

**MICHIGAN LIQUID ASSET FUND PLUS**

**(a Michigan Entity formed pursuant to  
the Urban Cooperation Act of 1967)**

**INTERLOCAL AGREEMENT**

**(DECLARATION OF TRUST)**

**(Amended and Restated as of November 1, 2006)**

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**THIS DECLARATION OF TRUST** made as of the 22nd day of May, 1987, by Michael P. Flanagan, Superintendent, Farmington Public Schools and Jack D. Oatley, Associate Superintendent, Kent Intermediate School District, on behalf of their respective school districts as the Initial Participants, and as amended and restated as of November 1, 2006, by the then Participants.

**WITNESSETH:**

**WHEREAS**, Section 28 of Article 7 of the 1963 Constitution of the State of Michigan provides, among other things, that the Legislature of the State of Michigan shall authorize two or more public agencies to enter into contractual undertakings for the joint administration of any functions each party would be separately empowered to perform, to share costs and responsibilities of such functions, and to cooperate with one another; and

**WHEREAS**, Section 4 of Mich. Pub. Acts 1967, Ex. Sess., No. 7, entitled "An Act to provide for interlocal public agency agreements, etc." MCLA 124.501 et seq.; MSA 5.4088 et seq., as amended, provides that a public agency of the State of Michigan may exercise jointly with any other public agency of the State of Michigan any power, privilege or authority which such agencies share in common and which each might exercise separately; and

**WHEREAS**, this Declaration of Trust is intended to be an "Interlocal Agreement" entered into pursuant to Section 5 of the Urban Cooperation Act of 1967, MCLA 124.505; MSA 5.4088 (5), as amended, for the purpose of better exercising the Participants' authority to invest their respective funds in accordance with Sections 622, 1221 and 1223 of Mich. Pub. Acts 1976, No. 451, MCLA 380.622; MSA 15.4622, MCLA 380.1221; MSA 15.41221 and MCLA 380.1223; MSA 15.41223, as amended (the "School Code"); and

**WHEREAS**, the Initial Participants, each "public agencies" as defined in Section 2 of the Urban Cooperation Act of 1967, MCLA 124.502, as amended, has duly adopted a resolution authorizing the respective Initial Participants to become parties to this Interlocal Agreement; and

**WHEREAS**, the Initial Participants desire to enter into an agreement and thereby establish an entity for joint investment, pursuant to this Declaration of Trust, for the purpose of combining their respective available investment funds so as to enhance investment opportunities available to them and increase the investment earnings accruing to the benefit of the Participants; and

**WHEREAS**, it is proposed that the beneficial interest in the Fund's assets shall be evidenced by a share register maintained by the Fund or its agent; and

**WHEREAS**, the Participants anticipate that other public agencies of the State of Michigan may wish to become Participants by adopting this Declaration of Trust and thus becoming parties to it;

**NOW, THEREFORE**, the Participants hereby declare that all money and property contributed to the Trust established under this Declaration of Trust 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

1.1 Name. The name of the entity created by this Declaration of Trust shall be the "Michigan Liquid Asset Fund Plus" (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 of Trust, 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, advisors, 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, the Trustees shall have full and complete power to change the name of the Fund at any time and from time to time in their sole and absolute discretion, without the affirmative vote of a majority of Participants entitled to vote as set forth in Article IV hereof; provided, that notice of any such change of name shall be promptly given to the Participants 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 Michigan or the United States of America so as to protect and reserve the right of the Fund in and to such name,

1.2 Purpose and Participants.

(a) The purpose of the Fund is to provide a separate legal entity through which public agencies organized under the Laws of the State of Michigan may jointly exercise their authority to invest available funds so as to enhance their investment opportunities pursuant to an investment program conducted under Sections 622, 1221 and 1223, or other applicable laws. A public agency may place funds in the Fund as a Participant and become a beneficiary of Shares only after the Board of such public agency has duly adopted a resolution, or other applicable official action, authorizing such public agency to become a Participant of this Fund and adopting this Declaration of Trust.

(b) No public agency shall become a Participant unless it is an initial participant or unless and until it has adopted this Declaration of Trust in accordance with Section 15.6 hereof. It is necessary for a public agency to place one dollar (\$1.00) in the Fund in order to become a Participant, and a minimum investment balance must be maintained by a public agency which has become a Participant in the amount of one dollar (\$1.00) in order for a public agency to continue to be a Participant.

(c) No school district shall become a Participant unless and until it becomes a member in good standing of the Michigan Association of School Boards. In the event that a Participant ceases to be a member in good standing of the Michigan

Association of School Boards, the Participant shall no longer be considered a Participant in the Fund and the Fund shall, within a reasonable period as deemed by the Trustees, redeem all of the Shares of said Participant at the Net Asset Value (as defined in Article VII of this Declaration of Trust) of the Participant's Shares as of the day that the Participant was no longer a member in good standing of the Michigan Association of School Boards.

1.3 Location. The Fund shall maintain an office of record in the State of Michigan, and may maintain such other offices or places of business as the Trustees may from time to time determine. 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.

1.4 Nature of Fund. The Fund shall be a separate legal and administrative entity organized and existing pursuant to the investment pool provisions of Public Act 132. 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, fiduciary trust, common law trust, business trust, investment company or joint stock company. The Participants shall have such rights as are conferred upon them hereunder.

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

"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.

"Board" shall mean the school board of each Participant school district or executive board of each public agency.

"Board of Trustee" shall mean the governing body of the Fund as provided in Article II hereof.

"Class" shall mean a category of a Series of Shares authorized by the Trustees pursuant to Article VI hereof.

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

"Fund" shall mean the common law trust created by this Declaration of Trust.

"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 Trustee 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.

“Information Statement” shall mean the information statement or other descriptive document or documents adopted as such by the Trustees from time to time.

“Initial Participants” shall mean Michael P. Flanagan, Superintendent, Farmington Public Schools and Jack D. Oatley, Associate Superintendent, Kent Intermediate School District on behalf of their respective school districts and which school districts initially formed this Fund as of May 22, 1987, by the execution and adoption of this Declaration of Trust.

“Interlocal Agreement” shall mean this Declaration of Trust.

“Investment Pool” shall mean an investment pool that is authorized by Public Act 132, being MCLA 380.622, 380.1221 and 380.1223, as amended, and as authorized by the Surplus Funds Investment Pool Act, Act No. 367 of the Public Acts of 1982, being MCLA 129.111 to 129.118; MSA 3.697 (101) to MSA 3.697 (108).

“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.

“Participants” shall mean the Initial Participants and the school districts and public agencies which enter into this Declaration of Trust pursuant to Section 1.2 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 Act 367” shall mean Mich. Pub. Acts 1982, No. 367, MCLA 129.111 et seq.; MSA 3.697 (101) et seq., as amended or may be amended from time to time or may be superseded or replaced by legislation having a substantially comparable purpose.

“Responsible Person” shall mean a Person designated as such by the Trustees from time to time pursuant to Section 4.2 hereof.

“School Code” shall mean Mich. Pub. Acts 1967, No. 451, MCLA 380.1 et seq.; MSA 15.4001 et seq.; as amended or may be amended from time to time or may be superseded or replaced by legislation having a substantially comparable purpose.

“Section 622” shall mean Section 622 of the School Code, MCLA 380.622; MSA 15.4622, as the same may be amended from time to time or may be amended from time to time or may be superseded or replaced by legislation having a substantially comparable purpose.

“Section 1221” shall mean Section 1221 of the School Code, MCLA 380.1221; MSA 15:41221, as the same may be amended from time to time or may be amended from time to time or may be superseded or replaced by legislation having a substantially comparable purpose.



“Sections 1223” shall mean Section 1223 of the School Code, MCLA 380.1223; MSA 15.41223, as the same may be amended from time to time or may be amended from time to time or may be superseded or replaced by legislation having a substantially comparable purpose.

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

“Shares” or “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 VI hereof.

“Trustees” shall mean members of the Board of Trustees of the Fund.

“Urban Cooperation Act” shall mean Section 4 of Mich. Pub. Acts 1967, Ex. Sess., No. 7, MCLA 124.501 et seq.; MSA 5.4088 et seq., as amended, entitled “An Act to provide for interlocal public agency agreements, etc.” as the same may be amended from time or may be superseded or replaced by legislation having a substantially comparable purpose.

## ARTICLE II

### TRUSTEES

#### 2.1 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 number of voting Trustees shall be fixed from time to time by resolution of a majority of the Trustees then in office, provided, however, that the number of voting Trustees shall in no event be less than three (3) or more than fifteen (15). The Executive Director of the Michigan Association of School Boards, the Executive Director of the Michigan Association of School Business Officials, and the Executive Director of the Michigan Association of School Administrators, or their respective designees, so long as those organizations or their successors exist, shall be voting Trustees of the Board of Trustees.

(b) Any vacancy may be filled by the appointment of an individual having the qualifications described in this Section 2.1 made by a resolution of a majority of the Trustees then in office. Any such appointment shall not become effective, however, until the individual named in the resolution of appointment shall have (i) accepted in writing such appointment, (ii) agreed in writing to be bound by the terms of this Declaration of Trust and (iii) presented evidence in writing of the granting of an authorization by the Participant with which he is affiliated as an officer or member of a school board, a superintendent of schools, a school district business official, a public agency executive, or a public agency treasurer (a “Qualified Candidate”) to serve as a

Trustee. No reduction in the number of Trustees shall have the effect of removing any Trustees from office prior to the expiration of his term.

(c) Whenever a vacancy in the number of Trustees shall occur, until such vacancy is filled as provided in Section 2.6 hereof, the Trustees or Trustee continuing in office, regardless of their number, shall have all the powers granted to the Trustees and shall discharge all the duties imposed upon the Trustees by this Declaration of Trust.

(d) A Trustee shall be an individual who is not under legal disability and who is (i) a Qualified Candidate; or (ii) the Executive Director of the Michigan Association of School Boards, the Executive Director of the Michigan Association of School Business Officials, or the Executive Director of the Michigan Association of School Administrators, or their respective designees. There shall be no more than one Trustee affiliated with any one Participant; provided, however, that no Trustee shall be disqualified from serving out an unexpired term by reason of such prohibition.

(e) The number of Trustees who shall be School Board members, employees of School Districts or other Qualified Candidate from a public agency shall be determined by the Trustees. There shall be at least one (1) Trustee from each of the following groups: board members, superintendents of school districts and school business officials.

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

## 2.2 Initial Participants and Organizational Trustees.

(a) By the execution of this Declaration of Trust, the Initial Participants appointed the following thirteen (13) individuals to serve as Trustees until the first election of Trustees pursuant to Section 2.4 hereof and until their successors had been elected and qualified.

<u>Name</u>	<u>Address</u>	<u>Affiliation</u>
Clare Ebersole	9816 Blackburn Livonia, MI 48150	Associate Superintendent Wayne County ISD 33500 Van Born Road Wayne, MI 48184
Donald Elliott	3847 Raleigh Drive Okemos, MI 48864	Executive Director Michigan Association of School Administrators 421 W. Kalamazoo Street Lansing, MI 48933
Harold Fisher	266 Richfield Ave. Battle Creek, MI 49015	Board Member Calhoun County ISD 17111 G. Drive North Marshall, MI 49068

Michael Flanagan (Initial Participant)	3391 W. Buno Road Milford, MI 48042	Superintendent Farmington Public Schools 32500 Shiawassee Farmington, MI 48024
Raymond Hoedel	9480 McClumpha Plymouth, MI 48170	Associate Supt. Business Plymouth Canton Schools 454 S. Harvey Street Plymouth, MI 48170
Robert Janson	1417 Andre Street Mt. Pleasant, MI 48858	Superintendent Mt. Pleasant Public Schools 201 S. University Mt. Pleasant, MI 48858
Glenn Nienhuis	485 Edgeworthe, S.E. Grand Rapids, MI 49506	Assistant Supt., Business Kentwood Public Schools 4479 Kalamazoo Avenue Grand Rapids, MI 49508
Jack Oatley (Initial Participant)	2962 Manitou, N.E. Grand Rapids, MI 49505	Associate Superintendent Kent County ISD 2650 E. Beltline, S.E. Grand Rapids, MI 49506
Wallace Piper	1792 Old Mill Road East Lansing, MI 48823	Executive Director Michigan School Business Officials 415 W. Kalamazoo Street Lansing, MI 48933
Ronald Rohlman	25431 Friar Lane Southfield, MI 48034	Associate Superintendent Southfield Public Schools 24661 Lahser Road Southfield, MI 48034
William Wade	2020 Wiltshire Court Ann Arbor, MI 48103	Deputy Supt., Business Ann Arbor Public Schools 2555 S. State Road Ann Arbor, MI 48104
Norman Weinheimer	4437 Greenwood Okemos, MI 48864	Executive Director Michigan Association of School Boards 421 W. Kalamazoo Street Lansing, MI 48933

Marajeane Zodtner 6415 Thurber  
Birmingham, MI 48010

Executive Dir., Business  
Troy School District  
4400 Livernois  
Troy, MI 48098

2.3 Term of Office. The Trustees shall be divided into three classes, as equal in number as practicable, so arranged that the term of one class shall expire each year. At all annual elections, Trustees shall be elected to serve for a term of three (3) years and until their successors shall be elected and qualify. Any addition made to the number of Trustees, except by vote of the Participants, shall be made only for a term expiring at the next annual election of Trustees by the Participants or until a successor shall be elected and qualify. At the annual election of Trustees by the Participants next following any addition to the number of Trustees, or, in the case of any addition to the number of Trustees made at an annual election of Trustees by the Participants, in connection with such election, the terms of the additional Trustees shall be fixed so that, as nearly as shall be practicable, an equal number of terms shall expire on June 30th of each year. Trustees may succeed themselves in office.

2.4 Election of Trustees.

(a) Commencing in June, 1988 and in each June thereafter, between the first and last days of such month, the Board of Trustees shall nominate candidates for membership on the Board of Trustees.

(b) At any time following the nomination of candidates by the Board of Trustees pursuant to the preceding paragraph (a) and prior to July 16th of each year, the Participants may by an instrument or concurrent instruments signed by at least ten percent (10%) of the Participants, cause the Board of Trustees to place on the ballot the name of each candidate named in such instrument or instruments.

(c) At least thirty (30) days before the date set for the annual meeting, the Board of Trustees shall cause to be sent to each Participant a ballot in such form as may be established by the Board of Trustees.

(d) Each Participant shall determine its selection among the candidates and authorize the appropriate officer of the Participant to execute and deliver the Participant's ballot to the Fund.

(e) In the event of a tie, the results of the election will be determined by lot. Election shall require the affirmative vote of a majority of the Participants entitled to vote.

(f) The Board of Trustees shall by written notice inform each Participant of the results of the election.

2.5 Resignation and Removal. Any Trustee may resign (without need for prior or subsequent accounting) by an instrument in writing signed by him and delivered to the Fund and such resignation shall be effective upon such delivery, or at a later date according to the terms of the notice. Any of the Trustees may be removed (provided that

the aggregate number of Trustees after such removal shall not be less than the minimum number required by Section 2.1 hereof) with cause, by the action of two-thirds (2/3) 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.

## 2.6 Vacancies.

(a) The term of office of a Trustee shall terminate and a vacancy shall occur in the event of the death, resignation, bankruptcy, adjudicated incompetence or other incapacity to exercise the duties of the office, or removal of a Trustee. If a Trustee is no longer a Qualified Candidate or affiliated with the Participant, such Person shall, upon the expiration of a ninety (90) day period following the occurrence of such event, no longer be a Trustee and a vacancy will be deemed to have occurred, unless such Person shall become a Qualified Candidate with an entity that is a Participant, within such ninety (90) day period and shall have presented evidence in writing of the granting of an authorization by the Participant with which he is then affiliated as Qualified Candidate.

(b) No such vacancy shall operate to annul this Declaration of Trust or to revoke any existing agency created pursuant to the terms of this Declaration of Trust. In the case of an existing vacancy (other than by reason of an increase in the number of Trustees) at least a majority of the Participants entitled to vote or a majority of the Trustees continuing in office acting by resolution, may fill such vacancy, and any Trustee so elected by the Trustees shall hold office until the next annual election of Trustees by the Participants and until his successor has been elected and has qualified to serve as Trustee.

(c) No such election or appointment as provided in this Section 2.6 shall become effective unless or until the new Trustee shall have qualified for the office of Trustee as provided in Section 2.1.

## 2.7 General Trustee Powers.

(a) 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 of Trust. 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 of Trust. Such powers of the Trustees may be exercised without the necessity of any order of, or resort to, any court.

(b) The Trustees shall have the power to conduct, operate and provide an investment program for the investment of funds by school districts and public agency ; and 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 deal in or dispose of investment instruments of every nature and kind, provided such investment is (in the sole and absolute discretion of the Trustees) consistent with the Investment Objectives and Policies set forth in the Trust's Information Statement, as most recently amended or supplemented (the "Permitted Investments") and to exercise any and all rights, powers and privileges of ownership or interest in respect of any and all such investments of every kind and description, including without limitation, the right to consent and otherwise act with respect thereto, with power to designate one or more persons, firms, associations or corporations to exercise any of said rights, powers, and privileges in respect of any of said instruments.

## 2.8 Legal Title.

(a) Legal title to all of the Fund Property shall be vested in the Trustees and shall 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, if permitted by law, by or in the name of the Fund, or in the name of any other Person as nominee, or in the name of any one or more of the Trustees (including the Trustees of a Series), 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 (as allocated or divided in accordance with paragraph (a) of this Section 2.8) 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, the Trustee (and in the event of the Trustee's death, the Trustee's estate) shall automatically cease to have any right, title or interest in or to any of the Fund Property, and the right, title or interest in and to the Fund Property shall vest automatically in the remaining Trustees without any further act.

2.9 Disposition of Assets. Subject in all respects to Article III 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 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 III 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.

2.10 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.

2.11 Rights as Holders of Fund Property. The Trustees shall have full and complete power to exercise 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.

2.12 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 Fund Property), to delegate from time to time to such one or more of their number or others (who may be designated as constituting a Committee of the Trustees) or to officers, employees or agents of the Fund, or the Trustees, or their designees (including, without limitation, those Persons authorized in Article III) 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.

2.13 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 sale, 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.

2.14 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 of Trust; (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 reimburse themselves or any one or more of themselves 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.

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

2.16 Deposits. The Trustees, shall have full and complete power to deposit, in such manner as may now and hereafter be permitted by Law, any monies 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 whom the monies, investments, or securities have been deposited. All such deposits shall comply with the same standards as govern the Fund's investments. Each such bank, trust company or other banking institution shall comply, with respect to such deposit, with all applicable requirements of all applicable Laws.

2.17 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.

2.18 Fiscal Year. 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. The Trustees may establish different fiscal years for the various Series as appropriate in the discretion of the Trustees.

2.19 Concerning the Fund and Certain Affiliates.

(a) The Trustees may (but need not), in their discretion, from time to time adopt standards with respect to conflicts of interest and similar matters to govern (i) Trustees, officers, directors, employees and agents of the Fund and their Affiliates and (ii) such other Persons and their Affiliates as the Trustees may deem appropriate.

(b) 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, advisor 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 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.

2.20 Investment Program. The Trustees shall use their best efforts to obtain through the investment advisor 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 of Trust, 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 2.12 and Article III hereof, the Trustees may delegate functions arising under this Section 2.21 to one or more of their number or to the Adviser. The Trustees shall also have full and complete power to contract for or otherwise obtain from or through the Adviser, or any other Person authorized under Article III 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 of Trust. 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.

2.21 Remedies. Notwithstanding any provision in this Declaration of Trust, 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.

2.22 Miscellaneous Powers. The Trustees shall also have the power to:

(a) employ or contract with such Persons as the Trust may deem desirable for the transaction of the affairs of the Trust;

(b) enter into joint ventures, partnerships and any other combinations or associations;

(c) purchase, and pay for out of Trust Property, insurance policies insuring the Trustees, officers, employees, agents, investment advisers, distributors, or independent contractors of the Trust against all claims arising by reason of holding any such position or by reason of any action taken or omitted by any such person in such capacity, whether or not constituting negligence, or whether or not the Trust would have the power to indemnify such Person against such liability;

(d) to the extent permitted by law, indemnify any person with whom the Trust has dealings to such extent as the Trustees shall determine; and

(e) adopt and, from time to time, amend or repeal By-Laws for the conduct of the business of the Fund.

2.23 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 of Trust 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 ADVISOR AND OTHER SERVICES TO THE TRUST

3.1 Appointment of Investment Advisor. The Trustees may in their discretion, from time to time, enter into an investment advisory or management contract whereby the other party to such contract shall undertake to furnish the Trust such management, promotional activities, and such other facilities and services, if any, as the Trustees shall from time to time consider desirable and all upon such terms and conditions as the Trustees may in their discretion determine. The Trustees may authorize the investment 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 Investment Adviser, all without further action by the Trustees.

3.2 Other Services to the Trust. The Trustees may from time to time in their discretion enter into Contracts or agreements with qualified and experienced independent contractors to carry out the following functions:

- (a) transfer agent and dividend disbursing agent;
- (b) administrator, to maintain all books and records of the Trust, to supervise all aspects of the Trust's operations including periodic updating of the Trust's Information Statement, to prepare the Trust's tax returns and periodic reports to Participants; to compute the Trust's daily net asset value and yield; to provide all office space, equipment and facilities necessary for the Trust's operations and to provide such other administrative services as the Trustee may require;
- (c) customer service agent, to provide information to school districts and public agencies which are Participants or are interested in becoming Participants;
- (d) custodian bank, to hold all money and securities constituting the Fund Property;
- (e) independent certified public accountants to perform an annual audit and provide such other services as the Trustees may require; and
- (f) legal counsel.

All service providers employed by the Trust must meet the requirements and definitions pursuant to Michigan state law.

## ARTICLE IV

### INVESTMENTS

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 invest the Fund in Permitted Investments in accordance with Sections 622, 1221 and 1223 and any other applicable provisions of Law as may be set forth more fully in the Fund's information statement, as the same may be amended time to time.

4.2 Restrictions. Notwithstanding anything in this Declaration of Trust which may be deemed to authorize the contrary, the Fund:

(a) May not make any investment other than investments authorized by the provisions of Law applicable from time to time to the investment of funds by Participants (including Sections 622, 1221 and 1223 to the extent applicable) or any other provisions of Law applicable to the investment of funds by the Participants, as the same may be amended from time to time;

(b) May not purchase any Permitted Investment which has a maturity date more than 397 days from the date of the Fund's purchase thereof, unless subject at the time of such purchase by the Fund to an irrevocable agreement on the part of a Responsible Person to purchase such Permitted Investment from the Fund within 397 days, provided, however, that the Trustees may, in their discretion, by an action set forth by resolution of the Trustees and included in the information statement, as amended from time to time, waive such one year limitation with respect to any one or more Series of Shares;

(c) May not purchase any Permitted Investment if the effect of such purchase by the Fund should 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.

(d) May not borrow money or incur indebtedness whether or not the proceeds thereof are intended to be used to purchase Permitted Investments, except as a temporary measure to facilitate the transfer of funds to the Participants which might otherwise require unscheduled dispositions of portfolio investments but only to the extent permitted by Law, except to facilitate as a temporary measure:

(i) withdrawal requests which might otherwise require unscheduled dispositions of portfolio investments;

(ii) for a period not to exceed one business day, withdrawal requests pending receipt of the collected funds from investments sold on the date of the withdrawal requests or withdrawal requests from Participants who have notified the Fund

of their intention to deposit funds in their accounts on the date of the withdrawal request;  
or

(iii) for a period not to exceed one business day, the purchase of Permitted Investments pending receipt of collected funds from Participants who have notified the Fund of their intention to deposit funds in their accounts on the date of the purchase of the Permitted Investments;

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

(f) May not pledge assets except to secure indebtedness permitted by (iv) of this Section 4.2; however in the case of indebtedness secured under Section 4.2 (iv) (b) or (c) hereof, it may pledge assets only to the extent of the actual funds in the account of a Participant on whose behalf the permitted indebtedness was incurred plus an amount equal to that amount which that Participant has notified the Fund that it intends to deposit in its account on that date.

For the purposes of this Section 4.2, the phrase "Responsible Person" shall mean a Person or Persons designated from time to time as such by the Trustees acting with the advice and counsel of the Adviser.

4.3 Restrictions as Fundamental to the Fund. 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 a majority of the Participants entitled to vote, except that such restrictions may be changed by the Trustees when necessary to conform the investment program and activities of the Fund to the Laws of the State of Michigan and the United States of America as they may from time to time be amended.

## ARTICLE V

### LIMITATIONS OF LIABILITY

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, employee or agent of the Fund or 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, for his failure to act in good faith in the reasonable belief that his action was in the best interests of the Fund and except that the Investment Advisory Agreement and the Administration Agreement shall provide for the personal liability of the Adviser or the Administrator, as the case may be, for his willful or negligent failure to take reasonable measures to restrict investments of the Fund Property to those permitted by Law and this Declaration of Trust; and all such other Persons shall otherwise 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, employee, as such, of the Trust or 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.

5.2 Liability to the Fund or to the Participants. No Trustee, officer, employee of the Fund or other person designated by the Trustee shall be liable to the Fund or to any Participant, Trustee, officer, employee of the Fund or other person designated by the Trustees for any action 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 misconduct, gross negligence or reckless disregard of his duties and except that the Marketing Agreement, the Investment Advisory Agreement, and the Administration Agreement shall provide for the personal liability of the Marketing Agency, the Adviser, or the Administrator, as the case may be, for his willful or negligent failure to take reasonable measures to restrict investments of the Fund Property to those permitted by Law; provided however, that the provisions of this Section 5.2 shall not limit the liability of any Person (including, without limitation, the Marketing Agent, the Adviser, the Administrator and the Custodian) of the Fund or other person designated by the Trustees with respect to breaches by it of a contract between it and the Fund.

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 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 agents and other persons designated by the Board of Trustees to receive such indemnification, 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, agent or otherwise designated person except as to any matter as to which he shall have been adjudicated to have acted in bad faith or with willful misconduct or reckless disregard of his duties or gross negligence or, in the case of the Adviser or the Administrator, in willful or negligent violation of the restrictions on investments of the Fund Property; provided, however, that the provisions of this Section 5.3 shall not be construed to permit the indemnification of any agent (including, without limitation, the Marketing Agent, the Adviser, the Administrator and the Custodian) of the Fund 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 agent, 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 agent were meritorious. The rights accruing to any Trustee, officer, employee, agent or otherwise 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 agent 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, agent or otherwise 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, an employee of the Fund in conformity with, or in good faith reliance upon, the provisions of Section 5.7 hereof shall not for the purpose of this Declaration of Trust (including, without limitation, Sections 5.1 and 5.2 and this Section 5.3) constitute bad faith, willful misconduct, gross negligence or reckless disregard of this duties.

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.

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 Trustees 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 Trustee or of such officer, employee or agent.

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 of Trust or in his capacity as an officer, employee or agent of the Fund. Any written instrument creating an obligation of the Fund shall refer to this Declaration of Trust 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, employee 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 or any of the Trustees, Participants, officers, employees or agents of the Fund.

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 officers or employees or by the Adviser, the Administrator, the Custodian, accountants, appraisers or other experts or consultants selected with reasonable care by the Trustees or officers of the Fund.

## ARTICLE VI

### CHARACTERISTICS OF SHARES

6.1 Beneficial Interest. The beneficial interest of the Participants hereunder in the Fund Property and the earnings thereon shall, 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.

6.2 Rights of Participants. The beneficial interest hereunder measured by the Shares shall not entitle a Participant to preference, preemptive, appraisal, conversion or exchange rights of any kind with respect to the Fund or the Fund Property. Title to the Fund Property of every description and the right to conduct any affairs herein described are vested exclusively in the Trustees (and proportionately among the Trustees in accordance with Section 2.8 hereof) 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 VI hereof. The Shares shall be personal property giving only the rights specifically set forth in this Declaration of Trust.

6.3 Series or Class Designation. The Trustees may, from time to time, authorize the division of Shares into separate Series and the division of any Series into two or more separate Classes of Shares, as they deem necessary and desirable. The different Series or Classes shall be established and designated, and the variations in the relative rights and preferences as between the different Series or Classes, such as the purchase price, right of redemption and the price, terms and manner of redemption, special and relative rights as to distributions on liquidation, conversion rights, and conditions under which the several series or classes shall have separate voting rights and separate investment restrictions, shall be fixed and determined, by the Trustees, without the requirement of Participant approval.

6.4 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 and outstanding shares, to such party or parties, for such amount and such type of consideration, at such time or time (including, without limitation, if so determined by the Trustees with respect to a Series, 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. Changes 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 7.2 hereof. Shares shall be allocated and

redeemed as whole Shares and/or one-hundredths (1/100ths) of a Share or multiples thereof.

(b) Shares may be allocated only to an entity organized and existing under the laws of the State of Michigan which has become a Participant of the Fund in accordance with Section 1.2 hereof. 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 Funds by a Participant at any one time shall be determined by the Trustees from time to time. Unless otherwise determined by the Trustees pursuant to this paragraph (c) of this Section 6.6, the minimum amount of funds which may be placed in the Fund by a Participant at any one time shall be One Dollar (\$1.00).

6.5 Register of Shares of Beneficial Interest. A register shall be kept at the principal office of the Trust or at such place as the Trustees shall designate and shall contain (i) the names and addresses of the Participants, (ii) the number of Shares representing their respective beneficial interests hereunder and (iii) a record of all purchases 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 herein provided, until it has given its appropriate address to such office or agent of the Fund as shall keep the Share Register for entry thereon.

6.6 Transfer of Shares. Shares of Beneficial Interest shall be transferable on the records of Trust only by the record holder thereof or by its agent thereunto duly authorized in writing, upon delivery to the Trustees or the transfer agent of a duly executed instrument of transfer, together with such evidence of the genuineness of each such execution and authorization and of other matters as may reasonably be required. Upon such delivery the transfer shall be recorded on the register of the Trust. Until such record is made, the Participant of record shall be deemed to be the holder of such Shares for all purposes hereunder and neither the Trustees nor any transfer agent nor any officer, employee or agent of the Trust shall be affected by any notice of the proposed transfer.

6.7 Voting Rights of Participants. The Participants shall be entitled to vote as a matter of right only upon the following matters: (a) election of Trustees as provided in Section 2.4 hereof and the By-Laws; (b) amendment of the Declaration of Trust or termination of this Fund as provided in Section 9.1 or amendment to the fundamental restrictions of the Fund as provided in Section 4.3 hereof; and (c) reorganization of this Fund as provided in Section 9.2 hereof. Except with respect to the foregoing matters specified in this Section 6.7, no action taken by the Participants at any meeting shall in any way bind the Trustees.



6.8 Reduction 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 reduction in number in order to maintain a constant net asset value per Share.

6.9 Redemptions. Payments by the Fund to Participants, and the reduction of Shares resulting therefrom, are referred to in this Declaration of Trust 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 of Trust. The Fund shall, upon application of any Participant, promptly pay to such Participant all or a portion of the interest of such Participant in the Fund, and reduce the allocation of Shares to such Participant accordingly. The procedure for effecting the redemption shall be as adopted by the Trustees and as set forth in the information statement of the Fund, as the same may be amended from time to time; provided, however, that such procedure 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 provides, further, however, that the Trustees shall have the power to provide for redemption procedures relating to any particular Series or Class which are consistent with the purpose and intent of this Declaration of Trust and consistent with the information statement, as most recently amended and such procedures may, inter alia, establish periods during which funds relating to Shares of such Series or Class may not be withdrawn from the Fund.

6.10 Suspension of Redemption; Postponement of Payment. Each Participant, by its adoption of this Declaration of Trust, 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 of the Fund 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 Michigan or any general suspension of trading or limitation 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 Trustee shall specify but not later than the close of business on the business day next following the declaration of suspension, and thereafter there shall be no right of redemption or payment until the Trustees shall declare the suspension or postponement at an end, except that the suspension or postponement shall terminate in any event on the first day on which the period specified in 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.

6.11 Minimum Redemption. There shall be no minimum number of Shares which may be redeemed at any one time at the option of a Participant, unless authorized by a resolution of the Board of Trustees and specified in the information statement, as

amended from time to time; provided, however, that no request by a Participant for the redemption of less than one whole Share need be honored.

6.12 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 requests shall not be honored and, each Participant, by its adoption of this Declaration of Trust, 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 6.10 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.

6.13 Allocation of Certain Expenses. Each participant will, at the discretion of the Fund, indemnify the Fund against all expenses and losses resulting from indebtedness incurred on the Participant's behalf under Section 4.2 (iv) (b) or (c) hereof. Each Participant authorizes the Trustees to reduce its Share to the number of Shares which reflects that Participant's proportionate interest in the net assets of the Fund after allocation of those expenses and losses to it.

## ARTICLE VII

### DETERMINATION OF NET ASSET VALUE, NET INCOME, AND DISTRIBUTIONS TO PARTICIPANTS

7.1 By-Laws to Govern Net Asset Value, Net Income and Distribution Procedures. The Trustees, in their absolute discretion, may prescribe and shall set forth in the By-Laws such bases and time for determining the per Share of Beneficial Interest net asset value of the Shares or net income, or the declaration and payment of distributions, as they may deem necessary or desirable.

## ARTICLE VIII

### CUSTODIAN

8.1 Duties. The Trustees shall at all times employ a "Financial Institution" as defined by Public Act 367 of the Public Acts of 1982, as Custodian with authority as its agent, but subject to such restrictions, limitations and other requirements, if any, as may be contained in the By-Laws of the Fund to perform the duties set forth in the Custodian Agreement to be entered into between the fund and the Custodian, or as may be imposed by law. The Participants authorize the Trustees to enter into any contract(s) and/or agreement(s) on their respective behalf for the purpose of complying with the requirements of Act 367, including employing the Custodian as a "Depository."

8.2 Sub-Custodian. 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-Custodian and approved by the Trustees.

8.3 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.

8.4 Custodian as "Depository". The Custodian shall be the "Depository" pursuant to Public Act 367 of the Public Acts of 1982, MCLA 129.111 et seq.; MSA 3.691 (101) et seq., as amended.

8.5 Additional Custodians. The Trustees may in their discretion employ one or more Custodians in addition to the Custodian referred to in Section 8.1 above. Such Additional Custodian(s) shall be "Financial Institutions" as defined by Public Act 367 of the Public Acts of 1982. Such Additional Custodian(s) shall perform such duties (including duties applicable only to designated series) as may be set forth in an agreement between the Fund and the Fund and The Additional Custodian.

## ARTICLE IX

### DURATION, AMENDMENT OR TERMINATION OF FUND

9.1 Duration. The Fund shall continue in existence in perpetuity, subject in all respects to the provisions of this Article IX.

9.2 Amendment.

(a) The provisions of this Declaration of Trust may be amended by the affirmative vote of two-thirds (2/3) of the Participants entitled to vote, such vote being initiated and tabulated as provided in the By-Laws. The Trustees, without a vote of the Participants, may also amend this Declaration of Trust by a two-thirds (2/3) vote of the Trustees, and after fifteen (15) days' prior written notice to the Participants, to the extent they deem such amendment 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.

(b) Notwithstanding the foregoing, (i) no amendment may be made pursuant to this Section 9.2 which would change any rights with respect to any outstanding 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; 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 a two-thirds (2/3) of the Participants entitled to vote thereon.

(c) A certificate 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 and, if required by Law, the Governor of the State of Michigan, shall be conclusive evidence of such amendment.

9.3 Reorganization. If permitted by applicable Law, including without limitation, Sections 622, 1221 and 1223, 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 not less than a majority of the Participants entitled to vote, 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 or 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, securities or beneficial interest ratably among the Participants of this Fund in redemption of their Shares.

9.4 Termination.

(a) The Trust may be terminated by the affirmative vote of two-thirds (2/3) of the Participants entitled to vote, such vote being initiated and tabulated as provided in the By-Laws.

(b) Upon the termination of the Fund pursuant to this Section 9.3:

(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 of Trust shall continue until the affairs of the Fund shall have been wound up, including, without limitation, the power to fulfill 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 do 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 not less than a majority of the Participants entitled to vote thereon; 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 shall 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.

(c) 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 cancelled and discharged.

## ARTICLE X

### MISCELLANEOUS

10.1 Governing Laws. This Declaration of Trust is adopted by the Participants and delivered in the State of Michigan 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 Michigan.

10.2 Counterparts. This Declaration of Trust 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.

10.3 Provisions in Conflict with Law. The provisions of this Declaration of Trust 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 Michigan Laws, the conflicting Provisions shall be deemed never to have constituted a part of this Declaration of Trust; provided, however, that such determination by the Trustees shall not affect or impair any of the remaining provisions of this Declaration of Trust or render invalid or improper any action taken or omitted (including, but not limited to, the election of Trustees) prior to such determination.

10.4 Adoption by Michigan School Districts and Public Agencies. Any school district or public agency of the State of Michigan, meeting the requirements of Section 1.2 hereof, may become an additional Participant of this Fund by (i) taking appropriate action to adopt this Declaration of Trust and (ii) furnishing the Trustees with satisfactory evidence that such action has been taken. A copy of this Declaration of Trust may be adopted through incorporation by reference into the resolution of such School District, and a certified copy of such resolution shall constitute satisfactory evidence of adoption contemplated by this Section 10.4.

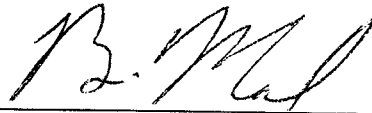
APPENDIX A

INFORMATION REGARDING EXECUTION

This Declaration of Trust, as amended and restated as of November 1, 2006, was executed by the then incumbent Trustees as on such date as evidence of such amendment and restatement.



Kyle Anderson  
Anchor Bay Schools



Brian Marcel  
Washtenaw Intermediate School District



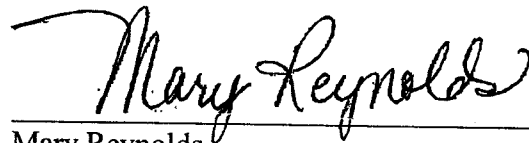
Patricia Brand  
Plymouth-Canton Community Schools



William H. Mayes  
Michigan Assn. of School Administrators



Michael Cuneo  
Rockford Public Schools



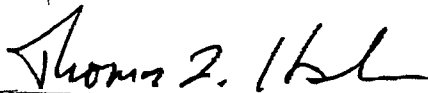
Mary Reynolds  
Farmington Public Schools



Marios Demetriou  
Muskegon Intermediate School District



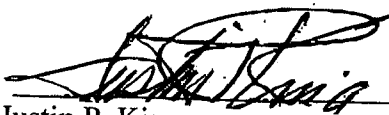
Gary Scholten  
Board of Education - Zeeland Public Schools



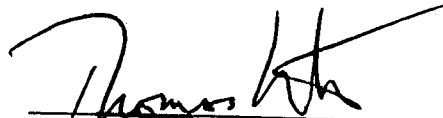
Thomas L. Hosler  
Huron School District



Timotheus Weeks  
Bloomfield Hills Schools



Justin P. King  
Michigan Association of School Boards



Thomas White  
Michigan Schools Business Officials