroller shall be deemed to resign as a Trustee on the date such person (A) ceases to hold such office or (B) is suspended from such office, notwithstanding any subsequent reinstatement. Any person who ceases being a Trustee for whatever reason shall forthwith turn over to the remaining Trustees, at the principal office of the Trust, any and all records, books, documents, property or other assets in his or her possession owned by the Trust or by the Board incident to the fulfillment of this Agreement and the administration of the Trust. The Trust shall immediately notify the County Association and the Clerks Association in writing of the resignation of any Trustee appointed by such

association. The powers of the Board to act shall not be impaired or limited in any way pending the appointment of a successor Trustee to fill any vacancy.

SECTION 3.03. BOARD MEETINGS.

(A) Notwithstanding any other provisions of this Agreement to the contrary, meetings of the Board of Trustees shall be governed by the substantive provisions of Section 286.011, Florida Statutes, as the same may hereafter be amended and supplemented, and any subsequently enacted statute succeeding to the functions of Section 286.011. The Trustees hereby individually and collectively agree to comply with the provisions thereof.

(B) The annual meeting of the Board shall be held at such times and at such places as determined periodically by the Board.

(C) Special meetings of the Board may be called by the Chairman and in his or her absence by the Vice-Chairman, or by any three Trustees. By unanimous consent of all of the Trustees, special meetings of the Board may be held without written notice at any time and place; otherwise, notice of all special meetings of the Board shall be mailed to each Trustee at least ten days prior to the time fixed for the meeting. The Administrator shall receive notice of all meetings. All notices of special meetings of the Board shall state the purpose thereof.

(D) To the extent permitted by Section 286.011, Florida Statutes, telephonic regular or special meetings by conference call or other method of electronic voice transmission which permits each participant to hear every other participant and join in the discussion are specifically authorized.

(E) To the extent permitted by Section 286.011, Florida Statutes, in the event all of the Trustees shall severally or collectively consent in writing to any action taken or to be taken by the Trust, such action is a valid action as though it had been authorized at a formal meeting.

(F) The Board shall meet not less than semiannually.

(G) Absence of any Trustee for three consecutive meetings in a year without justification, excuse or good cause shall be deemed a resignation by such Trustee and the organization responsible for such Trustee's appointment may declare vacant the position, which shall be filled in the manner indicated above.

SECTION 3.04. QUORUM AND VOTING. A quorum for the transaction of business at any regular or special meeting of the Board shall consist of a majority of the Trustees then in office, but shall never be less than four Trustees; provided however, that a majority of the Trustees present may act to continue the meeting to any time and date specified in such action. Each Trustee shall be entitled to one vote at any meeting of the

Board. No vote by proxy shall be permitted. The affirmative vote of not less than four Trustees shall be required for any action of the Board.

SECTION 3.05. CONFLICTS OF INTEREST. No Trustee shall vote on any matter which inures to his or her special private gain, or the special gain of any principal, other than a Participant, by whom he or she is retained. Such Trustee shall, prior to a vote being taken, disclose the nature of his or her interest in the matter from which he or she is abstaining from voting.

SECTION 3.06. BOOKS AND RECORDS. The books and records pertaining to the Trust shall be "public records" within the meaning of Section 119.01(1), Florida Statutes, and any subsequently enacted statute defining the term "public records." The Trustees hereby individually and collectively agree to comply with all provisions of law applicable to "public records."

SECTION 3.07. OFFICERS OF THE BOARD. Officers of the Board required by this Agreement shall be elected at the annual meeting held in accordance with Section 3.03(A) of this Agreement. In addition, the Board may elect such other officers from their number as it deems advisable. Notwithstanding their stated terms, all officers shall serve at the pleasure of the Board.

(A) The Board shall elect a Chairman from their number, who shall serve for a period of one year, or until a successor shall have been duly elected and qualified, whichever is later and may be elected to an unlimited number of consecutive terms. The Chairman shall be the chief executive officer of the Trust, shall preside at all meetings of the Board, shall have general supervision over the affairs of the Trust and over the other officers, and shall perform all such other acts and duties as are incident to the Chairman's responsibilities as chief executive officer.

(B) The Board shall elect a Vice-Chairman from their number, who shall serve for a period of one year, or until a successor shall have been duly elected and qualified, whichever is later and may be elected to an unlimited number of consecutive terms. In case of the absence or disability of the Chairman, the Chairman's duties shall be performed by the Vice-Chairman. The Vice-Chairman shall perform such additional duties as are authorized by the Board.

(C) The Board shall elect a Secretary from their number, who shall serve for a period of one year, or until a successor shall have been duly elected and qualified, whichever is later and may be elected to an unlimited number of consecutive terms. The Secretary shall record and circulate the minutes of all meetings, shall prepare agendas and records, and perform such additional duties as are authorized by the Board.

SECTION 3.08. COMPENSATION. No Trustee shall be compensated for service as a Trustee. A Trustee may be reimbursed for out-of-pocket expenses in

attending meetings or for other authorized travel on behalf of the Trust. No Trustee shall be employed or engaged by the Board to provide professional or other services to the Trust.

SECTION 3.09. STANDARD OF CARE. The Trustees shall use ordinary care and reasonable diligence in the administration of the Trust. Nothing contained in this Agreement, either expressly or by implication, shall be deemed to impose any duties or responsibilities on the Trustees other than those expressly set forth in this Agreement.

SECTION 3.10. LIABILITY. A Trustee shall not be personally liable for monetary damages to any person for any statement, vote decision, or failure to act, regarding the management or policy of the Trust unless:

(A) the Trustee breached or failed to perform his or her duties as a Trustee; and

(B) the Trustee's breach of, or failure to perform, his or her duties constitutes:

(1) A violation of the criminal law, unless the Trustee had reasonable cause to believe such conduct was lawful or had no reasonable cause to believe such conduct was unlawful. A judgment or other final adjudication against a Trustee in any criminal proceeding for violation of the criminal law shall estop that Trustee from contesting the fact that such breach, or failure to perform, constitutes a violation of the criminal law; but does not estop the Trustee from establishing that such Trustee had reasonable cause to believe that such conduct was lawful or had no reasonable cause to believe that such conduct was unlawful;

(2) A transaction from which the Trustee derived an improper personal benefit, either directly or indirectly; or

(3) Recklessness or an act or omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property.

For the purposes of this Section 3.10, the term "recklessness" means the acting or omission to act, in conscious disregard of a risk: (i) known, or so obvious that it should have been known to the Trustee; and (ii) known to the Trustee, or so obvious that it should have been known, to be so great as to make it highly probable that harm would follow from such action or omission.

SECTION 3.11. INDEMNIFICATION.

(A) The Trust shall, to the extent permitted by law, indemnify any person who was or is a party (other than an action by, or in the right of, the Trust), by reason of the fact that such person is or was a Trustee, officer or direct employee of the Trust against liability incurred in connection with such proceedings on behalf of the Trust, including

any approval of such proceedings, if such person acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interest of the Trust and, with respect to any criminal action or proceedings, had no reasonable cause to believe such conduct was unlawful. The termination of any proceedings by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interest of the Trust, or, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

(B) In case any claim shall be made or action brought against any person in respect of which indemnity may be sought against the Trust, such indemnified person shall promptly notify the Trust in writing setting forth the particulars of such claim or action. The indemnified person shall be entitled to select and retain counsel of his or her choice. The Trust shall be responsible for the payment or immediate reimbursement for all reasonable fees and expenses incurred in the defense of such claim or action.

SECTION 3.12. LEGAL TITLE TO TRUST PROPERTY. Title to all Trust Property shall be vested in the Trust on behalf of the Participants who shall be the beneficial owners. The Trustees shall have full and complete power to cause legal title to any Trust Property to be held, on behalf of the Participants, by or in the name of any other entity or person as nominee, on such terms, in such manner, and with such powers as the Trustees may determine; provided that the interests of the Trust are adequately protected as a consequence thereof.

SECTION 3.13. EXECUTION OF DOCUMENTS. All documents or instruments which require the signature of the Trustees shall be signed by the Chairman of the Board of Trustees (as Trustee) or by such other person as designated by resolution of the Trustees.

SECTION 3.14. BY-LAWS. The Trustees may adopt and from time to time, amend or repeal by-laws for the conduct of the business of the Trust. The by-laws, among other things, may define the duties of the respective officers, agents, employees and representatives of the Trust.

SECTION 3.15. SEAL. The Trustees shall have full and complete power to adopt and use a seal for the Trust, but unless otherwise required by the Trustees, it shall not be necessary for the seal to be placed on, and its absence shall not impair the validity of any document, instrument or other paper executed and delivered by or on behalf of the Trust.

SECTION 3.16. SURETY BONDS. No Trustee shall be obligated to give any bond, surety or other security for the performance of any of his or her duties as

Trustee, except as otherwise determined by the Board of Trustees if necessary to protect the Trust.

SECTION 3.17. RECITALS. Any written instrument duly creating an obligation of the Trust shall be conclusively taken to have been executed by the Trustees, a Trustee or an officer, employee or agent of the Trust only in his or her capacity as a Trustee under this Agreement or in his or her capacity as an officer, employee or agent of the Trust. Any written instrument duly creating an obligation of the Trust shall refer to this Agreement and contain a recital to the effect that the obligations thereunder are not personally binding upon, nor shall resort be had to the property of, any of the Trustees, Participants, Treasurers, officers, employees or agents of the Trust; that only the Trust Property or a specific portion thereof shall be bound; and that such written instrument may contain any similar recital which may be deemed appropriate; provided that the omission of any recital pursuant hereto shall not operate to impose personal liability on any of the Trustees, Participants, Treasurers, officers, employees or agents of the Trust.

SECTION 3.18. RELIANCE ON EXPERTS. Each Trustee and officer of the Trust shall, in the performance of his or her duties, be fully and completely justified and protected with regard to any act or any failure to act resulting from reliance in good faith upon the books of account or other official records of the Trust, upon an opinion of Trust Counsel, or upon official reports made to the Trust by any of its officers or employees or by the Investment Advisor, Administrator, Custodian, accountants, appraisers or other experts or consultants selected with reasonable care by the Trustees or officers of the Trust.

ARTICLE IV POWERS

OF TRUSTEES

SECTION 4.01. GENERAL. The Trustees shall have, without other or further authorization, full, exclusive, and absolute power, control and authority over the Trust Property and over the affairs of the Trust to the same extent as if the Trustees were the sole and absolute owners of the Trust Property in their own right, and with such powers of delegation as may be permitted by this Agreement. The Trustees may do and perform such acts and things as in their sole judgment and discretion are necessary and proper for conducting the affairs of the Trust or promoting the interests of the Trust and the Participants in accordance with the objectives of this Trust as set forth in this Agreement. The Trustees shall invest the Trust Property with that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of the capital, the need for liquidity, and the probable income to be derived from such investment. The enumeration of any specific power or authority herein shall not be construed as limiting the aforesaid general power or authority or any other specific power or authority provided by law. The Trustees may exercise any power authorized and granted to them by this Agreement. Such powers of the Trustees may be exercised without any further consent of the Participants, unless otherwise provided herein, or the necessity of any order of, or resort to, any court. Notwithstanding any other provision hereof, the Trustees are authorized to establish more than one Investment Fund in which the assets of the Trust are held and to establish separate investment criteria for each Investment Fund.

SECTION 4.02. INVESTMENT FUNDS.

(A) Government Fund

(1) The initial Investment Fund established pursuant to this Agreement shall be known as the "Government Fund." Participants shall be entitled to redeem funds from the Government Fund upon provision of notice to the Trust not later than the second Business Day prior to the date of redemption.

(2) The following instruments shall comprise the Permitted Investments for the Government Fund; provided however, that Government Fund assets shall not be invested in any instrument or instruments rated lower than A- by Fitch or another nationally recognized rating agency, provided that the overall rating of the Government Fund must always be maintained at the highest rating category (AAA or equivalent) by at least one of the three nationally

recognized rating agencies. In the event that the two rating agencies assigned separate ratings to a particular security, the lower of the two ratings prevail:

(a) direct obligations of the United States Treasury, Federal agencies and instrumentalities of the United States;

(b) repurchase agreements with a term of 30 days or less that are fully collateralized by obligations described in Section 4.02(A)(2)(a), provided that the institution or broker transacting the repurchase agreement shall (a) execute and perform as stated in a master repurchase agreement and (b) take delivery of such collateral either directly or through an authorized custodian;

(c) commercial paper rated "prime-1" by Moody's Investors Service and "A-1" or "A-1+" by a nationally recognized rating agency, provided that the Government Fund shall not purchase more than 10 percent of the outstanding principal amount of any specific issue of commercial paper;

(d) Securities and Exchange Commission registered money market funds with the highest credit quality rating from a nationally recognized rating agency; provided however, that the investment of Government Fund assets in a money market mutual fund shall not exceed one percent of the Government Fund assets unless such investment is made (a) on an overnight basis pending investment on the next Business Day, (b) in amounts required to pay the purchase price of an investment previously purchased, the purchase price of which has not been paid, or (c) at the express direction of the Investment Advisor;

(e) Asset-backed securities in fully-registered form;

(f) domestic corporate debt obligations and bonds denominated in US Dollars and issued in the United States by foreign banks and corporations (yankee bonds), provided that not more than 2 percent of the Government Fund shall be invested in the debt obligations of any specific issuer.

No Permitted Investment shall mature later than five years following its purchase; provided however, that if a Permitted Investment has a put or reset date or trades on its average maturity, the applicable put date, reset date, or date of average maturity or duration shall be used in lieu of the actual maturity date; and

(g) Taxable and non-taxable municipal securities, provided that, on a per issue basis, the minimum issue size is \$50 million and the portfolio cannot own more than 10% of the issue.

(3) To be classified as Permitted Investments for the Government Fund, collateralized mortgage obligations shall be part of a tranche structured to have a projected stable average life over a wide range of interest rate movement and rate of prepayment, as evidenced by compliance with the average life test, average life sensitivity test and price sensitivity test promulgated by the Federal Financial Institutional Examination Council.

Collateralized mortgage obligations shall not be classified as Permitted Investments if they are secured by principal or interest only, or if they bear interest at an inverse floating rate.

(4) Not less than 30 percent of the Government Fund assets shall be invested in direct obligations of the United States Treasury, federal agencies and instrumentalities.

(B) Short Term Liquidity Fund

(1) There is hereby established the Short Term Liquidity Fund. Participants shall be entitled to redeem funds from the Short Term Liquidity Fund upon provision of notice to the Trust as provided in Section 7.04 hereof.

(2) The objectives of the Short Term Liquidity Fund are a stable share price and as high a level of current income as is consistent with preservation of principal and liquidity.

(3) Except as otherwise provided in this Section 4.02(B), all Permitted Investments for the Short Term Liquidity Fund must satisfy the following criteria:

(a) Such Permitted Investments must be securities eligible to be held in an investment fund regulated and controlled by Securities and Exchange Commission Rule 2a-7;

(b) Such Permitted Investments must have a maturity of not more than 397 days, except for government issued and FDIC-backed floating rate notes which must have a maturity of not more than 762 days;

(c) A minimum of 50% of such Permitted Investments must have an A-1+ rating from a nationally recognized rating agency and a maximum of 50% of such Permitted Investments must have an A-1 rating from a nationally recognized rating agency;

(d) Except for government or agency securities, no more than 5% of the Short Term Liquidity Fund's market value will be invested in securities of any single issuer; and

(e) The instruments must be Fixed-Income securities.

(4) Subject to Section 4.02(B)(3) above, the following Fixed-Income instruments shall comprise the Permitted Investments for the Short Term Liquidity Fund:

(a) Obligations of U.S. or foreign Governments or their agencies payable in U.S. Dollars;

(b) U.S. Dollar-denominated Corporate securities;

(c) Money-market instruments including repurchase agreements with minimum 102% collateral of US Treasury and Agency securities only; and

(d) Obligations of U.S. state and local entities.

(e) Notwithstanding anything to the contrary in this Section 4.02(B), investments in asset-backed and mortgage-backed securities shall be limited to a combined maximum of 5% of the Short Term Liquidity Fund's market value, and each asset-backed and mortgage-backed security must have a maximum "final" maturity of 397 days and minimum credit rating of A-1 or equivalent."

(C) Additional Investment Funds may be established by the Board. The action creating any additional Investment Fund shall specify the applicable Permitted Investments and redemption requirements. The Trustees shall not modify the list of Permitted Investments or the period of advance notice required for the redemption of Shares for any Investment Fund without (1) providing 30 day's written notice to each Participant holding Shares in such Investment Fund and (2) permitting each Participant to redeem its Shares in such Investment Fund

SECTION 4.03. ACQUISITION AND DISPOSITION OF ASSETS.

(A) The Trustees shall have full and complete power to establish and maintain Investment Funds for Participants. For such consideration as they may deem proper and as may be required by law, the Trustees shall be authorized to purchase, subscribe for, invest in, sell, assign, transfer, exchange, distribute and otherwise deal in or dispose of Permitted Investments and to contract for and enter into agreements with respect to the purchase and sale of Permitted Investments.

(B) The Trustees shall have full and complete power to sell, exchange or otherwise dispose of any and all Trust Property free and clear of any and all trusts and restrictions, at public or private sale, with or without advertisement, for cash or on terms, and subject to such restrictions, stipulations, agreements and reservations as they shall deem proper, and to execute and deliver any deed, power, assignment, bill of sale or other instrument in connection with the foregoing, including giving consents and making contracts relating to Trust Property or its investment, use or disposition.

SECTION 4.04. DELEGATION. The Trustees shall have full and complete power (consistent with their continuing exclusive authority over the management and administration of the Trust and their duties and obligations as Trustees) to delegate from time to time to one or more Trustees (who may be designated as a Committee of the Trustees) or to officers, employees or agents of the Trust (including the Investment Advisor, the Administrator, the Custodian and the Trust Counsel) such authorities, the performance of such acts and things, the execution of such instruments either in the name of the Trust or as their attorney or attorneys, and such other responsibilities as the Trustees may from time to time deem expedient and appropriate in the furtherance of the business affairs and purposes of the Trust. The provisions of this Section 4.04 shall be deemed to permit the delegation of administrative, ministerial and operational matters, but shall not be deemed to permit the delegation of the authority to determine policies and procedures of the Trust.

SECTION 4.05. COLLECTION. The Trustees shall have full and complete power: (A) to collect, sue for, receive and receipt for all sums of money or other property due to the Trust; (B) to consent to extensions of time for payment or the renewal of any securities, investments or obligations; (C) to engage or intervene in, prosecute, defend, compromise, abandon, or adjust by arbitration or otherwise any actions, suits, proceedings, disputes, claims, demands or things relating to the Trust Property; (D) to foreclose any collateral, security or instrument securing any investment, note, bill, bond, obligation or contract by virtue for which any sums of money are owed to the Trust; (E) to exercise any power of sale held by them and to convey good title thereunder free of any and all trusts, and in connection with any such foreclosure or sale, to purchase or otherwise acquire title to any property; (F) to be parties to any reorganization and to transfer to and deposit with any corporation, committee, voting trustee or other person any securities, investments, or obligations of any person which form a part of the Trust Property, for the purpose of such reorganization or otherwise; (G) to participate in any arrangement for enforcing or protecting the interests of the Trustees as the owners or holders of such securities, investments or obligations and to pay any assessment levied in connection with such reorganization or arrangement; (H) to extend the time (with or without security) for payment or delivery of any debts or property and to execute and enter into releases, agreements, and other instruments; and (I) to pay or satisfy any debts or claims upon any evidence that the Trustees shall deem sufficient.

SECTION 4.06. PAYMENT OF EXPENSES. The Trustees shall have full and complete power (A) to incur and pay Operating Expenses, Development Expenses and Education Expenses and (B) to reimburse others for the payment thereof. The Trustees shall fix the compensation, if any, of all officers and employees of the Trust. The Trustees shall not be paid compensation for their general services as Trustees hereunder but may be reimbursed for their authorized travel and other out-of-pocket expenses reasonably incurred on behalf of the Trust. Except as set forth in Section 7.08 hereof relative to any expenses associated with defective redemption requests, Operating Expenses, Development Expenses and Education Expenses shall be paid from earnings of the Trust.

SECTION 4.07. BORROWING AND INDEBTEDNESS. The Trustees shall not have the power to borrow money or incur indebtedness whether or not the proceeds thereof are intended to be used to purchase Permitted Investments, except as a temporary measure to facilitate withdrawal requests which might otherwise require unscheduled dispositions of portfolio investments and only as and to the extent permitted by law. No such indebtedness shall have a maturity later than that necessary to avoid the unscheduled disposition of portfolio investments.

SECTION 4.08. DEPOSITS. The Trustees shall have full and complete power to deposit, in accordance with the law, any monies or funds included in the Trust Property and intended to be used for the payment of expenses of the Trust, with one or more entities in the State which are eligible under the laws of the State to be a depository for public funds, whether or not such deposits will draw interest. Such deposits are to be subject to withdrawal in such manner as the Trustees may determine, and the Trustees shall have no responsibility for any loss which may occur by reason of the failure thereof. With respect to such deposit, each such entity shall comply with all applicable requirements of law.

SECTION 4.09. VALUATION. The Trustees shall have full and complete power to determine conclusively, in good faith, the value of any Trust Property and to revalue the Trust Property as more specifically set forth in Article IX herein.

SECTION 4.10. FISCAL YEAR AND CHART OF ACCOUNTS. The Trustees shall have full and complete power to determine the fiscal year of the Trust and the method or form in which its accounts shall be kept, and from time to time to change the fiscal year or method or form of accounts. Unless otherwise determined by the Trustees, the fiscal year of the Trust shall commence on October 1 of each year and terminate on September 30 of the following calendar year.

SECTION 4.11. CONCERNING THE TRUST AND AFFILIATES. The Trust shall not enter into separate transactions with or make investments in any Affiliate of the Trust or of any Trustee, Investment Advisor (except as otherwise permitted by written agreement), Administrator, officer, employee or agent of the Trust; provided that

the Trust may purchase and sell Permitted Investments from and to the Custodian or and Affiliate of the Custodian.

SECTION 4.12. INVESTMENT POLICY. The Trustees shall use their best efforts to obtain, through the Investment Advisor or other qualified persons, a continuing and suitable general investment policy for each Investment Fund, consistent with the investment objectives of the Trust set forth herein. The Trustees shall be responsible for reviewing and approving or rejecting all investment policies presented by the Investment Advisor or such other persons.

SECTION 4.13. AGENTS AND EMPLOYEES. The Trustees shall have full and complete power to appoint, employ, retain or contract with any person of suitable qualification (including any corporation, partnership, trust or other entity) as the Trustees may deem necessary or desirable for the transaction of the affairs of the Trust, including any person or persons who, under the supervision of the Trustees, may among other things: (A) serve as the Investment Advisor and consultant in connection with policy decisions made by the Trustees; (B) serve as the Administrator; (C) serve as Trust Counsel; (D) furnish reports to the Trustees and provide research, economic and statistical data in connection with the Trust's investments; (E) act as consultants, accountants, technical advisors, brokers, corporate fiduciaries, escrow agents, depositories, custodians, agents for collection, insurers or insurance agents, registrars for Shares, or in any other capacity deemed by the Trustees to be necessary or desirable; (F) act as attorney-in-fact or agent in the purchase, sale or other disposition of investments and in the handling, prosecution or other enforcement of any lien or security securing investments; and (G) assist in the performance of such ministerial functions necessary in the management of the Trust as may be agreed upon with the Trustees.

SECTION 4.14. INSURANCE. The Trustees shall have full and complete power to purchase and pay for insurance policies or bonds insuring the Trust and the Trustees, officers and direct employees of the Trust individually against all claims and liabilities of every nature arising by reason of holding or having held any such office or position or by reason of any action alleged to have been taken or omitted by the Trust or any such person as Trustee, officer or employee, including any action taken or omitted that may be determined to constitute negligence, whether or not the Trust would have the power to indemnify such person against such liability.

SECTION 4.15. ANNUAL REPORTS. The Trustees, through the Administrator, shall cause to be prepared annual financial reports of the details of the operations of the Trust. Such Annual Report shall include: (A) a report of financial conditions containing a statement of assets and liabilities and statements of operations and of changes in net assets of the Trust prepared in conformity with generally accepted accounting principles; (B) an opinion of an independent certified public accountant on such financial statements based on an examination of the books and records of the Trust made in accordance with generally accepted auditing standards; and (C) sufficient

information to establish compliance with the investment policy established pursuant to this Agreement. A signed copy of such report and opinion shall be filed with the Trustees within 60 days after the close of the period covered thereby. Copies of such reports shall be mailed to all Participants. In addition, the Trustees shall furnish to the Participants a quarterly report containing an unaudited statement of assets and liabilities for such accounting period and statements of operations and of changes in net assets of the Trust for the period from the beginning of the then current Fiscal Year to the end of such current accounting period.

SECTION 4.16. PURSUIT OF REMEDIES. Notwithstanding any provision in this Agreement, when the Trustees deem that there is a significant risk that an obligor to the Trust may default or is in default under the terms of any obligation to the Trust, the Trustees shall have full and complete power to pursue any remedies permitted by law which, in their sole judgment, are in the interests of the Trust. The Trustees shall have full and complete power to enter into any investment, settlement, compromise, commitment or obligation on behalf of the Trust resulting from the pursuit of such remedies as are necessary or desirable to dispose of property acquired as a result thereof.

SECTION 4.17. INFORMATION STATEMENT. The Trustees shall have full and complete power to prepare, publish and distribute an Information Statement regarding the Trust and to amend or supplement the same from time to time.

SECTION 4.18. TAXES. The Trustees shall have full and complete power: (A) to pay all taxes or assessments, of whatever kind or nature, validly and lawfully imposed upon or against the Trust or the Trustees in connection with the Trust Property, or upon or against the Trust Property or income or any part thereof; (B) to settle and compromise disputed tax liabilities; and (C) for the foregoing purposes to make such returns and do all such other acts and things as may be deemed by the Trustees to be necessary or desirable.

SECTION 4.19. RIGHTS AS HOLDERS OF TRUST PROPERTY. The Trustees shall have full and complete power to exercise on behalf of the Participants all of the rights, powers and privileges pertaining to the ownership of all or any Permitted Investments or other Trust Property to the same extent that any individual might and, without limiting the generality of the foregoing, to vote or give any consent, request or notice, or waive any notice either in person or by proxy or power of attorney, with or without the power of substitution, to one or more persons, whose proxies and powers of attorney may be for meetings or actions generally, or for any particular meeting or action, and may include the exercise of discretionary powers.

SECTION 4.20. EDUCATION AND TECHNICAL ASSISTANCE. Pursuant to Section 9.04 hereof, the Trustees shall retain the following amounts to be used for education and technical assistance: (A) prior to March 1, 1998, 0.6666 basis points per month on the total Trust Property in the Government Fund; (B) between March

1, 1998 and October 31, 1998, both dates inclusive, 0.5833 basis points per month on the total Trust Property in the Government Fund; and (C) beginning November 1, 1998, 0.5000 basis points per month on the total Trust Property in the Government Fund, Notwithstanding anything to the contrary herein, the Trustees shall be authorized to modify the amounts to be retained to be used for education and technical assistance for the Government Fund and may establish amounts to be retained to be used for education and technical assistance for the Short Term Liquidity Fund and any other Investment Funds established pursuant to this Agreement. The Trustees may contract only with the County Association and the Clerk's Association for utilization of these funds, which shall be restricted to programs related to local government education and training.

SECTION 4.21. FURTHER POWERS. To the extent permitted by law, the Trustees shall have full and complete power to take all actions, do all matters and things, and execute all instruments as they deem necessary, proper or desirable in order to carry out, promote or advance the interests and purposes of the Trust, although such actions, matters or things are not herein specifically mentioned. Any determination as to what is in the best interest of the Trust made by the Trustees in good faith shall be conclusive. In construing the provisions of this Agreement, the presumption shall be in favor of a grant of power to the Trustees. The Trustees shall not be required to obtain any further consent of the Participants, unless otherwise provided herein, or any court order to deal with the Trust Property.

ARTICLE V

INVESTMENT ADVISOR, ADMINISTRATOR AND TRUST COUNSEL

SECTION 5.01. APPOINTMENT. The Trustees are responsible for the general investment policy and program of the Trust and for the general supervision and administration of the business and affairs of the Trust conducted by the officers, agents, employees, investment advisors, administrators, distributors or independent contractors of the Trust, consistent with the investment policy established in this Agreement. However, the Trustees are not required personally to conduct all of the routine business of the Trust and, consistent with their responsibility as stated herein, the Trustees may appoint, employ or contract on behalf of the Trust with an Investment Advisor, an Administrator and a Trust Counsel and may grant or delegate such authority to the Investment Advisor, the Administrator, the Trust Counsel or to any other person as the Trustees may, in their sole discretion, deem to be necessary or desirable for the efficient management of the Trust.

SECTION 5.02. DUTIES OF THE INVESTMENT ADVISOR. The duties of the Investment Advisor shall be those set forth in the Investment Advisory Agreement to be entered into between the Trustees, on behalf of the Trust, and the Investment Advisor. Such duties may be modified by the Trustees, from time to time, by the amendment of the Investment Advisory Agreement. The Trustees may authorize the Investment Advisor to effect purchases, sales or exchange of Trust Property or may authorize any officer, employee, agent or Trustee to effect such purchases, sales or exchanges pursuant to recommendations of the Investment Advisor, all without further action by the Trustees subject to the Trustee's right of disapproval. Purchases, sales and exchanges of Trust Property shall be deemed to be authorized by all the Trustees in accordance with the provisions of this Agreement unless the Investment Advisor is notified in writing by the Trustees to the contrary. The Investment Advisory Agreement may authorize the Investment Advisor to employ other persons to assist it in the performance of its duties. The Investment Advisor shall be prohibited from accepting direct or indirect monetary or in-kind compensation from any person other than the Trust in connection with the services provided under the Investment Advisory Agreement, unless such compensation is immediately paid or transferred to the Trust.

SECTION 5.03. DUTIES OF THE ADMINISTRATOR. The duties of the Administrator shall be those set forth in an agreement between the Administrator and the Trustees, on behalf of the Trust and shall include supervision of all investment activity, provision of accounting services, and performance of such other duties and responsibilities as may be from time to time declared by the Trustees.

SECTION 5.04. DUTIES OF THE TRUST COUNSEL. The duties of the Trust Counsel shall be: (A) to construe the terms and provisions of this Agreement and advise the Board with respect to its powers and duties thereunder; (B) review and approve the ordinances and joinder agreements of Public Entities desiring to become Participants; (C) attend all meetings of the Board and provide legal advice and consultation as requested; and (D) bring, prosecute, appear in, or defend, all on behalf of the Trust and in the name of the Trust any suit or administrative proceeding, for the enforcement of or arising out of or with respect to this Agreement.

SECTION 5.05. SUCCESSORS. If, at any time, the position of Investment Advisor, Administrator or Trust Counsel shall become vacant for any reason, the Trustees may appoint, employ or contract with a successor. Nothing herein shall be construed to prohibit the Trust from performing the duties of the Administrator through its own direct employees.

ARTICLE VI

CUSTODIAN

SECTION 6.01. QUALIFICATIONS. The Trustees, on behalf of the Trust, shall employ a bank or trust company organized under the laws of the United States of America as Custodian with authority as its agent, but subject to such restrictions, limitations and other requirements, if any, as may be established by the Trustees to perform to duties set forth in the Custodian Agreement to be entered into between the Trust and the Custodian. Such Custodian shall be a qualified "depository" as defined by Chapter 280, Florida Statutes, and shall invest all Trust Property in accordance therewith and in accordance with the objectives of this Trust.

SECTION 6.02. SUCCESSORS. In the event that, at any time, the Custodian shall resign or shall be terminated pursuant to the provisions of the Custodian Agreement, the Trustees shall appoint a successor thereto.

SECTION 6.03. PROHIBITED TRANSACTIONS. With respect to transactions involving Trust Property, the Custodian shall act strictly as agent for the Trust. The Trustees shall not purchase Permitted Investments from the Custodian or sell Permitted Investments to the Custodian.

ARTICLE VII

INTEREST OF PARTICIPANTS

SECTION 7.01. GENERAL. The beneficial interest of the Participants in any Investment Fund and the earnings thereon shall, for convenience of reference, be divided into Shares which shall be used as units to measure the proportionate allocation to the respective Participants. The number of Shares that may be used to measure and represent the proportionate allocation of beneficial interest among the Participants in any Investment Fund is unlimited. All Shares in an Investment Fund shall be of one class representing equal distribution, liquidation and other rights. The beneficial interest hereunder measured by the Shares shall not entitle a Participant to preference, preemptive, appraisal, conversion or exchange rights of any kind with respect to the Trust or the Trust Property. Title to the Trust Property of every description and the right to conduct all affairs of the Trust are vested in the Trustees on behalf, and for the beneficial interest of, the Participants. The Participants shall have no interest therein other than the beneficial interest conferred hereby and measured by their Shares, and they shall have no right to call for any partition or division of any property, profits, rights or interests of the Trust.

SECTION 7.02. INVESTMENTS. Upon compliance with the procedures established by the Administrator and the Custodian, a Public Entity who has become a Participant in accordance with Section 2.03 hereof shall be entitled to invest in any Investment Fund. Participants may invest in more than one Investment Fund and may establish more than one account within a single Investment Fund. With respect to the Government Fund, the Participant shall notify the Trust of its intention to make an investment in an Investment Fund not less than one Business Day prior to the Transaction Execution Date. With respect to the Short Term Liquidity Fund, investment funds received before 11:00 am Eastern Time on a Business Day shall be invested on the same Business Day and investment funds received after 11:00 am Eastern Time may be invested on the next Business Day. With respect to any investment, Shares shall be allocated to the investing Participant by dividing the amount invested by the Share Value for the Investment Fund as of the Transaction Valuation Date. Investments may be made in fractional Shares.

SECTION 7.03. EVIDENCE OF PARTICIPANT SHARES. Evidence of the number of each Participant's Shares shall be reflected in the Share Register for each Investment Fund maintained by or on behalf of the Trust pursuant to Section 8.01 hereof. The Trust shall not issue certificates as evidence of Shares held.

SECTION 7.04. REDEMPTIONS. Payments by the Trust to Participants and the reduction of Shares resulting therefrom are, for convenience, referred to in this

Agreement as "redemptions". Any and all allocated Shares may be redeemed at the option of the Participant whose beneficial interest hereunder is measured by such Shares, upon and subject to the terms, conditions and advance notice requirements promulgated by the Trustees upon the establishment of each Investment Fund. The Trust shall, upon application of any Participant and in accordance with the redemption requirements established by the Trustees, redeem Shares from any Investment Fund. The Participant shall notify the Trust of its intention to make a redemption from an Investment Fund in accordance with the redemption requirements established by the Trustees. With respect to the Government Fund, such notice shall in no event be less than two Business Days prior to the Transaction Execution Date. With respect to the Short Term Liquidity Fund, such notice received before 11:00 am Eastern Time on a Business Day shall be fulfilled on the same Business Day and notices of redemption received after 11:00 am Eastern Time on a Business Day may be fulfilled on the next Business Day. On the Transaction Execution Date, Shares shall be redeemed at the Share Value for the Investment Fund as of the Transaction Valuation Date. The procedures for effecting redemption shall be as adopted by the Trustees. The Trustees may establish (A) penalties for early redemption of Shares; (B) procedures for resolving other contingencies which may jeopardize the earnings potential of the Trust; and (C) procedures for the prompt payment of the principal of any account at any time. Redemptions may be made in fractional Shares.

SECTION 7.05. SUSPENSION OF REDEMPTION OR PAYMENT. Each Participant, by its adoption of this Agreement, agrees that the Trustees may, without the necessity of a formal meeting of the Trustees, temporarily suspend the right of redemption or postpone the date of payment for redeemed Shares for the whole or any part of any period (A) during which there shall have occurred any state of war, national emergency, banking moratorium or suspension of payments by banks in the State or any general suspension of payments by banks in the State or any general suspension of trading or limitation of prices on the New York or American Stock Exchange (other than customary weekend and holiday closing); or (B) during which any situation exists as a result of which disposal by the Trust of Trust Property is not reasonably practicable because of the substantial losses which might be incurred or if it is not reasonably practicable for the Trust at any time to determine fairly the Share Value. Such suspension or postponement shall not alter or affect a Participant's beneficial interest hereunder as measured by its Shares or the accrued interest and earnings thereon. Such suspension or payment shall take effect at such time as the Trustees shall specify but not later than the close of business on the Business Day next following the declaration of suspension, and thereafter there shall be no right of redemption or payment until the Trustees shall declare the suspension or postponement at an end, except that the suspension or postponement shall terminate in any event on the first day on which the period specified in the clauses (A) or (B) above shall have expires (as to which the determination of the Trustees shall be conclusive). In the case of a suspension of the right of redemption or a postponement of payment for redeemed Shares, a Participant

may either withdraw its request for redemption or receive payment based on the Share Value existing after the termination of the suspension.

SECTION 7.06. MINIMUM INVESTMENT. Initially, and until changed by action of the Trustees, there shall be a five thousand dollar (\$5,000.00) minimum total investment for each Participant. If the Trustees create a minimum total investment in an amount greater than the investment of any Participant at the time that such change becomes effective, the investment of such Participant shall not be redeemed without such Participant's consent.

SECTION 7.07. MINIMUM REDEMPTION. There shall be a minimum of one share which may be redeemed at any one time at the option of a Participant.

SECTION 7.08. DEFECTIVE REDEMPTION REQUESTS. If a Participant submits a request for the redemption of a greater number of Shares than are then allocated to such Participant, such requests shall not be honored. Each Participant, by its adoption of this Agreement, agrees that the Trustees shall have full and complete power to redeem an amount of the Shares allocated to such Participant at a redemption price determined in accordance with Section 7.04 hereof sufficient to reimburse the Trust for any fees, expenses, costs or penalties actually incurred by the Trust as a result of such defective redemption request.

ARTICLE VIII

RECORD OF SHARES

SECTION 8.01. SHARE REGISTER. A Share Register for each Investment Fund shall be kept by or on behalf of the Trustees, under the direction of the Trustees, and shall contain (A) the names and addresses of the Participants, (B) the number of Shares representing their respective beneficial interests hereunder, and (C) a record of all allocations and redemptions thereof. Such Share Registers shall be conclusive as to the identity of the Participants to which the Shares are allocated. Only Participants whose allocation of Shares is recorded on such Share Registers shall be entitled to receive distributions with respect to Shares or otherwise to exercise or enjoy the rights and benefits related to the beneficial interest hereunder represented by the Shares. No Participant shall be entitled to receive any distribution, nor to have notices given to it as herein provided, until it has given its appropriate address to such officer or agent of the Trust as designated to keep the Share Registers.

SECTION 8.02. REGISTRAR. The Trustees shall have full and complete power to employ a registrar. Unless otherwise determined by the Trustees, the Share Registers shall be kept by the Administrator. The registrar shall record the original allocations of Shares in the Share Registers and shall perform the duties usually performed by registrars of certificates and shares of stock in a corporation except as such duties may be modified by the Trustees from time to time.

SECTION 8.03. OWNER OF RECORD. No person becoming entitled to any Shares as a consequence of the merger, reorganization, consolidation, bankruptcy or insolvency of any Participant or otherwise by operation of law shall be recorded as the Participant to which such Shares are allocated, unless such person is an entity qualified to participate in the Trust, in which event such person shall be substituted for the previous person upon proper application. Such person shall become entitled to the redemption value of such Shares. Such qualified person may then be designated as the Participant of record to which such Shares are allocated. Persons not qualified as Participants who become entitled to Shares and do not promptly request redemption thereof may be requested by the Trustees to present proof of entitlement and shall be required to redeem such Shares. The Trust shall not be bound by any notice of merger, reorganization, consolidation, bankruptcy, insolvency, or other such event, unless the Shares are transferred in accordance with the provisions of the Trust.

SECTION 8.04. NO TRANSFER OF SHARES. Except as provided for in Section 8.03 hereof, the beneficial interests measured by the Shares shall not be transferable, in whole or in part, other than to the Trust itself for purposes of redemption; provided that Shares may be redeemed from one Participant's account and the proceeds

deposited directly into another Participant's account upon instructions from the authorized representatives of the respective Participants.

SECTION 8.05. LIMITATION OF FIDUCIARY RESPONSIBILITY.

The Trustees shall not, nor shall the Participants or any officer, registrar or other agent of the Trust, be bound to determine the existence of any trust, express, implied, or constructive, or of any charge, pledge or equity to which any of the Shares or any interest therein are subject, or to ascertain or inquire whether any redemption of any such Shares by any Participant or its representatives is authorized by such trust, charge, pledge or equity, or to recognize any person as having any interest therein, except the Participant recorded as the Participant to which such Shares are allocated. The receipt of monies by the Participant in whose name any Share is recorded or by the duly authorized agent of such Participant shall be a sufficient discharge for all monies payable or deliverable in respect of such Shares and from all responsibility to see to the proper application thereof.

SECTION 8.06. NOTICES. Any and all notices to which any Participant hereunder may be entitled and any and all communications shall be deemed duly served or given if delivered, transmitted or mailed, postage prepaid, addressed to such Participant of record at its address or facsimile transmission telephone number as recorded on the Share Register. Any notice shall be deemed given on the date such notice is delivered by hand or facsimile transmission or three days after the date mailed.

ARTICLE IX

VALUATION OF INVESTMENT FUNDS

SECTION 9.01. ASSET VALUATION.

(A) As of the close of business on each Business Day, the investments of the Government Fund shall be valued by the Trustees, using such consistent method or basis of valuation and based upon such sources of information as will, in the Trustees' opinion, result in the fair and equitable valuation of the Government Fund and its assets. The investments of the Short Term Liquidity Fund shall be valued by the Trustees weekly, using such consistent method or basis of valuation and based upon such sources of information as will, in the Trustees' opinion, result in the fair and equitable valuation of the Short Term Liquidity Fund and its assets. The Trustees, insofar as practicable, shall utilize the following basic guidelines:

(1) The value of each security listed on generally recognized securities exchanges shall be the last sales price as reported by such exchanges on the date of valuation. Where a security is traded on more than one securities exchange, the Trustees may designate that one exchange will be used as the basis of valuations. If no sale has been so reported, the average of the bid and asked price for the date of valuation shall be used, unless in the Trustees' opinion, use of the last reported sale or the last reported bid as reported by such exchanges, whichever is more recent, would more truly reflect the value of such security. If neither a sale nor a bid and asked price has been reported for the date of valuation, then the most recent sales price shall be used.

(2) Non-listed securities shall be valued by taking the most recent published bid as of the date of valuation obtained with the Trustees' approval, from one or more reputable brokers, dealers, investment bankers or pricing or quotation services that regularly deal in or that determine and quote the value of the security being valued or by reference to a valuation supplied by a generally accepted pricing or quotation service. Alternatively, if the Trustees determine that the average of the reported bid and asked prices, if such are reported for the date of valuation, would more truly reflect the value of such security, then such average shall be used. Should no bid and asked prices have been reported for the date of valuation, the last reported sale value shall be used unless, in the Trustees' judgment, the most recent bid price would more truly reflect the value of such security.

(3) The value of marketable United States Government or government agency obligations shall be the most recent published bid as of the date of

valuation obtained from one or more recognized dealers regularly dealing in such securities.

(4) The value of any other investment shall be the market value thereof as determined by the Trustees as of the date of valuation. In determining such market value, the Trustees may obtain and consider: quotations furnished by reputable sources, such as pricing or quotation services, security dealers, brokers or investment bankers; values of comparable property; appraisals; or such other information as the Trustees deem pertinent.

(5) An investment purchased, the purchase price of which has not been paid, shall be included for valuation purposes as a security held, and the cash or any cash equivalents shall be adjusted by deducting the purchase price, including brokers' commissions and other expenses. Brokers' commissions and other expenses which may be incurred on future sales shall not be considered in valuing an Investment Fund.

(6) If, in the opinion of the Trustees, the valuations obtained by the foregoing methods do not fairly indicate the actual market value of an investment, or no reliable data is available, the Trustees shall obtain and use quotations furnished by one or more reputable brokers or investment bankers or, as a basis for such valuation, such other pertinent information, or such other method of valuation, as may, in their judgment, be necessary to determine the value as of the date of valuation. For the purposes of this Section 9.01(B)(6), information reported (a) in newspapers of general circulation, or in New York City, (b) in standard financial publications or periodicals, (c) in the records of any recognized security exchange, (d) statistical or valuation services, or (e) any one or more of such sources may be selected by the Trustees, noted in the records of the Trust, and shall be accepted as evidence thereof.

(B) Valuation of the investments in any Investment Fund may be delegated by the Trustees to the Investment Advisor, the Administrator, the Custodian or such other person as the Trustees may designate by resolution or agreement.

SECTION 9.02. COMPUTATION OF NET ASSET VALUE.

(A) To the aggregate value of investments determined in the manner required by Section 9.01, there shall be added (1) any cash or cash equivalents, adjusted as required by Section 9.01(A)(5) and (2) any other amounts properly allocable to the Investment Fund. From the total so obtained there shall be deducted all charges, reserves and liabilities due, accrued or anticipated, as described in Section 9.04, which are properly chargeable to the Investment Fund. The net amount remaining shall be deemed to be the Net Asset Value of the Investment Fund as of the date of valuation.

(B) Computation of the Net Asset Value of any Investment Fund may be delegated by the Trustees to the Investment Advisor, the Administrator, the Custodian or such other person as the Trustees may designate by resolution or agreement.

SECTION 9.03. COMPUTATION OF SHARE VALUE.

(A) At the inception of any Investment Fund, the Share Value shall be deemed to be ten dollars (\$10.00), unless the Trustees shall, in the records of the Trust, specify a different value therefor. The Share Value on any date of valuation shall be computed by dividing the Net Asset Value of the Investment Fund by the number of Shares into which the Investment Fund is then divided; provided however, that fractions of a cent per Share may be omitted.

(B) Computation of the Share Value of any Investment Fund may be delegated by the Trustees to the Investment Advisor, the Administrator, the Custodian or such other person as the Trustees may designate by resolution or agreement.

SECTION 9.04. EXPENSES, RETAINED EARNINGS AND RESERVES.

The Trustees shall retain first from earnings and profits of the each Investment Fund and, to the extent those funds are not sufficient, from the assets of each Investment Fund, such amount as they may deem necessary (A) to pay any debts of the Trust properly allocable to such Investment Fund and (B) to pay that portion of the Operating Expenses of the Trust properly allocable to such Investment Fund. In addition, the Trustees shall retain for the payment of Development Expenses and Education Expenses the amounts described in Section 4.20 herein. The Trustees shall also have the power to establish from earnings and profits such reasonable reserves as they believe may be required to protect the Trust and the Participants against contingent liabilities.

ARTICLE X

AMENDMENT OR TERMINATION OF TRUST; DURATION OF TRUST

SECTION 10.01. AMENDMENTS. The provisions of this Agreement may be amended or altered at any meeting of the Board of Trustees or pursuant to any vote of the Board called for that purpose. No such amendment shall become effective prior to (1) providing 30 day's written notice to each Participant holding Shares in any Investment Fund and (2) permitting each Participant to redeem its Shares in such Investment Fund.

SECTION 10.02. TERMINATION.

(A) The Trust or any Investment Fund may be terminated at any meeting of the Board of Trustees. The Trust shall also be terminated if either the County Association or the Clerks Association (1) notifies the Trust in writing that it will no longer appoint Trustees or (2) fails to appoint a replacement Trustee within 90 days after notification of any vacancy.

(B) The termination of the Trust or any Investment Fund shall not (1) change any rights with respect to any allocated Shares of a terminated Investment Fund by reducing the amount payable thereon upon liquidation, except with the vote or written consent of 100 percent of the Participants in such Investment Fund; (2) change the limitations on personal liability of the Participants and the Trustees; and (3) change the prohibition of assessments against Participants.

(C) Upon the termination of the Trust: (1) the Trust shall carry on no business, except for the purpose of winding up its affairs; (2) the Trustees shall proceed to wind up the affairs of the Trust, and pursuant thereto all of the powers of the Trustees under this Agreement shall continue until the affairs of the Trust shall have been concluded, including but not limited to the power to fulfill or discharge the contracts of the Trust, to collect Trust assets, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining Trust Property to one or more persons at public or private sale for consideration which may consist in whole or in part of cash, securities or other property of any kind, to discharge or pay Trust liabilities, and to do all other acts appropriate to liquidate Trust affairs; and (3) after paying or adequately providing for the payment of all liabilities, and upon receipt of such releases, indemnities and refunding agreement as they deem necessary for the Trust's protection, the Trustees may distribute the remaining Trust Property, in cash or in kind or partly in each, among the Participants according to their respective proportionate allocation of Shares.

(D) Upon termination of the Trust and distribution to the Participants as herein provided, a majority of the Trustees shall execute and lodge among the records of the Trust an instrument in writing setting forth the fact of such termination, and the Trustees shall thereupon be discharged from all further liabilities and duties hereunder, and the right, title and interest of all Participants shall cease and be canceled and discharged.

SECTION 10.03. DURATION. The Trust shall continue in existence in perpetuity, subject in all respects to the provisions of this Article X.

ARTICLE XI

MISCELLANEOUS

SECTION 11.01. GOVERNING LAW. This Agreement is executed by the Initial Participants and delivered in the State and with reference to the laws thereof, and the rights of all parties and the validity, construction and effect of every provision hereof shall be subject to and construed according to the laws of the State.

SECTION 11.02. COUNTERPARTS. This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

SECTION 11.03. RELIANCE BY THIRD PARTIES. Any certificate by an individual who, according to the records of the Trust, or of any official or public body or office in which this Agreement may be recorded, appears to be a Trustee hereunder or the Chairman of the Trust, certifying to: (A) the number or identity of Trustees or Participants; (B) the due authorization of the execution of any instrument or writing; (C) the form of any vote passed at a meeting of the Trustees; (D) the fact that the number of Trustees or Participants present at any meeting or executing any written instrument satisfies the requirements of this Agreement; (E) the form of any by-laws adopted by or the identity of any officers elected by the Trustees; or (F) existence of any fact or facts which in any manner relate to the affairs of the Trust, shall be conclusive evidence as to the matters so certified in favor of any person dealing with the Trustees or any of them or the Trust and the successors of such person.

SECTION 11.04. PROVISIONS IN CONFLICT WITH LAW. The provisions of this Agreement are severable. If the Trustees shall determine, with the advise of its counsel, that any one or more of such provisions (the "conflicting provisions") are in conflict with applicable federal or State laws, the conflicting provisions shall be deemed never to have constituted a part of this Agreement; provided that such determination by the Trustees shall not affect or impair any of the remaining provisions of this Agreement or render invalid or improper any action taken or omitted (including but not limited to the election of Trustees) prior to such determination.