

**ILLINOIS METROPOLITAN INVESTMENT FUND**

(an Illinois Entity formed pursuant to the  
Intergovernmental Cooperation Act,  
as amended, and the  
Illinois Municipal Code, as amended)

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**THIRD AMENDED AND RESTATED DECLARATION OF TRUST**

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Dated February 28, 2019

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THIS THIRD AMENDED AND RESTATED DECLARATION OF TRUST is made as of the [•]th day of February [•], 2019:

W I T N E S S E T H:

**WHEREAS**, pursuant to a Declaration of Trust, dated as of September 1, 1995 (the “**Original Declaration**”), certain municipal treasurers established an entity for joint investment for the purpose of combining their respective available investment funds so as to enhance the investment opportunities available to them and increase the investment earnings accruing to the benefit of the respective municipalities on behalf of which they acted, pursuant to the aforementioned constitutional and statutory authority; and

**WHEREAS**, over the years many other public agencies, entities and pools and associations comprised of public agencies, entities and pools have desired to become a party to the Original Declaration, as amended and restated;

**WHEREAS**, the current Declaration of Trust is the Second Amended and Restated Declaration of Trust dated January 20, 2012;

**WHEREAS**, the authority for the Participants to jointly invest their funds comes from the following sources:

- Section 10 of Article VII of the Constitution of the State of Illinois (the “**State**”) provides, among other things, that the State shall encourage intergovernmental cooperation and use its technical and financial resources to assist intergovernmental activities among its units of local government; and
- The Intergovernmental Cooperation Act, as amended (the “**Cooperation Act**”), provides a statutory framework that supplements the constitutional grant of intergovernmental cooperation powers found in said Section 10 of Article VII; and
- Section 3 of the Cooperation Act provides that “[a]ny power or powers, privileges, functions, or authority exercised or which may be exercised by a public agency of [the] State may be exercised, combined, transferred, and enjoyed jointly with any other public agency of [the] State ... except where specifically and expressly prohibited by law”; and
- Section 5 of the Cooperation Act provides that any one or more public agencies may contract with any one or more other public agencies to perform any governmental service, activity or undertaking which any of the public agencies entering into the contract is authorized by law to perform, *provided* that such contract shall be authorized by the governing body of each party of the contract and shall set forth fully the purposes, powers, rights, objectives and responsibilities of the contracting parties; and
- Section 1-1-5 of the Illinois Municipal Code, as amended (the “**Municipal Code**”), provides, among other things, that the corporate authorities of each municipality may exercise jointly, with one or more other municipal corporations or

governmental subdivisions or districts, all of the powers set forth in the Municipal Code; and

- Section 3.1-35-50(d) of the Municipal Code provides, among other things, the following:

(d) Notwithstanding any other provision of this Act or any other law, each official custodian of municipal funds, including, without limitation, each municipal treasurer or finance director or each person properly designated as the official custodian for municipal funds, including, without limitation, each person properly designated as official custodian for funds held by an intergovernmental risk management entity, self-insurance pool, waste management agency, or other intergovernmental entity composed solely of participating municipalities, is permitted to:

(i) combine moneys from more than one fund of a single municipality, risk management entity, self-insurance pool, or other intergovernmental entity composed solely of participating municipalities for the purpose of investing such moneys;

(ii) join with any other official custodians or treasurers of municipal, intergovernmental risk management entity, self-insurance pool, waste management agency, or other intergovernmental entity composed solely of participating municipalities for the purpose of jointly investing the funds of which the official custodians or treasurers have custody; and

(iii) enter into agreements of any definite or indefinite term regarding the redeposit, investment, or withdrawal of municipal, risk management entity, self-insurance agency, waste management agency, or other intergovernmental entity funds.

When funds are combined for investment purposes as authorized in this Section, the moneys combined for those purposes shall be accounted for separately in all respects, and the earnings from such investment shall be separately and individually computed, recorded, and credited to the fund, municipality, intergovernmental risk management entity, self-insurance pool, waste management agency, or other intergovernmental entity, as the case may be, for which the investment was acquired.

Joint investments shall be made only in investments authorized by law for investment of municipal funds. The grant of authority contained in this subsection is cumulative, supplemental, and in addition to all other power or authority granted by any other law and shall not be construed as a limitation of any power and authority otherwise granted.

- Section 12 of the Local Government Debt Reform Act, as amended by Public Act 96-0964, effective July 2, 2010, provides that “a governing body may authorize and upon such authorization the treasurer of any governmental unit may ... join with

the treasurers of other governmental units for the purpose of jointly investing the funds of which the treasurer has custody.”

**WHEREAS**, this Declaration (as hereafter defined) was duly approved by a unanimous vote of the Trustees (as hereafter defined) and amends and restates the Second Amended and Restated Declaration of Trust dated January 20, 2012, as amended;

**NOW, THEREFORE**, the Participants hereby declare that all moneys, assets, securities, funds and property now or hereafter acquired by the Trustees, their successors and assigns, under the Original Declaration, as amended and restated prior to the date hereof and by this Declaration shall be held and managed in trust for the proportionate benefit of the holders of record from time to time of shares of beneficial interest issued and to be issued hereunder, without privilege, priority or distinction among such holders, except as otherwise specifically provided herein, and subject to the terms, covenants, conditions, purposes and provisions hereof.

## **ARTICLE I THE FUND**

Section 1.1 **Name.** The name of the common law trust created by this Declaration shall be Illinois Metropolitan Investment Fund (the “**Fund**”) and, so far as may be practicable, the Trustees shall conduct the Fund’s activities, execute all documents and sue or be sued under that name, which name (and the word “**Fund**” wherever used in this Declaration, except where the context otherwise requires) shall refer to the Trustees in their capacity as Trustees, and not individually or personally, and shall not refer to the officers, agents, employees, counsel, advisers, consultants, accountants, or Participants of the Fund 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 they may adopt such other name for the Fund as they deem proper, and the Fund may hold Property and conduct its activities under such designation or name. The Trustees shall take such action as they, acting with the advice of counsel, shall deem necessary or appropriate to file or register such name in accordance with the laws of the State of Illinois or the United States of America so as to protect and reserve the right of the Fund in and to such name. The Trustees shall have full and complete power and absolute discretion to change the name, without the affirmative vote of the Participants as set forth in Section 8.4(b) hereof, *provided* that notice of any such change of name shall be promptly given to the Participants.

Section 1.2 **Purpose; Authorization; Changes of Incumbent in Office.** (a) The purpose of the Fund is to provide an instrumentality and agency through which each Eligible Member may jointly act, agree and cooperate in accordance with the Laws of the State of Illinois in the performance of their responsibilities to invest available funds so as to enhance their investment opportunities pursuant to an investment program conducted in accordance with the laws of the State of Illinois, from time to time in effect, governing the investment of funds of Eligible Members. Only Eligible Members may become Participants.

(b) No Eligible Member shall become a Participant unless and until an officer thereof has adopted this Declaration in accordance with Section 14.6 hereof and identified the Eligible Member with respect to the funds of which he is acting except as set forth in paragraph (c) below. No Eligible Member shall become a Participant unless and until the corporate

authorities or governing body of such Eligible Member has adopted this Declaration in accordance with Section 14.6 hereof. It is not necessary for a municipal treasurer or official custodian to place any funds in the Fund to become a Participant and no minimum investment balance must be maintained by a municipal treasurer or official custodian that has become a Participant in order for such Eligible Member to continue to be a Participant.

(c) In the event that a municipal treasurer or official custodian, as applicable, shall die, resign, or be removed from his office, or his office shall otherwise become vacant, any funds placed by him in the Fund shall be held hereunder for the benefit of the Eligible Member for which he was acting at the time the vacancy occurred. Any municipal treasurer or official custodian from time to time assuming office as such either to fill a vacancy in such office or to begin a new term following the expiration of the term in office of his predecessor shall be a Participant, as the successor of his predecessor in office without the necessity of action on his part, unless and until he shall have resigned and withdrawn from the Fund pursuant to Section 14.6(c) hereof.

**Section 1.3 Location.** The Fund shall maintain an office of record in the State of Illinois and may maintain such other offices or places of business as the Trustees may from time to time determine. The office of record of the Fund shall be: 1220 OAK BROOK ROAD, OAK BOOK, ILLINOIS 60523. 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.

**Section 1.4 Nature of Fund and Declaration of Trust.** (a) The Fund shall be a common law trust organized and existing under the laws of the State of Illinois. The Fund 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 or joint stock company. The Participants shall be beneficiaries of the Fund, 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.

(b) This Declaration is an agreement of indefinite term regarding the deposit, redeposit, investment, reinvestment and withdrawal of Municipal investment funds within the meaning of the Laws of the State of Illinois.

**Section 1.5 Definitions.** As used in this Declaration, the following terms shall have the following meanings unless the context hereof otherwise requires:

“**Act 235**” shall mean the Public Funds Investment Act, as amended (30 ILCS 235/0.01-235/7), relating to certain investments of public funds by public agencies (as defined therein).

“**Administration Agreement**” shall mean the agreement with the Administrator referred to in Sections 3.1 and 3.3 hereof as the same may be amended from time to time.

“**Administrator**” shall mean any Person or Persons appointed, employed or contracted with by the Trustees under the applicable provisions of Sections 3.1 and 3.3 hereof.

“**Adviser**” shall mean any Person or Persons appointed, employed or contracted with by the Trustee under the applicable provisions of Sections 3.1 and 3.2 hereof.



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

**“Certificate of Designation”** shall mean a Certificate of Designation adopted by the Trustees pursuant to Section 6.1(b) hereof with respect to a Series of Shares; *provided, however*, that the initial Series of Shares created hereunder shall not require such a Certificate of Designation and any reference in this Declaration of Trust to such Certificate of Designation shall refer to the Investment Circular.

**“Chicago Metropolitan councils of government”** or **“COGs”** shall mean the association of Illinois cities, villages and incorporated towns comprising the Northwest Municipal Conference, South Suburban Mayors and Managers Association, Du Page Mayors and Managers Conference, and Will County Governmental League. In addition, COGs shall mean associations comprised of Public Agencies that are structured similarly to those listed in the previous sentence.

**“Consultant”** shall mean any Person or Persons appointed, employed or contracted with by the Trustee under the applicable provisions of Sections 3.1 and 3.5 hereof.

**“Consulting Agreement”** shall mean the agreement with the Consultant referred to in Sections 3.1 and 3.5 hereof as the same may be amended from time to time.

**“Cooperation Act”** shall mean the Intergovernmental Cooperation Act, as amended.

**“Custodian”** shall mean any Person or Persons appointed, employed or contracted with by the Trustees under the applicable provisions of Article XI hereof.

**“Custodian Agreement”** shall mean any agreement with a Custodian referred to in Article XI hereof as such agreement may be amended from time to time.

**“Debt Reform Act”** means the Local Government Debt Reform Act, as amended.

**“Declaration of Trust”** shall mean this Declaration as amended, restated or modified from time to time. References in this Declaration to “Declaration,” “hereof,” “herein,” “hereby,” and “hereunder” shall be deemed to refer to the Declaration and shall not be limited to the particular text, article or section in which such words appear.

**“Eligible Members”** shall mean (i) municipal treasurers acting on behalf of their Municipalities, (ii) each official custodian of municipal funds, whose intergovernmental risk management entity, self-insurance pool, waste management agency, or other intergovernmental entity is composed solely of participating municipalities organized under the Laws of the State of Illinois, (iii) each official custodian of Public Agency funds and (iv) each official custodian of funds of a COG who adopt this Declaration pursuant to Section 14.6 hereof. As used in this definition and hereinafter in this Declaration, the phrase “*municipal treasurer*” or “*official custodian*” shall refer to such officer or officers only in their official capacity as such, and not individually or personally.

**“Fund”** shall mean the common law trust created by this Declaration, also referred to as the Illinois Metropolitan Investment Fund.

**“Fund 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 Fund or Trustees and all income, profits and gains therefrom and which, at such time, is owned or held by, or for the account of, the Fund or the Trustees.

**“Investment Circular”** shall mean the investment circular or other descriptive document or documents adopted as such by the Trustees and distributed by the Fund to Participants and potential Participants of the Fund as the same may be amended by the Trustees from time to time.

**“Investment Advisory Agreement”** shall mean the agreement with the Adviser referred to in Sections 3.1 and 3.2 hereof as the same may be amended from time to time.

**“Laws”** shall mean common law and all ordinances, statutes, rules, regulations, orders, injunctions, decisions, opinions or decrees of any government or political subdivision or agency thereof, or any court or similar entity established by any thereof.

**“Municipal Code”** shall mean the Illinois Municipal Code, as amended.

**“Municipality”** shall mean a municipality of every kind and nature permitted to invest its available funds as provided in this Declaration.

**“Official Custodian”** shall mean each official custodian of (i) municipal funds, whose intergovernmental risk management entity, self-insurance pool, waste management agency, or other intergovernmental entity is composed solely of participating municipalities organized under the Laws of the State of Illinois, (ii) Public Agency funds and (iii) funds of a COG permitted by Law to invest its available funds as provided in this Declaration.

**“Participants”** shall mean Eligible Members who adopt this Declaration pursuant to Section 14.6 hereof.

**“Permitted Investments”** shall mean the investments referred to in Paragraph (b) of Section 2.2 hereof.

**“Person”** shall mean and include individuals, corporations, limited partnerships, general partnerships, joint stock companies or associations, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts or other entities (whether or not legal entities) and governments and agencies and political subdivisions thereof.

**“Public Agency”** shall mean any entity as set forth in Section 2 of the Cooperation Act or any “governmental unit” as set forth in Section 3 of the Debt Reform Act.

**“Series”** shall mean a category of the shares authorized by the Trustees pursuant to Article VI hereof.

“**Share**” shall mean the unit used to denominate and measure the respective *pro rata* beneficial interests of the Participants in the Fund (or any Series thereof) as described in Article VI.

“**Share Register**” shall mean the register of Shares maintained pursuant to Article VII hereof.

“**Trustees**” shall mean the Persons who become fiduciaries of the Fund pursuant to Article IX hereof.

## **ARTICLE II POWERS OF THE TRUSTEES**

Section 2.1 **General.** Subject to the rights of the Participants as provided herein, the Trustees shall have, without other or further authorization, full, exclusive and absolute power, control and authority over the Fund Property and over the affairs of the Fund to the same extent as if the Trustees were the sole and absolute owners of the Fund Property in their own right, and with such powers of delegation as may be permitted by this Declaration. 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 Fund or promoting the interests of the Fund and the Participants. The enumeration of any specific power or authority herein shall not be construed as limiting the aforesaid general power or authority or any specific power or authority. The Trustees may exercise any power authorized and granted to them by this Declaration. Such powers of the Trustees may be exercised without the necessity of any order of, or resort to, any court.

Section 2.2 **Permitted Investments.** The Trustees shall have full and complete power, subject in all respects to Article IV hereof:

(a) to conduct, operate and provide an investment program for all municipal treasurers or official custodians who are acting with respect to the investment funds; and

(b) for such consideration as they may deem proper and as may be required by Law, to subscribe for, invest in, reinvest in, purchase or otherwise acquire, hold, pledge, sell, assign, transfer, exchange, distribute or otherwise deal in or dispose of investment instruments of the following type and nature, which shall hereinafter be collectively referred to as “*Permitted Investments*”:

(i) bonds, notes, certificates of indebtedness, treasury bills or other securities now or hereafter issued, which are guaranteed by the full faith and credit of the United States of America as to principal and interest;

(ii) bonds, notes, debentures or other similar obligations of the United States of America or its agencies;

(iii) interest-bearing savings accounts, interest-bearing certificates of deposit or interest-bearing time deposits constituting direct obligations of any bank as defined by the Illinois Banking Act (205 ILCS 5/1, *et seq.*), *provided, however*, that such bank is insured by the Federal Deposit Insurance Corporation;

(iv) short term obligations of corporations organized in the United States of America with assets exceeding \$500,000,000, *provided, however*, that such obligations are rated at the time of purchase within one of the three highest classifications established by at least two standard rating services, such obligations mature not later than 180 days from the date of purchase, and such purchases do not exceed 10% of the applicable corporation's outstanding obligations and *further provided, however*, that no more than one-third of the Fund's assets shall be invested in such short term obligations at any one time;

(v) money market mutual funds registered under the Investment Company Act of 1940, as from time to time amended, *provided, however*, that the portfolio of any such money market mutual funds is limited to obligations described in paragraph (i) or (ii) of this Section 2.2(b) and to agreements to repurchase such obligations;

(vi) short term discount obligations of the Federal National Mortgage Association or shares or other forms of securities legally issuable by savings banks or savings and loan associations incorporated under the Laws of Illinois or any other state or under the Laws of the United States of America, *provided, however*, that investments may be made only in those savings banks or savings and loan associations the shares, or investment certificates of which are insured by the Federal Deposit Insurance Corporation, any such securities are purchased at the offering or market price thereof at the time of such purchase, and all such securities so purchased shall mature or be redeemable on a date or dates prior to the time when, in the judgment of the Trustees, the funds so invested will be required for the payment of funds to Participants upon the withdrawal of moneys from the Fund;

(vii) a Public Treasurer's Investment Pool created under Section 17 of the State Treasurer Act (5 ILCS 505/17); and

(viii) any other investment instruments now permitted by the provisions of Act 235 or any other applicable statutes or hereafter permitted by reason of the amendment of Act 235 or the adoption of any other statute applicable to the investment of municipal funds; and

(c) to contract for, and enter into agreements with respect to, the purchase and sale or redemption of Permitted Investments.

In the exercise of their powers, the Trustees shall not be limited, except as otherwise provided hereunder, to investing in Permitted Investments maturing before the possible termination of the Fund. Except as otherwise provided in this Declaration, the Trustees shall not be limited by any Law now or hereafter in effect limiting the investments which may be held or retained by trustees or other fiduciaries, and they shall have full authority and power to make any and all Permitted Investments within the limitations of this Declaration, that they, in their absolute discretion, shall determine to be advisable and appropriate. The Trustees shall have no liability for loss with respect to Permitted Investments made within the terms of this Declaration, even though such investments shall be of a character or in an amount not considered proper for the

investment of trust funds by trustees or other fiduciaries. The Trustees shall be permitted only to make Permitted Investments in accordance with Article IV of this Declaration.

**Section 2.3 Legal Title.** (a) Legal title to all of the Fund Property shall be vested in the Trustees on behalf of the Participants and be held by and transferred to the Trustees, except that the Trustees shall have full and complete power to cause legal title to any Fund Property to be held, on behalf of the Participants, by or in the name of the Fund, or in the name of any other Person as nominee, on such terms, in such manner, and with such powers as the Trustees may determine, so long as in their judgment the interest of the Fund is adequately protected.

(b) The right, title and interest of the Trustees in and to the Fund Property shall vest automatically in all persons who may hereafter become Trustees upon their due election and qualification without any further act. Upon the resignation, disability, removal, adjudication as an incompetent, or death of a Trustee, he (and in the event of his death, his estate) shall automatically cease to have any right, title or interest in or to any of the Fund Property, and the right, title and interest of such Trustee in and to the Fund Property shall vest automatically in the remaining Trustees without any further act.

**Section 2.4 Disposition of Assets.** Subject in all respects to Article IV hereof, the Trustees shall have full and complete power to sell, exchange or otherwise dispose of any and all Fund Property free and clear of any and all trusts and restrictions, at public or private sale, for cash or on terms, with or without advertisement, 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. The Trustees shall also have full and complete power, subject in all respects to Article IV hereof, and in furtherance of the affairs and purposes of the Fund, to give consents and make contracts relating to Fund Property or its use.

**Section 2.5 Taxes.** The Trustees shall have full and complete power: (i) to pay all taxes or assessments, of whatever kind or nature, validly and lawfully imposed upon or against the Fund or the Trustees in connection with the Fund Property or upon or against the Fund Property or income or any part thereof; (ii) to settle and compromise disputed tax liabilities; and (iii) 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. All said expenditures shall be made from Fund assets.

**Section 2.6 Rights as Holders of Fund Property.** The Trustees shall have full and complete power to exercise on behalf of the Participants all of the rights, powers and privileges appertaining to the ownership of all or any Permitted Investments or other property forming part of the Fund 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, which 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 2.7 Delegation; Committees.** The Trustees shall have full and complete power (consistent with their continuing exclusive authority over the management of the Fund, the conduct of its affairs, their duties and obligations as Trustees, and the management and disposition of the

Fund Property), to delegate from time to time to such one or more of their number (who may be designated as constituting a Committee of the Trustees) or to officers, employees or agents of the Fund (including, without limitation, the Administrator, the Adviser and the Custodian), the doing of such acts and things and the execution of such instruments either in the name of the Fund, or the names of the Trustees or as their attorney or attorneys, or otherwise, as the Trustees may from time to time deem expedient and appropriate in the furtherance of the business affairs and purposes of the Fund.

**Section 2.8 Collection.** The Trustees shall have full and complete power: (i) to collect, sue for, receive and receipt for all sums of money or other property due to the Fund; (ii) to consent to extensions of the time for payment, or to the renewal of any securities, investments or obligations; (iii) 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 Fund Property; (iv) to foreclose any collateral, security or instrument securing any investments, notes, bills, bonds, obligations or contracts by virtue of which any sums of money are owed to the Fund; (v) 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 sales to purchase or otherwise acquire title to any property; (vi) to be parties to 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 Fund Property, for the purpose of such reorganization or otherwise; (vii) 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; (viii) to extend the time (with or without security) for the payment or delivery of any debts or property and to execute and enter into releases, agreements and other instruments; and (ix) to pay or satisfy any debts or claims upon any evidence that the Trustees shall deem sufficient.

**Section 2.9 Payment of Expenses.** The Trustees shall have full and complete power: (i) to incur and pay 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 Declaration; (ii) to reimburse others for the payment therefor; and (iii) to pay appropriate compensation or fees from the funds of the Fund to Persons with whom the Fund has contracted or transacted business. The Trustees shall fix the compensation, if any, of all officers and employees of the Fund. The Trustees shall not be paid compensation for their general services as Trustees hereunder. The Trustees may receive reimbursement for expenses reasonably incurred by themselves or any one or more of themselves on behalf of the Fund. The Trustees may allocate such expenses among various Series in such manner and proportion as appropriate in the discretion of the Trustees. The Trustees shall annually review the expenses of the Fund.

**Section 2.10 Borrowing and Indebtedness.** The Trustees shall not have the power to borrow money or incur indebtedness on behalf of the Fund, or authorize the Fund to borrow money or incur indebtedness, except as provided in clause (iv) of Section 4.2 of this Declaration, but only if and to the extent permitted by Law.

**Section 2.11 Deposits.** The Trustees shall have full and complete power to deposit, in such manner as may now and hereafter be permitted by Law, any moneys or funds included in the

Fund Property, and intended to be used for the payment of expenses of the Fund or the Trustees, with one or more banks, trust companies or other banking institutions 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 of the bank, trust company or other banking institution with which the moneys, investments or securities have been deposited. Each such bank, trust company or other banking institution shall comply, with respect to such deposit, with all applicable requirements of all applicable Laws including, but not limited to, the Municipal Code.

**Section 2.12 Valuation.** The Trustees shall have full and complete power to determine in good faith conclusively the value of any of the Fund Property and to revalue the Fund Property.

**Section 2.13 Fiscal Year; Accounts.** The Trustees shall have full and complete power to determine the fiscal year of the Fund 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 pursuant to this Section 2.13, the fiscal year of the Fund shall terminate on September 30 and commence on October 1 of each calendar year.

**Section 2.14 Concerning the Fund and Certain Affiliates.** (a) The Fund may enter into transactions with any Affiliate of the Fund or of the Adviser, the Administrator, the Custodian, the Consultant or any Affiliate of any Trustee, officer, director, employee or agent of the Fund or of the Adviser, the Administrator, the Custodian, or the Consultant if (i) each such transaction (or type of transaction) has, after disclosure of such affiliation, been approved or ratified by the affirmative vote of a majority of the Trustees, including a majority of the Trustees who are not Affiliates of any Person (other than the Fund) who is a party to the transaction or transactions with the Fund and (ii) such transactions (or type of transaction) is, in the opinion of the Trustees, on terms fair and reasonable to the Fund and the Participants and at least as favorable to them as similar arrangements for comparable transactions (of which the Trustees have knowledge) with organizations unaffiliated with the Fund or with the Person who is a party to the transaction or transactions with the Fund.

(b) Except as otherwise provided in this Declaration or in the Laws of the State of Illinois, in the absence of fraud, a contract, act or other transaction, between the Fund and any other Person, or in which the Fund is interested, is valid and no Trustee, officer, employee or agent of the Fund has any liability as a result of entering into any such contract, act or transaction even though (i) one or more of the Trustees, officers, employees or agents of such other Person, or (ii) one or more of the Trustees, officers, employees, or agents of the Fund, individually or jointly with others, is a party or are parties to or directly interested in, or affiliated with, such contract, act or transaction, *provided, however*, that (i) such interest or affiliation is disclosed to the Trustees and the Trustees authorize such contract, act or other transaction by a vote of a majority of the unaffiliated Trustees, or (ii) such interest or affiliation is disclosed to the Participants, and such contract, act or transaction is approved by the Participants as provided in Section 8.4(b) hereof.

(c) Any Trustee or officer, employee, or agent of the Fund may, in his personal capacity, or in a capacity as trustee, officer, director, stockholder, partner, member, agent, adviser or employee of any Person, have business interests and engage in business activities in addition to those relating to the Fund, which interests and activities may be similar to those of the Fund and

include the acquisition, syndication, holding, management, operation or disposition of securities, investments and funds, for his own account or for the account of such Person. Each Trustee, officer, employee and agent of the Fund shall be free of any obligation to present to the Fund any investment opportunity which comes to him in any capacity other than solely as Trustee, officer, employee or agent of the Fund, even if such opportunity is of a character which, if presented to the Fund, could be taken by the Fund.

(d) Subject to the provisions of Article III hereof, any Trustee, officer, employee or agent of the Fund may be interested as trustee, officer, director, stockholder, partner, member, agent, adviser or employee of, or otherwise have a direct or indirect interest in, any Person who may be engaged to render advice or services to the Fund, and may receive compensation from such Person as well as compensation as Trustee, officer, employee or agent of the Fund or otherwise hereunder. None of the activities and interests referred to in this paragraph (d) shall be deemed to conflict with his duties and powers as Trustee, officer, employee or agent of the Fund.

(e) To the extent that any other provision of this Declaration conflicts with, or is otherwise contrary to the provisions of, this Section 2.14, the provisions of this Section 2.14 shall be deemed controlling.

(f) Notwithstanding the foregoing provisions of this Section 2.14, the Trustee shall have the power to engage in any transaction with any Affiliate that would not be inconsistent with the Laws of the State of Illinois concerning public ethics and conflicts of interest, and the Bylaws of the Fund may contain provisions more restrictive than those set forth in this Section 2.14.

**Section 2.15 Investment Program.** The Trustees shall use their best efforts to obtain through the Adviser or other qualified persons a continuing and suitable investment program, consistent with the investment policies and objectives of the Fund set forth in Article IV of this Declaration, and the Trustees shall be responsible for reviewing and approving or rejecting the investment program presented by the Adviser or such other Persons. Subject to the provisions of Section 2.7 and Section 3.1 hereof, the Trustees may delegate functions arising under this Section 2.15 to one or more of their number or to the Adviser. The Trustees also shall have full and complete power to contract for or to otherwise obtain from or through the Adviser, the Administrator or other qualified Persons for the benefit of, and to make available to, the Participants of the Fund from time to time, additional investment and non-investment programs and services distinct from the Fund's program of investments measured by Shares, but consistent with the investment goals and objectives of the Fund and the general purposes of this Declaration. The Trustees shall have the power to review and approve or reject, in their sole discretion, such additional investment and non-investment programs as may be presented to the Trustees by the Adviser, the Administrator or any other qualified Persons.

**Section 2.16 Power to Contract, Appoint, Retain and Employ.** Subject to the provisions of Section 2.7 and Section 3.1 hereof with respect to delegation of authority by the Trustees, the Trustees shall have full and complete power to appoint, employ, retain or contract with any Person of suitable qualifications and high repute (including any corporation, partnership, trust or other entity of which one or more of them may be an Affiliate, subject to the applicable requirements of Section 2.14 hereof) as the Trustees may deem necessary, or desirable for the



transaction of the affairs of the Fund, or the transaction of the affairs of any additional investment programs or services or non-investment programs or services of any nature affiliated with the Fund or otherwise contracted for or by the Fund, including any Person or Persons who, under the supervision of the Trustees, may, among other things (i) serve as the Fund's investment adviser and consultant in connection with policy decisions made by the Trustees; (ii) serve as the Fund's administrator or co-administrator; (iii) furnish reports to the Trustees and provide research, economic and statistical data in connection with the Fund's investments; (iv) act as distributors, consultants, accountants, technical advisers, attorneys, brokers, underwriters, corporate fiduciaries, escrow agents, depositories, custodians or agents for collection, insurers or insurance agents, registrars for Shares or in any other capacity deemed by the Trustees to be necessary or desirable; (v) investigate, select and, on behalf of the Fund, conduct relations with Persons acting in such capacities and pay appropriate fees to, and enter into appropriate contracts with, or employ, or retain services performed or to be performed by, any of them in connection with the investments acquired, sold, or otherwise disposed of, or committed, negotiated, or contemplated to be acquired, sold or otherwise disposed of; (vi) substitute any other Person for any such Person; (vii) act as attorney-in-fact or agent in the purchase or sale or other disposition of investments, and in the handling, prosecuting or other enforcement of any lien or security securing investments; (viii) assist in the performance of such ministerial functions necessary in the management of the Fund as may be agreed upon with the Trustees; and (ix) any of the foregoing as may be agreed upon by the Trustees with regard to any additional investment and non-investment programs and services for the benefit of the Participants.

**Section 2.17 Insurance.** The Trustees shall have full and complete power to purchase and pay for, entirely out of Fund Property, insurance policies insuring the Fund and the Trustees, officers, employees and agents of the Fund 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 Fund or any such Person as Trustee, officer, employee or agent, including any action taken or omitted that may be determined to constitute negligence, whether or not the Fund would have the power to indemnify such Person against such liability.

**Section 2.18 Seal.** The Trustees shall have full and complete power to adopt and use a seal for the Fund, 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 Fund.

**Section 2.19 Indemnification.** In addition to the mandatory indemnification provided for in Section 5.3 hereof, the Trustees shall have full and complete power, to the extent permitted by applicable laws, to indemnify or enter into agreements with respect to indemnification with any Person with whom the Fund has dealings, including, without limitation, the Adviser, the Administrator, the Consultant, and the Custodian, to such extent as the Trustees shall determine.

**Section 2.20 Remedies.** Notwithstanding any provision in this Declaration, when the Trustees deem that there is a significant risk that an obligor to the Fund may default or is in default under the terms of any obligation to the Fund, 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 Fund, and the Trustees shall have full and complete power to enter into any investment,

commitment or obligation of the Fund resulting from the pursuit of such remedies as are necessary or desirable to dispose of property acquired in the pursuit of such remedies.

**Section 2.21 Further Powers.** The Trustees shall have full and complete power to take all such actions, do all such matters and things and execute all such instruments as they deem necessary, proper or desirable in order to carry out, promote or advance the interests and purposes of the Fund although such actions, matters or things are not herein specifically mentioned. Any determination as to what is in the best interests of the Fund made by the Trustees in good faith shall be conclusive. In construing the provisions of this Declaration, the presumption shall be in favor of a grant of power to the Trustees. The Trustees shall not be required to obtain any court order to deal with the Fund Property.

### **ARTICLE III THE INVESTMENT ADVISER, THE ADMINISTRATOR, THE CONSULTANT, AND THE INDEPENDENT ACCOUNTANT**

**Section 3.1 Appointment of Adviser, Administrator, and Consultant.** The Trustees are responsible for the general investment policy and program of the Fund and for the general supervision and administration of the business and affairs of the Fund conducted by the officers, agents, employees, investment advisers, administrators, consultants, distributors, or independent contractors of the Fund. However, the Trustees are not required personally to conduct all of the routine business of the Fund and, consistent with their ultimate responsibility as stated herein, the Trustees may appoint, employ or contract with the Adviser as an investment adviser to the Trustees, the Consultant as a consultant to the Fund, and the Administrator as an administrator for the Fund and as a distributor of Shares and may grant or delegate such authority to the Adviser, the Consultant, and the Administrator (pursuant to the terms of Section 2.16 hereof), or to any other Person the services of whom are obtained by the Adviser, the Consultant, or the Administrator, as the Trustees may, in their sole discretion, deem necessary or desirable, for the efficient management of the Fund, without regard to whether such authority is normally granted or delegated by trustees or other fiduciaries. The Trustees may appoint one or more Persons to serve jointly as Co-Advisers, one or more Persons to serve jointly as Co-Administrators, and one or more Persons to serve jointly as Co-Consultants.

**Section 3.2 Duties of the Adviser.** The duties of the Adviser shall be those set forth in the Investment Advisory Agreement to be entered into between the Fund and the Person or Persons designated pursuant to Section 3.1 as the Adviser or Co-Advisers. Such duties may be modified by the Trustees, from time to time, by the amendment of the Investment Advisory Agreement. Subject to Article IV hereof, the Trustees may authorize the Adviser to effect purchases, sales or exchanges of Fund Property on behalf of the Trustees or may authorize any officer, employee, agent or Trustee to effect such purchases, sales, or exchanges pursuant to recommendations of the Adviser, all without further action by the Trustees. Any and all of such purchases, sales and exchanges shall be deemed to be authorized by all the Trustees. The Investment Advisory Agreement may authorize the Adviser to employ other persons to assist in the performance of its duties. The Investment Advisory Agreement shall provide that it may be terminated at any time without cause and without the payment of any penalty by the Fund on no less than sixty (60) days' written notice to the Adviser.

**Section 3.3 Duties of the Administrator.** The duties of the Administrator shall be those set forth in the Administration Agreement to be entered into between the Fund and the Person or Persons designated pursuant to Section 3.1 as the Administrator or Co-Administrator. Such duties may be modified by the Trustees, from time to time, by the amendment of the Administration Agreement. The Administration Agreement may authorize the Administrator to employ other persons to assist it in the performance of its duties. The Administration Agreement shall provide that it may be terminated at any time without cause and without the payment of any penalty by the Fund on sixty (60) days' written notice to the Administrator.

**Section 3.4 Duties of the Consultant.** The duties of the Consultant shall be those set forth in the Consulting Agreement to be entered into between the Fund and the Person or Persons designated pursuant to Section 3.1 as the Consultant. Such duties may be modified by the Trustees, from time to time by the amendment of the Consulting Agreement. The Consulting Agreement may authorize the Consultant to employ other persons to assist it in the performance of its duties. The Consulting Agreement shall provide that it may be terminated at any time without cause and without the payment of any penalty by the Fund on no less than sixty (60) days' written notice to the Consultant.

**Section 3.5 Sub-Advisor, Sub-Administrator.** The Trustees may also authorize the Advisor or the Administrator to employ one or more Sub-Advisors or Sub-Administrators from time to time to perform such of the acts and services of the Advisor or Administrator, as applicable, and upon such terms and conditions, as may be agreed upon between the Advisor or Administrator and such Sub-Advisors or Sub-Administrators, as applicable, and approved by the Trustees; *provided, however,* that such Sub-Advisors or Sub-Administrators, as applicable, are agents of the Advisor or Administrator, respectively, and not of the Fund, and will be liable and responsible to the Advisor or Administrator, as applicable, for performance of their respective services and that the Advisor or Administrator, as applicable, shall acknowledge that the employment of a Sub-Advisor or Sub-Administrator, as applicable, to perform such services does not relieve the Advisor or Administrator, as applicable, of their respective liability and responsibility to the Fund, including (without limitation) for the failure of such Sub-Advisors or Sub-Administrators, as applicable, to perform their duties.

**Section 3.6 Successors.** In the event that, at any time, the position of Adviser, Consultant, or Administrator shall become vacant for any reason, the Trustees may appoint, employ or contract with a successor Adviser, Consultant, or Administrator.

**Section 3.7 Appointment and Duties of the Independent Accountant.** The Trustees shall appoint an independent accountant for each fiscal year of the Fund. Such independent accountant shall perform such duties as may be directed by the Trustees, including, without limitation, the rendering of the opinions and reports and the making of the examinations referred to in Section 8.10 hereof in accordance with the standards referred to in such section.

## **ARTICLE IV INVESTMENTS**

**Section 4.1 Statement of Investment Policy and Objective.** Subject to the prohibitions and restrictions contained in Section 4.2 hereof, the general investment policy and

objective of the Trustees shall be to provide a high current yield for the Participants of the Fund while maintaining safety and liquidity and to offer participation in a diversified portfolio of high-quality fixed income instruments by investing in Permitted Investments in accordance with Act 235 and any other applicable provisions of Law as may be set forth more fully in the Fund's Investment Circular, as the same may be amended from time to time.

**Section 4.2 Restrictions, Fundamental to the Fund.** Notwithstanding anything in this Declaration which may be deemed to authorize the contrary, the Fund:

(i) May not make any investment other than investments authorized by Act 235 or any other applicable provisions of Law, as the same may be amended from time to time;

(ii) May not purchase any Permitted Investment which has a maturity date more than ten years from the date of the Fund's purchase thereof; *provided, however*, that the Trustees may, in their discretion by an action set forth in the applicable Certificate or Certificates of Designation, waive such ten year limitation with respect to any one or more Series of Shares;

(iii) May not purchase any Permitted Investment if the effect of such purchase by the Fund would be to make the average dollar weighted maturity of the Fund's investment portfolio greater than the period designated by the Trustees with respect to the Series to which such purchase of such Permitted Investment relates; *provided, however*, that in making such determination any Permitted Investment which is subject to an irrevocable agreement of the nature referred to in the preceding clause (ii) shall be deemed to mature on the day on which the Fund is obligated to sell such Permitted Investment back to a Responsible Person or the day on which the Fund may exercise its rights under such agreement to require the purchase of such Permitted Investment by a Responsible Person;

(iv) May not borrow money or incur indebtedness whether or not the proceeds thereof are intended to be used to purchase Permitted Investments, except

(1) as a temporary measure to facilitate withdrawal requests which might otherwise require unscheduled dispositions of portfolio investments, including, without limitation, to facilitate withdrawal requests made by Participants and received by the Custodian after the Fund has already sold, or entered sell orders for, portfolio investments to cover the withdrawal requests previously made on that date, and only to the extent permitted by Law; or

(2) as a temporary measure (not to exceed one business day) from the Custodian to provide for the purchase of portfolio securities pending receipt by the Custodian of collected funds from a Participant who has notified the Fund before such purchase that it has wire transferred funds (or otherwise transferred immediately available funds) to the Fund in an amount sufficient to pay the purchase price of such securities, and only as and to the extent permitted by Law; *provided, however*, that nothing contained in this clause (iv) shall permit, or be construed as permitting, the pledge of the assets of the Fund to secure any such

borrowing except for the pledge of amounts, limited to the amount of such borrowing, held in the specific Participant's account with the Fund for whom such borrowing was incurred;

(v) May not make loans, *provided* that the Fund may make Permitted Investments; and

(vi) May not hold or provide for the custody of any Fund Property in a manner not authorized by Law or by any institution or Person not authorized by Law.

For the purposes of this Section 4.2, the phrase "*Responsible Person*" shall mean a Person listed on the United States Treasury Department List of Primary Government Securities Dealers or any equivalent successor to such list or a bank organized and existing under the laws of the United States of America or any state thereof having assets in excess of \$500,000,000.

**Section 4.3 Amendment of Restrictions.** The restrictions set forth in Section 4.2 hereof are fundamental to the operation and activities of the Fund and may not be changed without the affirmative vote of the Participants as provided in Section 8.4(b) hereof, except that such restrictions may be changed by the Trustees so as to make them more restrictive when necessary to conform the investment program and activities of the Fund to the Laws of the State of Illinois and the United States of America as they may from time to time be amended.

## **ARTICLE V LIMITATIONS OF LIABILITY**

**Section 5.1 Liability to Third Persons.** No Participant shall be subject to any personal liability whatsoever, in tort, contract or otherwise to any other Person or Persons in connection with Fund Property or the affairs of the Fund; and no Trustee, officer, or employee of the Fund or any other Person designated by the Trustees shall be subject to any personal liability whatsoever in tort, contract or otherwise, to any other Person or Persons in connection with Fund Property or the affairs of the Fund, except that each shall be personally liable for his bad faith, willful misconduct, gross negligence or reckless disregard of his duties or for his failure to act in good faith in the reasonable belief that his action was in the best interest of the Fund and except that the Investment Advisory Agreement shall provide for the personal liability of the Adviser for its willful or grossly negligent failure to take reasonable measures to restrict investments of Fund Property to those permitted by Law and this Declaration; and all such other Persons shall look solely to the Fund Property for satisfaction of claims of any nature arising in connection with the affairs of the Fund. If any Participant, Trustee, officer or employee, as such, of the Fund or any other Person designated by the Trustees is made a party to any suit or proceedings to assert or enforce any such liability, he shall not on account thereof be held to any personal liability.

**Section 5.2 Liability to the Fund or to the Participants.** No Trustee, officer or employee of the Fund or any other Person designated by the Trustees shall be liable to the Fund or to any Participant, Trustee, officer, employee or agent (including, without limitation, the Adviser, the Administrator, the Consultant, and the Custodian) of the Fund for any action or failure to act (including, without limitation, the failure to compel in any way any former or acting Trustee to redress any breach of trust) except for his own bad faith, willful misfeasance, gross negligence

or reckless disregard of his duties and except that the Investment Advisory Agreement shall provide for the personal liability of the Adviser for its willful or gross negligent failure to take reasonable measures to restrict investments of Fund Property to those permitted by Law and this Declaration; *provided, however*, that the provisions of this Section 5.2 shall not limit the liability of any Person (including, without limitation, the Adviser, the Administrator, the Consultant, and the Custodian) with respect to breaches by it of a contract between it and the Fund.

**Section 5.3 Indemnification.** (a) The Fund shall indemnify and hold each Participant harmless from and against all claims and liabilities, whether they proceed to judgment or are settled or otherwise brought to a conclusion, to which such Participant may become subject by reason of its being or having been a Participant, and shall reimburse such Participant for all legal and other expenses reasonably incurred by it in connection with any such claim or liability. The rights accruing to a Participant under this Section 5.3 shall not exclude any other right to which such Participant may be lawfully entitled, nor shall anything herein contained restrict the right of the Fund to indemnify or reimburse a Participant in any appropriate situation even though not specifically provided herein.

(b) The Fund shall indemnify each of its Trustees and officers, and employees and other Persons designated by the Board of Trustees to receive such indemnification (including, without limitation, the Administrator, the Adviser and the Custodian), against all liabilities and expenses (including, without limitation, amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees) reasonably incurred by him in connection with the defense or disposition of any action, suit or other proceeding by the Fund or any other Person, whether civil or criminal, in which he may be involved or with which he may be threatened, while in office or thereafter, by reason of his being or having been such a Trustee, officer, employee or other designated Person, except as to any matter as to which he shall have been adjudicated to have acted in bad faith or with willful misfeasance or reckless disregard of his duties or gross negligence; *provided, however*, that the provisions of this Section 5.3 shall not be construed to permit the indemnification of any Person with respect to breaches by it of a contract between it and the Fund; and *further provided, however*, that as to any matter disposed of by a compromise payment by such Trustee, officer, employee or other designated Person, pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless the Fund shall have received a written opinion from independent counsel approved by the Trustees to the effect that if the foregoing matters had been adjudicated, the defenses that could have been presented on behalf of such Trustee, officer, employee or other designated Person were meritorious. The rights accruing to any Trustee, officer, employee or other designated Person under the provisions of this paragraph (b) of this Section 5.3 shall not exclude any other right to which he may be lawfully entitled; *provided, however*, that no Trustee, officer, employee or other designated Person may satisfy any right of indemnity or reimbursement granted herein or to which he may be otherwise entitled except out of the Fund Property, and no Participant shall be personally liable to any Person with respect to any claim for indemnity or reimbursement or otherwise. The Trustees may make advance payments in connection with indemnification under this paragraph (b) of this Section 5.3, *provided* that the indemnified Trustee, officer, employee or other designated Person shall have given a written undertaking to reimburse the Fund in the event that it is subsequently determined that he is not entitled to such indemnification.

(c) Any action taken by, or conduct on the part of, a Trustee, an officer, or an employee of the Fund or other Person designated by the Trustees in conformity with, or in good faith reliance upon, the provisions of Section 2.14 or Section 5.7 hereof shall not, for the purpose of this Declaration (including, without limitation, Sections 5.1 and 5.2 and this Section 5.3) constitute bad faith, willful misfeasance, gross negligence or reckless disregard of his duties.

**Section 5.4 Surety Bonds.** No Trustee shall, as such, be obligated to give any bond or surety or other security for the performance of any of his duties.

**Section 5.5 Apparent Authority.** No purchaser, seller, transfer agent or other Person dealing with the Trustees or any officer, employee or agent of the Fund shall be bound to make any inquiry concerning the validity of any transaction purporting to be made by the Trustee or by such officer, employee or agent or make inquiry concerning or be liable for the application of money or property paid, transferred or delivered to or on the order of the Trustees or of such officer, employee or agent.

**Section 5.6 Recitals.** Any written instrument creating an obligation of the Fund shall be conclusively taken to have been executed by a Trustee or an officer, employee or agent of the Fund only in his capacity as a Trustee under this Declaration or in his capacity as an officer, employee or agent of the Fund. Any written instrument creating an obligation of the Fund (other than instruments or agreements pertaining to the Fund's investment on behalf of the Fund by the Adviser) shall refer to this Declaration 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, officers, employees or agents of the Fund, and that only the Fund Property or a specific portion thereof shall be bound, and such written instrument may contain any further similar recital which may be deemed appropriate; *provided, however*, that the omission of any recital pursuant to this Section 5.6 shall not operate to impose personal liability on any of the Trustees, Participants, officers, employees or agents of the Fund.

**Section 5.7 Reliance on Experts, Etc.** Each Trustee and each officer of the Fund shall, in the performance of his 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 records of the Fund, upon an opinion of counsel or upon reports made to the Fund by any of its officer or employees or by the Adviser, the Administrator, the Consultant and the Custodian, accountants, appraisers or other experts or consultants selected with reasonable care by the officers of the Fund.

**Section 5.8 Liability Insurance.** The Trustees shall, at all times, maintain insurance for the protection of the Fund Property, and the Trustees, Participants, officers, employees and agents of the Fund in such amount as the Trustees shall deem adequate to cover all foreseeable tort and contract liability to the extent available at reasonable rates.

## **ARTICLE VI INTERESTS OF PARTICIPANTS**

**Section 6.1 General.** (a) The beneficial interest of the Participants hereunder in the Fund Property 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 of the beneficial interest hereunder. The number of Shares that may be used to measure and represent the proportionate allocation of beneficial interest among the Participants is unlimited. The beneficial interest hereunder measured by the Shares shall not entitle a Participant to which Shares relate to preference, preemptive, appraisal, conversion, or exchange rights of any kind with respect to the Fund or the Fund Property. Title to the Fund Property of every description and the right to conduct any affairs herein described are vested in the Trustees on behalf, and for the beneficial interest, of the Participants, and 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 Fund nor can they be called upon to share or assume any losses of the Fund or suffer an assessment of any kind by virtue of the allocation of Shares to them, except as provided in Article X hereof.

The Trustees, in their discretion, from time to time, may authorize the division of Shares into two or more Series, or the establishment of two or more Series of Shares, each Series relating to a separate portfolio of investments. All references to Shares in this Declaration shall be deemed to be Shares of any one Series, any one or more Series, or all Series as the context may require.

(b) If the Trustees shall divide the Shares into two or more Series, the following Provisions shall be applicable:

(i) The number of Shares of each Series that may be used to measure the respective beneficial interests of the Participants in the portfolio of investments to which such Series relates shall be unlimited.

(ii) All Shares of a Series shall be of one class representing equal distribution, liquidation and other rights.

(iii) The Trustees shall have the power to invest and reinvest the Fund Property applicable to each Series in accordance with the investment policies and restrictions set forth in this Declaration, the Bylaws, or otherwise. The Trustees may establish more restrictive investment policies and restrictions for any particular Series.

(iv) All funds received by the Fund from a Participant with respect to a particular Series, together with all assets in which such funds are invested or reinvested, all income, earnings, profits and proceeds thereof, including any proceeds derived from the sale, exchange or liquidation of such assets, and (except to the extent otherwise determined by the Trustees pursuant to Section 10.4 hereof) any funds or payments derived from any reinvestment of such proceeds in whatever form the same may be, shall irrevocably belong to that Series for all purposes, subject only to the rights of creditors, and shall be so recorded upon the books of account of the Fund. In the event that there are any assets, income, earnings, profits or payments which are not readily identifiable as belonging to any particular Series, the Trustees shall allocate them among any one or more of the Series (or to a reserve pursuant to Section 10.4 hereof) established and designated from time to time in such manner and on such basis as they, in their sole discretion, deem fair and equitable. Each such allocation by the Trustees shall be conclusive and binding upon the Participants of all Series for all purposes.



(v) The assets belonging to each particular Series shall be charged with the liabilities of the Fund in respect of that Series and all expenses, costs, charges and reserves attributable to that Series in such manner and on such basis as the Trustees in their sole discretion deem fair and equitable. Any general liabilities, expenses, costs, charges or reserves of the Fund which are not readily identifiable as attributable to any particular Series shall be allocated and charged by the Trustees to and among any one or more of the Series established and designated from time to time in such manner and on such basis as the Trustees in their sole discretion deem fair and equitable. Each allocation of liabilities, expenses, costs, charges and reserves by the Trustees shall be conclusive and binding upon the Participants of all Series for all purposes. The Trustees shall have full discretion to determine which asset items will be treated as income and which as funds placed in the Fund by Participants and each such determination and allocation shall be conclusive and binding upon the Participants of all Series.

(vi) The net income of the Fund shall be determined separately for each Series and shall be credited to the respective Share account of the Participants in each Series in the manner and at the times provided in Article X hereof.

(vii) The terms designated by the Trustee with respect to a Series may provide that the Shares of such Series shall only relate to a particular Participant or shall relate to all Participants or otherwise provide for a limitation on the number and identity of the Participants to which the Shares of such Series shall relate.

(viii) The terms designated by the Trustee with respect to a Series may provide that such Series shall be established on a particular date and be terminated on a particular date.

(ix) The terms designated by the Trustees with respect to a Series may provide for limitations of time or otherwise with respect to the ability of the Participants participating in such Series to withdraw funds relating to Shares of such Series from the Fund.

(x) To effect the division of the Shares into one or more Series or to establish a Series, the Trustees shall authorize and adopt a Certificate of Designation for each such Series. Such Certificate of Designation shall become effective when (a) executed (i) by any two of the Chairman, Treasurer and Secretary of the Fund or (ii) by such other Trustees or officers of the Fund as shall be determined by the Trustees and (b) lodged in the records of the Fund. Any such Certificate of Designation may be filed or recorded pursuant to Article XII of this Declaration, but no such recordation or filing shall be a condition precedent to the effectiveness of such Certificate of Designation. No Certificate of Designation shall be, or shall be deemed to be, an amendment of this Declaration within the meaning of Article XIII of this Declaration. It shall not be necessary for each Participant to be advised of the adoption of any Certificate of Designation prior to its effectiveness, but the Trustees shall take, or shall cause to be taken, such measures as are reasonably intended to notify the Participants on at least a quarterly basis of the authorization and adoption by the Trustees of any Certificate of Designation during the preceding quarter.

(xi) A copy of the Certificate of Designation relating to a Series shall be provided to each Participant participating in such Series. A copy of the Certificate of Designation relating to any Series shall be provided, upon written request therefor, to any Participant whether or not such Participant is participating in such Series.

(xii) A Certificate of Designation authorized and adopted by the Trustees pursuant to this Article VI shall be in substantially the following form, with the Trustees being hereby authorized to make such changes in the form set forth in this Subsection (xii) as may be necessary from time to time to conform to, or accommodate, changes in law or regulation or the circumstances applicable or pertaining to a particular Series:

## ILLINOIS METROPOLITAN INVESTMENT FUND

### CERTIFICATE OF DESIGNATION

The Trustees of the Illinois Metropolitan Investment Fund (the “**Fund**”) by action taken by them on the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_, pursuant to the authority vested in them by the Participants of the Fund in accordance with the Declaration of Trust do hereby adopt this Certificate of Designation authorizing and establishing a Series of Shares of the Fund.

The terms of such Series (the “**Series**”) shall be the follows:

1. *Nomenclature.* The Series shall be known and referred to as \_\_\_\_\_.
2. *Date of Establishment.* The Series shall be established as of \_\_\_\_\_.
3. *Duration.* The duration of the Series shall be \_\_\_\_\_.
4. *Participants.* The Participant or Participants that may participate (the “**Series Participants**”) in the Series are \_\_\_\_\_.
5. *Investments.* The nature of the investments in which funds of the Series Participant or Participants placed in the Fund with respect to the Series may be invested is \_\_\_\_\_.
6. *Average Weighted Maturity.* In accordance with Section 4.2(iii) of the Declaration of Trust, the average dollar weighted maturity of the Series shall be no greater than \_\_\_\_\_.
7. *Deposits and Redemptions.* \_\_\_\_\_.
8. *Diversification.* \_\_\_\_\_.

The Trustees for the purposes of curing any ambiguity or supplying any omission or curing or correcting any defect or inconsistent provision in the Certificate of Designation or to insert such provisions clarifying matters or questions arising under the Certificate of Designation as are

necessary or desirable and are not contrary to or inconsistent with the Certificate of Designation theretofore in effect. The Participants participating in the Series to which the amendment relates shall be given notice thereof.

**Section 6.2 Allocation of Shares.** (a) The Trustees, in their discretion, may, from time to time, without vote of the Participants allocate Shares, in addition to the then allocated Shares, to such party or parties, for such amount and such type of consideration (including, without limitation, income from the investment of Fund Property), at such time or times (including, without limitation, each business day in accordance with the maintenance of a constant net asset value per Share as set forth in Section 10.2 hereof), and on such terms as the Trustees may deem best. In connection with any allocation of Shares, the Trustees may allocate fractional Shares. The Trustees may from time to time adjust the total number of Shares allocated without thereby changing the proportionate beneficial interests in the Fund. Reductions or increases in the number of allocated Shares may be made in order to maintain a constant net asset value per Share as set forth in Section 10.2 hereof. Shares shall be allocated and redeemed as whole Shares and/or one thousandths (1/1000ths) of a Share or multiples thereof.

(b) Shares may be allocated only to a municipal treasurer or official custodian that has become a Participant of the Fund in accordance with Section 1.2 hereof and who is acting with respect to the funds of an Eligible Member. Each Participant may divide its Shares administratively among more than one account within the Fund or Series for such Participant's convenience in accordance with such procedures as the Trustees may establish.

(c) The minimum amount of funds which may be placed in the Fund by a Participant at any one time shall be as determined by the Trustees from time to time.

**Section 6.3 Evidence of Share Allocation.** Evidence of Share allocation shall be reflected in the Share Register maintained by or on behalf of the Fund pursuant to Section 7.1 hereof, and the Fund shall not be required to issue certificates as evidence of Share allocation.

**Section 6.4 Redemption to Maintain Constant Net Asset Value.** If so determined by the Trustees, the Shares of one or more Series of the Fund shall be subject to redemption pursuant to the procedure for reduction of outstanding Shares set forth in Section 10.2 hereof in order to maintain the constant net asset value per Share.

**Section 6.5 Redemptions.** Payments by the Fund to Participants, and the reduction of Shares resulting therefrom, are, for convenience, referred to in this Declaration 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 and conditions provided in this Declaration and the Investment Circular. The Fund shall, upon application of any Participant, promptly redeem from such Participant allocated Shares for an amount per Share equivalent to the proportionate interest measured by each Share in the net assets of the Fund at the time of the redemption pursuant to the procedures for effecting redemption as adopted by the Trustees and as set forth in the Investment Circular of the Fund, as the same may be amended from time to time, or applicable Certificates of Designation; *provided, however*, that such procedures shall not be structured so as to substantially and materially restrict the ability of the Participants to withdraw funds from the Fund by the redemption of Shares; *provided further, however*, that the

Trustees shall have the power to provide for redemption procedures relating to any particular Series which are consistent with the purpose and intent of this Declaration and consistent with the terms of the Certificate of Designation of such Series and such procedures may, among other things, establish periods during which funds relating to Shares of such Series may not be withdrawn from the Fund.

**Section 6.6 Suspension of Redemption; Postponement of Payment.** Each Participant, by its adoption of this Declaration, 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 all Series or any one or more Series for the whole or any part of any period (i) during which there shall have occurred any state of war, national emergency, banking moratorium or suspension of payments by banks in the State of Illinois or any general suspension of trading or limitations of prices on the New York or American Stock Exchange (other than customary weekend and holiday closings) or (ii) during which any financial emergency situation exists as a result of which disposal by the Fund of Fund Property is not reasonably practicable because of the substantial losses which might be incurred or it is not reasonably practicable for the Fund fairly to determine the value of its net assets. 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 and, except that the suspension or postponement shall terminate in any event on the first day on which the period specified in clause (i) or (ii) above shall have expired (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 (i) withdraw its request for redemption or (ii) receive payment based on the net asset value existing after the termination of the suspension.

**Section 6.7 Minimum Purchase or Redemption.** The Certificate of Designation of each Series may provide for a dollar amount worth of Shares or a minimum number of Shares may be purchased or redeemed at any one time at the option of a Participant.

**Section 6.8 Defective Redemption Requests.** In the event that a Participant shall submit a request for the redemption of a greater number of Shares than are then allocated to such Participant, such request shall not be honored and, each Participant, by its adoption of this Declaration, 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 6.5 hereof, sufficient to reimburse the Fund for any fees, expenses, costs or penalties actually incurred by the Fund as a result of such defective redemption request.

## **ARTICLE VII RECORD OF SHARES**

**Section 7.1 Share Register.** The Share Register shall be kept by or on behalf of the Trustees, under the direction of the Trustees, and shall contain (i) the names and addresses of the Participants (including an e-mail address of the main contact within the Participant), (ii) the

number of Shares representing their respective beneficial interests hereunder and (iii) a record of all allocations and redemptions thereof. Such Share Register 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 Register 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 (including e-mail address) to such officer or agent of the Fund as shall keep the Share Register for entry thereon.

**Section 7.2 Registrar.** The Trustees shall have full and complete power to employ a registrar. Unless otherwise determined by the Trustees, the Share Register shall be kept by the Administrator which shall serve as the registrar for the Fund. The registrar shall record the original allocations of Shares in the Share Register. Such registrar 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.

**Section 7.3 Owner of Record.** No Person becoming entitled to any Shares in 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 and shall only be entitled to the redemption value of such Shares. Until the Person becoming entitled to such redemption value shall apply for the payment thereof and present any proof of such entitlement as the Trustees may in their sole discretion deem appropriate, the Participant of record to which such Shares are allocated shall be deemed to be the Participant to which such Shares are allocated for all purposes hereof, and neither the Trustees nor the registrar nor any officer or agent of the Fund shall be affected by any notice of such merger, reorganization, consolidation, bankruptcy, insolvency or other event.

**Section 7.4 No Transfers of Shares.** The beneficial interests measured by the Shares shall not be transferable, in whole or in part, other than to the Fund itself for purposes of redemption.

**Section 7.5 Limitation of Fiduciary Responsibility.** The Trustees shall not, nor shall the Participants or any officer, registrar or other agent of the Fund, be bound to see to the execution 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 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 the Participant in whose name any Share is recorded or of the duly authorized agent of such Participant shall be a sufficient discharge for all moneys payable or deliverable in respect of such Shares and from all liability to see to the proper application thereof.

**Section 7.6 Notices.** Any and all notices to which Participants hereunder may be entitled and any and all communications shall be deemed duly served or given if (i) mailed, postage prepaid, addressed to Participants of records at their last known post office addresses or (i) e-mailed to the main contacts of the Participants of records, each as recorded on the Share Register

provided for in Section 7.1 hereof. Notice given by e-mail shall be deemed given when the e-mail message is transmitted.

## **ARTICLE VIII PARTICIPANTS**

**Section 8.1 Voting.** Each Participant shall be entitled to one vote as a matter of right with respect to the following matters: (i) amendment of this Declaration or termination of the Fund as provided in Section 4.3 and Section 13.1 hereof; (ii) reorganization of the Fund as provided in Section 13.2 hereof; and (iii) election of Trustees as provided in Section 9.3 hereof. The Participant shall have a fund balance in its account 45 days prior to its taking any vote or for any other purpose at any meeting including being considered as a member for the purpose of determining a quorum at the annual meeting. Participants shall not be entitled to vote on a Series by Series basis, except (a) when required by the Investment Company Act of 1940, as amended, Shares shall be voted by individual series and not in the aggregate; and (b) when the Trustees have determined that the matter affects only the interest of one or more series, then only shareholders of such series shall be entitled to vote thereon.

**Section 8.2 Right to Initiate a Vote of the Participants.** The Participants shall, by an instrument or concurrent instruments in writing delivered to the Board of Trustees signed by at least twenty-five percent (25%) of the Participants, have the right to initiate a vote of the Participants as to any matter described in clause (i) or clause (ii) of Section 8.1 hereof. Within thirty (30) days of receipt of such instrument or instruments, the Board of Trustees shall cause a ballot to be sent to each Participant, setting forth the matter to be voted on and the manner in which such ballots should be executed and delivered.

**Section 8.3 Inspection of Records.** The records of the Fund shall be open to inspection by any Participant at all reasonable times, *provided* that ten (10) days' written notice thereof is given to the Board of Trustees.

**Section 8.4 Meetings of Participants; Quorum.** (a) Meetings of the Participants may be called at any time by a majority of the Trustees, such request specifying the purpose or purposes for which such meeting is to be called. Any such meeting shall be held within the State of Illinois at such place, on such day and at such time as the Trustees shall designate.

(b) One-quarter of the Participants entitled to vote at such meeting present in person (including, if permitted by applicable Law, participation by conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other) or by proxy shall constitute a quorum at any annual or special meeting. Except as provided in Section 13.1 hereof, if a quorum is present, the affirmative vote of a majority of the Participants present in person (including, if permitted by applicable Law, participation by conference telephone or other similar communications equipment by means of which all Persons participating in the meeting can hear each other) or by proxy at the meeting and entitled to vote on the matter shall be the act of the Participants.

**Section 8.5 Annual Meetings or Votes.** Annual meetings or votes of the Participants shall be held during March of each year. The business transacted at such meetings, or matters

considered in such votes, may include the transaction of such business or consideration of such matters as Participants may be entitled to vote upon as provided in this Article VIII, or as the Trustees may determine.

**Section 8.6 Notice of Meetings and Votes.** Notice of all meetings of the Participants, stating the time, place and purposes of the meeting, and notice of any vote without a meeting, stating the purpose and method thereof shall be given by the Trustees by mail to each Participant at its registered address, mailed at least seven (7) days and not more than sixty (60) days before the meeting or the day by which votes must be cast. Alternatively, such notice shall be given during such time period by e-mail to the main contact at each Participant (as such contact is recorded on the Share Register provided for in Section 7.1 hereof). Only the business stated in the notice of a meeting shall be considered at such meeting. Any adjourned meeting may be held as adjourned without further notice. Any notice required by any “open meeting,” “sunshine” or similar law, whether now or hereafter in effect, shall also be given.

**Section 8.7 Record Date for Meetings and Votes.** For the purpose of determining the Participants that are entitled to vote or act at any meeting or any adjournment thereof, or who are entitled to participate in any vote, or for the purpose of any other action, the Trustees may from time to time fix a date not more than thirty (30) days prior to the date of any meeting or vote of Participants or other action as a record date for the determination of Participants entitled to vote at such meeting or any adjournment thereof or to cast a ballot in such vote or to be treated at Participants of record for purposes of such other action. Any Participant which was a Participant at the time so fixed shall be entitled to vote at such meeting or any adjournment thereof, or to cast a ballot in such vote, even though it then had no Shares allocated to it or has since that date redeemed its Shares. No Participant becoming such after that date shall be so entitled to vote at such meeting or any adjournment thereof or to cast a ballot in such vote or to be treated as a Participant of record for purposes of such other action.

**Section 8.8 Proxies.** At any meeting of Participants, if permitted by applicable Law, any Participant entitled to vote may vote by proxy, *provided* that no proxy shall be voted at any meeting unless it shall have been placed on file with the Secretary of the Fund, or with such other officer or agent of the Fund as the Secretary of the Fund may direct, for verification prior to the time at which such vote shall be taken. Pursuant to a resolution of a majority of the Trustees, proxies may be solicited in the name of one or more of the officers of the Fund. All proxies shall be revocable at the option of the Participant.

**Section 8.9 Number of Votes.** Only Participants of record shall be entitled to vote and each Participant shall be entitled to one vote without regard to the number of Shares allocated to it and without regard to the number of Series in which a Participant participates. A proxy purporting to be executed by or on behalf of a Participant shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger.

**Section 8.10 Reports.** (a) The Trustees shall cause to be prepared at least annually with respect to any Series of indefinite duration, commencing with the first complete fiscal year after Shares have been purchased for any such Series, (i) financial statements containing at a minimum a statement of assets and liabilities and statements of operations and of changes in net assets of such Series prepared in conformity with generally accepted accounting principles and (ii) an

opinion of an independent certified public accountant on such financial statements based on an examination of the books and records of the Fund pertaining to such Series made in accordance with generally accepted auditing standards. A signed copy of such report and opinion shall be filed with the Trustees within such period after the close of the period covered thereby as may be determined by the Trustees. Copies of such reports shall be mailed (or e-mailed) to all Participants of record within a reasonable period preceding the annual meeting or vote of the Participants. The Trustees shall, in addition, furnish to the Participants, at least quarterly, an interim report containing an unaudited balance sheet of the Fund as at the end of such quarterly period and statements of operations and changes in net assets for the period from the beginning of the then current fiscal year to the end of such quarterly period.

(b) In addition to any reports and opinions prepared pursuant to paragraph (a) of this Section 8.10, the Trustees may cause to be prepared or conducted by the Fund's independent accountant such other reports and examinations as the Trustee's shall, in their discretion, deem appropriate.

## **ARTICLE IX TRUSTEES AND OFFICERS**

**Section 9.1 Number and Qualifications.** (a) The governing body of the Fund shall be the Board of Trustees, the membership of which shall be determined as hereinafter provided. The total number of Trustees shall be eight, one from each of the following COGs: Northwest Municipal Conference, South Suburban Mayors and Managers Association, Du Page Mayors and Managers Conference, and Will County Governmental League and four at-large Trustees. A Trustee representing one of the COGs shall be an official of an Eligible Member that is a Participant with a fund balance in its account and that is a member of the respective COG from which the Trustee shall serve. As a further qualification for office for those Trustees representing one of the four COGs, those officials shall present evidence in writing of the granting of an authorization by the respective COG with which such official is affiliated. At-large Trustees shall be officials from any Eligible Member that are Participants without regard to any COG affiliations, and have had a funded account with the Fund for a minimum of one (1) year as of October 1st of the year of nomination to the Board of Trustees.

(b) Any vacancy created on the Board of Trustees shall be filled by the appointment of an individual having the qualifications described in Section 9.1 (a) hereof made by a resolution of a majority of the Trustees then in office. The individual named in the resolution of appointment shall: (i) accept such appointment in writing and (ii) agree in writing to be bound by this Declaration. Whenever any vacancy in the number of Trustees shall occur, until such vacancy is filled as provided in Section 9.5 hereof, the Trustees or Trustee continuing in office, regardless of their number, shall have all the power granted to the Trustees and shall discharge all the duties imposed upon the Trustees by this Declaration.

(c) The Trustees, in their capacity as Trustees, shall not be required to devote their entire time to the business and affairs of the Fund.



Section 9.2     **Reserved.**

Section 9.3     **Term and Election.** Each Trustee elected or appointed as provided in Section 9.1 or 9.5 hereof, shall (except in the event of resignations or removals or vacancies pursuant to Section 9.4 or 9.5 hereof) hold office until their successor has been elected and has qualified to serve as Trustee. At the first annual meeting or vote of the Participants, the Trustees shall be divided by lot into the following two classes:

CLASS A                 Four At-Large Trustees

CLASS B                 Municipal Officials Representing the Four COGs

Each of the Class A Trustees and Class B Trustees shall be staggered by lot for three year terms such that no more than three Trustees shall be up for reelection in any calendar year. Trustees may succeed themselves in office. Election of Trustees shall be by an affirmative vote of the Participants as provided in Section 8.4(b) hereof. The election of a Trustee (other than an individual who was serving as a Trustee immediately prior to such election) shall not become effective until and unless such person shall (i) have accepted his election in writing; (ii) have agreed in writing to be bound by the terms of this Declaration; and (iii) be an individual having the qualifications described in Section 9.1(a) hereof. Trustees elected to fill newly-created positions or appointed during a term shall serve until the expiration of the term for the other Trustees of such Class.

Section 9.4     **Resignation and Removal.** Any Trustee may resign (without need for a prior or subsequent accounting) by an instrument in writing signed by him and delivered to the Chairman, the Vice Chairman, or the Secretary (referred to in Section 9.7 hereof) and such resignation shall be effective upon delivery or at a later date according to the terms of the notice. Any Trustee may be removed with or without cause by a majority vote of the remaining Trustees. Upon the resignation or removal of a Trustee or his otherwise ceasing to be a Trustee, he shall execute and deliver such documents as the remaining Trustees shall require for the purpose of conveying to the Fund or the remaining Trustees any Fund Property held in the name of the resigning or removed Trustee. Upon the incapacity or death of any Trustee, his legal representative shall execute and deliver on his behalf such documents as the remaining Trustees shall require as provided in the preceding sentence.

Section 9.5     **Vacancies.** (a) The term of office of a Trustee shall terminate and a vacancy shall occur in the event of the failure of such Trustee to qualify under Section 9.1(a) hereof or the death, resignation, adjudicated bankruptcy or incompetence, or other incapacity to exercise the duties of the office, or removal of a Trustee. In the event of a Trustee's resignation as an official of a Participant and the subsequent employment by a non-participating Eligible Member, the Trustee shall have 90 days from such resignation date in which to have the new employer become a Participant with a fund balance in its account prior to the Trustee's seat being vacated for reasons of non-qualification under Section 9.1(a) hereof.

(b) No such vacancy shall operate to annul this Declaration or to revoke any existing agency created pursuant to the terms of this Declaration and title to any Fund Property

held in the name of such Trustee and the other Trustees or otherwise, shall, in the event of the death, resignation, removal, bankruptcy, adjudicated bankruptcy or incompetence, or other incapacity to exercise the duties of the office of such Trustee, vest in the continuing or surviving Trustees without necessity of any further act or conveyance. In the case of an existing vacancy, a majority of the Trustees continuing in office, regardless of their number, acting by resolution may fill such vacancy and any Trustee so elected by the Trustees shall hold office until the next annual meeting of Participants and until his successor has been elected and has qualified to serve as Trustee.

(c) Upon the effectiveness of any such appointment as provided in this Section 9.5, the Fund Property shall vest in such new Trustee jointly with the continuing or surviving Trustees without the necessity of any further act or conveyance; *provided, however*, that no such election shall become effective unless or until the new Trustee shall (i) have accepted his election in writing; (ii) have agreed in writing to be bound by the terms of this Declaration; and (iii) be an individual having the qualifications described in Section 9.1 (a) hereof.

**Section 9.6 Meetings.** Meetings of the Trustees shall be held from time to time upon the call of the Chairman, or any two Trustees. Regular meetings of the Trustees may be held without call or notice at a time and place fixed by the bylaws or by resolution of the Trustees. The Trustees may act with or without a meeting, if permitted by law. A quorum for all meetings shall be a majority of the Trustees. Any agreement or other instrument or writing executed by one or more the Trustees or by any authorized persons shall be valid and binding upon the Trustees and upon the Fund when authorized or ratified by action of the Trustees as provided in this Declaration. Any meeting, regular or special, may be held by conference telephone or similar communication equipment, so long as all Trustees participating in the meeting can hear one another; and all such Trustees shall be deemed to be present in person at the meeting.

**Section 9.7 Officers.** (a) The officers of the Fund shall be a Chairman, a Vice-Chairman, an Executive Director, a Treasurer, a Secretary and such other officers, if any, as the Trustees may from time to time elect or appoint. Any officer may be (but no officer need be, unless otherwise required by this Section 9.7) a Trustee or Participant of the Fund, except that the Executive Director shall not be a Participant. Except for the Chairman and Vice-Chairman, any two or more offices may be held by the same person.

(b) The Chairman, the Vice-Chairman, the Treasurer and the Secretary shall be elected annually by the Trustees at their first meeting in each calendar year or at such later meeting in such year as the Trustees shall determine. Other officers, including (without limitation) the Executive Director, may be appointed by the Trustees at said meeting or at any other time. The Chairman, the Vice-Chairman, the Treasurer and the Secretary shall be Trustees and shall be elected by the Trustees for two-year terms and may hold office only as long as they continue to be Trustees. Effective January 1, 2004, officers shall serve for a maximum of three (3) consecutive two-year terms or until such time as their term on the Board of Trustees ends, whichever is sooner. Officers may be nominated for another office and if elected could serve for a maximum of three (3) consecutive two-year terms in the new office. Each other officer, including (without limitation) the Executive Director, shall hold office at the pleasure of the Trustees and shall remain in office until their respective successors and assigns are chosen and qualified, unless their term of office is sooner terminated, by death, resignation or removal.

(c) The Chairman shall preside at all meetings of the Participants and of the Trustees at which he is present; and shall have such other duties and powers as specified herein and as may be assigned to him by the Trustees. The Vice-Chairman shall be assigned such duties as the Chairman deems appropriate. In the event of the Chairman's absence or inability to act, the Vice-Chairman shall, during such absence or inability to act, or until such time as a new Chairman is chosen, perform all duties and exercise all powers within the normal purview of the Chairman.

(d) The Executive Director shall be the chief executive and chief investment officer of the Fund. The Executive Director shall, subject to the control, supervision and direction of the Trustees, have general supervision, direction and control of the business of the Fund and of its employees, and shall perform such other duties and have such other powers as the Trustees shall prescribe from time to time.

(e) The Treasurer shall be the chief financial officer of the Fund and, subject to any arrangement made by the Trustees with a bank or trust company or other organization as custodian, shall be in charge of its valuable papers and shall have such other duties and powers as may be designated from time to time by the Trustees. Any Assistant Treasurer shall have such duties and powers as shall be designated from time to time by the Trustees. The Treasurer shall also be the chief accounting officer of the Fund and shall be in charge of its books of account and accounting records. The Treasurer shall be responsible for preparation of financial statements of the Fund and shall have such other duties and powers as may be designated from time to time by the Trustees.

(f) The Secretary shall record all proceedings of the Participants and the Trustees in books to be kept therefor, which books shall be kept at the principal office of the Fund. In the absence of the Secretary from any meeting of the Participants or Trustees, an Assistant Secretary, or if there be none or if he or she is absent, a temporary clerk chosen at the meeting shall record the proceedings thereof in the aforesaid books.

(g) No Trustee, officer or employee of the Fund shall be an "interested person" of the Adviser as such term is defined in Investment Company Act of 1940, as amended.

**Section 9.8 Bylaws.** The Participants may adopt and, from time to time, amend or repeal bylaws for the conduct of the business of the Fund, and in such bylaws, among other things, may define the duties of the respective officers, agents, employees, and representatives of the Fund. Any amendment to the Bylaws should be submitted in writing to each Participant at least twenty-eight (28) days prior to the meeting of the Participants at which the proposed amendment is to be considered. Amendments shall be adopted by not less than three-fifths (3/5ths) affirmative vote of all the Participants, who may vote either in person or by proxy. The Bylaws shall not conflict with the provisions hereof, and to the extent of any such conflict, the provisions of this Declaration of Trust shall be deemed to control.

**ARTICLE X**  
**DETERMINATION OF NET ASSET VALUE**  
**AND NET INCOME; DISTRIBUTIONS TO PARTICIPANTS**

Section 10.1 **Net Asset Value.** The net asset value of each allocated Share of the Fund shall be determined at such time or times as the Trustees by resolution may determine. The method of determining net asset value shall be established by the Trustees and shall be set forth in the Investment Circular as the same may be amended from time to time or in the applicable Certificate of Designation of a Series. The duty to make the calculations may be delegated by the Trustees to the Adviser, the Administrator, the Custodian or such other Person as the Trustees by resolution may designate. The Trustees may adopt different methods for the determination of the net asset value of different Series of Shares.

Section 10.2 **Constant Net Asset Value; Reduction of Allocated Shares.** (a) In furtherance and not in limitation of the provisions of Section 10.1, the Trustees may designate that one or more Series shall be governed by the provisions of this Section 10.2. The Trustees shall have full and complete power to determine the net income (including unrealized gains and losses on the portfolio assets) of the Series once on each business day and, upon each such determination such net income shall be credited proportionately to the accounts of the Participants in such a manner, and with the result, that the net asset value per Share of the Series shall remain at a constant dollar value. The general method used for the determination of the net income of the Series and the crediting thereof proportionately to the respective accounts of the Participants shall be determined by the Trustees and shall be set forth in the Investment Circular as the same may be amended from time to time or in the applicable Certificate of Designation. The duty to make the daily calculations may be delegated by the Trustees to the Adviser, the Administrator, the Custodian or such other Person as the Trustees may designate. Fluctuations in value will be reflected in the number of Shares allocated to each Participant. If there is a net loss, the Trustees will first offset such amount against income accrued to each Participant. To the extent that such a net loss would exceed such accrued income, the Trustees will reduce the aggregate number of the Series' allocated Shares in an amount equal to the amount by which the net loss exceeds accrued income by having each Participant contribute to the Fund's corpus its *pro rata* portion of the total number of Shares required to be redeemed in order to permit the net asset value per Share of the Series to be maintained at a constant dollar value. Each Participant will be deemed to have agreed to such contributions in these circumstances by its investment in the Fund and the Series and its adoption of this Declaration. The purpose of the foregoing procedure is to permit the net asset value per Share of the Series to be maintained at a constant dollar value per Share.

(b) The Trustees may discontinue or amend the practice of attempting to maintain the net asset value per Share at a constant dollar amount at any time and such modification shall be evidenced by appropriate changes in the Investment Circular as the same may be amended from time to time or in the Certificate of Designation.

Section 10.3 **Supplementary Distributions to Participants.** In addition to redemptions made at the request of individual Participants pursuant to Section 6.5 hereof, the Trustees may from time to time also declare and make to the Participants, in proportion to their respective allocation of Shares, out of the earnings, profits or assets in the hands of the Trustees, such supplementary distributions as they may determine. The declaration and making of such

supplementary distributions and the determination of earnings, profits, and other funds and assets available for supplemental distributions and other purposes shall lie wholly in the discretion of the Trustees and may be made at such time and in such manner as the Trustees may in their sole discretion from time to time determine. Any or all such supplementary distributions may be made among the Participants of record at the time of declaring a distribution or among the Participants of record at such other date as the Trustees shall determine.

**Section 10.4 Retained Reserves.** The Trustees may retain from the gross income of the Fund (including, without limitation, reinvestment proceeds described in Section 6.1(b)(iv) hereof) such amount as they may deem necessary to pay the debts and expenses of the Fund and to meet other obligations of the Fund, and the Trustees shall also have the power to establish such reasonable reserves as they believe may be required to protect the Fund and the Participants against contingent liabilities.

## **ARTICLE XI CUSTODIAN**

**Section 11.1 Duties.** The Trustees shall employ a bank or trust company organized under the Laws of the United States of America or the State of Illinois having an office in the State of Illinois and having a capital and surplus aggregating at least twenty-five million dollars (\$25,000,000) as Custodian with authority as its agent, but subject to such restrictions, limitations and other requirements, if any, as may be contained in the bylaws of the Fund to perform the duties set forth in the Custodian Agreement to be entered into between the Fund and the Custodian.

**Section 11.2 Appointment.** The Trustees shall have the power to select and appoint the Custodian for the Fund. The Custodian Agreement shall provide that it may be terminated at any time without cause and without the payment of any penalty by the Fund on no less than sixty (60) days' written notice to the Custodian.

**Section 11.3 Sub-Custodians.** The Trustees may also authorize the Custodian to employ one or more Sub-Custodians from time to time to perform such of the acts and services of the Custodian and upon such terms and conditions, as may be agreed upon between the Custodian and such Sub-Custodians and approved by the Trustees; *provided, however*, that such Sub-Custodian will be liable and responsible to the Custodian for performance of its services and that the Custodian shall acknowledge that the employment of a Sub-Custodian to perform such services does not relieve the Custodian of its liability and responsibility to the Fund, including (without limitation) for the failure of such Sub-Custodian to perform its duty.

**Section 11.4 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 11.5 Additional Custodians.** The Trustees may in their discretion employ one or more Custodians in addition to the Custodian referred to in Section 11.1. Such additional Custodians shall be banks or trust companies organized under the laws of the United State of America and the State of Illinois having an office in the State of Illinois and having capital and surplus aggregating at least twenty-five million dollars (\$25,000,000). Such additional Custodian

shall perform such duties (including duties applicable only to designated Series) as may be set forth in an agreement between the Fund and the additional Custodian.

## **ARTICLE XII RECORDING OF DECLARATION OF TRUST**

Section 12.1 **Recording.** This Declaration and any amendment hereto shall be filed, recorded or lodged as a document of public record in such place or places and with such official or officials as may be required by Law or as the Trustees may deem appropriate. Each amendment so filed, recorded or lodged shall be accompanied by a certificate signed and acknowledged by a Trustee stating that such action was duly taken in the manner provided for herein; and unless such amendment or such certificate sets forth some earlier or later time for the effectiveness of such amendment, such amendment shall be effective upon its filing. An amended Declaration, containing or restating the Original Declaration and all amendments theretofore made, may be executed any time or from time to time by a majority of the Trustees and shall, upon filing, recording or lodging in the manner contemplated hereby, be conclusive evidence of all amendments contained therein and may thereafter be referred to in lieu of the Original Declaration and the various amendments thereto. Notwithstanding the foregoing provisions of this Section 12.1, no filing or recordation pursuant to the terms of this Section 12.1 shall be a condition precedent to the effectiveness of this Declaration or any amendment hereto.

## **ARTICLE XIII AMENDMENT OR TERMINATION OF FUND; DURATION OF FUND**

Section 13.1 **Amendment or Termination.** The provisions of this Declaration may be amended or altered (except as to the limitations on personal liability of the Participants and Trustees and the prohibition of assessments upon Participants), or the Fund may be terminated by the affirmative vote of a majority of the Trustees entitled to vote, or, if permitted by applicable Law, by an instrument or instruments in writing, without a meeting, signed by a majority of the Trustees when authorized to do so by vote or written consent of the Participants as provided in Section 8.4(b) hereof; *provided, however*, that the Trustees may, from time to time by a two-thirds vote of the Trustees, and after fifteen (15) days' prior written notice to the Participants, amend or alter the provisions of this Declaration, without the vote or assent of the Participants, to expand the categories of Persons that may become Participants in the Fund to the extent permitted by applicable Law and to the extent deemed by the Trustees in good faith to be necessary to conform this Declaration to the requirements of applicable laws or regulations or any interpretation thereof by a court or other governmental agency of competent jurisdiction, but the Trustees shall not be liable for failing so to do. Notwithstanding the foregoing, (i) no amendment may be made pursuant to this Section 13.1 which would change any rights with respect to any allocated Shares of the Fund by reducing the amount payable thereon upon liquidation of the Fund or which would diminish or eliminate any voting rights of the Participants, except with the vote or written consent of two-thirds of the Participants entitled to vote thereon; and (ii) no amendment may be made which would cause any of the investment restrictions contained in Section 4.2 hereof to be less restrictive without the affirmative vote of the Participants as provided in Section 8.4(b) hereof.

(a) Upon the termination of the Fund pursuant to this Section 13.1:

(i) The Fund shall carry on no business except for the purpose of winding up its affairs;

(ii) The Trustees shall proceed to wind up the affairs of the Fund and all of the powers of the Trustees under this Declaration shall continue until the affairs of the Fund shall have been wound up, including, without limitation, the power to fulfill or discharge the contracts of the Fund, collect its assets, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining Fund 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, discharge or pay its liabilities, and to all other acts appropriate to liquidate its affairs; *provided, however*, that any sale, conveyance, assignment, exchange, transfer or other disposition of all or substantially all of the Fund Property shall require approval of the principal terms of the transaction and the nature and amount of the consideration by affirmative vote of the Participants as provided in Section 8.4(b) hereof; and

(iii) After paying or adequately providing for the payment of all liabilities, and upon receipt of such releases, indemnities and refunding agreements, as they deem necessary for their protection, the Trustees may distribute the remaining Fund Property, in cash or in kind or partly in each, among the Participants according to their respective proportionate allocation of Shares.

(b) Upon termination of the Fund and distribution to the Participants as herein provided, a majority of the Trustees shall execute and lodge among the records of the Fund 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.

(c) A certification in recordable form signed by a majority of the Trustees setting forth an amendment and reciting that it was duly adopted by the Participants or by the Trustees as aforesaid or a copy of the Declaration, as amended, in recordable form, and executed by a majority of the Trustees, shall be conclusive evidence of such amendment.

**Section 13.2 Power to Effect Reorganization.** If permitted by applicable law, the Trustees, by vote or written approval of a majority of the Trustees, may select, or direct the organization of, a corporation, association, trust or other Person with which the Fund may merge, or which shall take over the Fund Property and carry on the affairs of the Fund, and after receiving an affirmative vote of the Participants as provided in Section 8.4(b) hereof, the notice for which includes a statement of such proposed action, the Trustees may effect such merger or may sell, convey and transfer the Fund Property to any such corporation, association, trust or other Person in exchange for cash or shares for securities thereof, or beneficial interest therein with the assumption by such transferee of the liabilities of the Fund; and thereupon the Trustees shall terminate the Fund and deliver such cash, shares, or beneficial interest ratably among the Participants of this Fund in redemption of their Shares.

Section 13.3 **Duration.** The Fund shall continue in existence in perpetuity, subject in all respects to the provisions of this Article XIII.

## **ARTICLE XIV MISCELLANEOUS**

Section 14.1 **Governing Law.** This Declaration is adopted by the Participants and delivered in the State of Illinois 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 said State of Illinois.

Section 14.2 **Counterparts.** This Declaration may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts, together, shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

Section 14.3 **Reliance by Third Parties.** Any certificate executed by an individual who, according to the records of the Fund, or of any official or public body or office in which this Declaration may be recorded, appears to be a Trustee hereunder or the Secretary or the Treasurer of the Fund, certifying to: (i) the number or identity of Trustees or Participants; (ii) the due authorization of the execution of any instrument or writing; (iii) the form of any vote passed at a meeting of Trustees or Participants; (iv) the fact that the number of Trustees or Participants present at any meeting or executing any written instrument satisfies the requirements of this Declaration; (v) the form of any bylaw adopted by or the identity of any officers elected by the Trustees; or (vi) the existence of any fact or facts which in any manner relate to the affairs of the Fund, 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 Fund and the successors of such Person.

Section 14.4 **Provisions in Conflict with Law.** The provisions of this Declaration are severable, and if the Trustees shall determine, with the advice of counsel, that any one or more of such provisions (the “**Conflicting Provisions**”) are in conflict with applicable federal or Illinois Laws, the Conflicting Provisions shall be deemed never to have constituted a part of this Declaration; *provided, however*, that such determination by the Trustees shall not affect or impair any of the remaining provisions of this Declaration or render invalid or improper any action taken or omitted (including, but not limited to, the election of Trustees) prior to such determination.

Section 14.5 **Gender; Section Headings.** (a) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing of the singular number shall mean and include the plural number and vice versa.

(b) Any headings preceding the texts of the several Articles and Sections of this Declaration 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 Declaration nor affect its meaning, construction or effect.

Section 14.6 **Adoption by Municipal Treasurers Electing to Become Additional Participants; Resignation of Participants.** (a) Any Municipal Treasurer meeting the requirements of Section 1.2 hereof, may become an additional Participant of this Fund by (i) taking



any appropriate official action to adopt this Declaration; (ii) furnishing the Trustees with satisfactory evidence that such official action has been taken; and (iii) furnishing the Trustees with a certificate of the Clerk of such Municipality setting forth the names and specimen signatures of the officials of such Municipality authorized at the time of delivery of such certificate to act on behalf of such Municipality in connection with the Municipality's participation in the Fund. A copy of this Declaration may be adopted by executing a written instrument of adoption in such form as may be prescribed by the Trustees. Delivering an acknowledged copy of such instrument shall constitute satisfactory evidence of the adoption contemplated by this Section 14.6. Adoption of a written investment policy which has been approved by authorized persons of the Municipality (whether officer or governing body) that permits investment in the Fund will be deemed by the Trustees to constitute an adoption of this Declaration of Trust.

(b) Any official custodian meeting the requirements of Section 1.2 hereof, may become an additional Participant of this Fund by (i) taking any appropriate official action to adopt this Declaration; (ii) furnishing the Trustees with satisfactory evidence that such official action has been taken; and (iii) furnishing the Trustees with a certificate of the recording officer of the Eligible Member setting forth the names and specimen signatures of the officials of such Eligible Member authorized at the time of delivery of such certificate to act on behalf of such Eligible Member in connection with its participation in the Fund. A copy of this Declaration may be adopted by executing a written instrument of adoption in such form as may be prescribed by the Trustees, or adoption of a written investment policy which has been approved by authorized persons of the Municipality (whether officer or governing body) that permits investment in the Fund will be deemed by the Trustees to constitute an adoption of this Declaration of Trust. Delivering an acknowledged copy of such instrument shall constitute satisfactory evidence of the adoption contemplated by this Section 14.6.

(c) Any Participant may resign and withdraw from the Fund by following the procedures for effecting redemption as set forth in the Investment Circular of the Fund, as the same may be amended from time to time, or applicable Certificates of Designation. In addition to such procedures, the Participant must send a written notice to the Chairman of the Fund and the Administrator. Such resignation and withdrawal shall become effective upon the later of the withdrawal of Shares or the receipt of the written notice by the Chairman of the Fund and the Administrator. No resignation and withdrawal by a Participant shall operate to annul this Declaration and terminate the existence of the Fund.

**IN WITNESS WHEREOF**, the undersigned Trustees, pursuant to Section 12.1 of this Declaration acting in their respective capacities as Trustees of the Fund have executed this Declaration as of the date first set forth above, and this Declaration shall take, and come into, full force and effect as provided in said Section 12.1.

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Christy Powell, Trustee

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Brian Murphy, Trustee

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Gary Szott, Trustee

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John Harrington, Trustee

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Scott Anderson, Trustee

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Chris Minick, Trustee

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Lynn McCammon, Trustee

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Betty Zigras, Trustee