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Section 2. The City of Gainesville hereby expressly authorizes participation in the Florida Municipal Investment Trust as a member*and will become a party to the Agreement and Declaration of Trust, as amended, which is attached hereto as Exhibit “A, through execution of the Participation Agreement, attached hereto as Exhibit “B”.

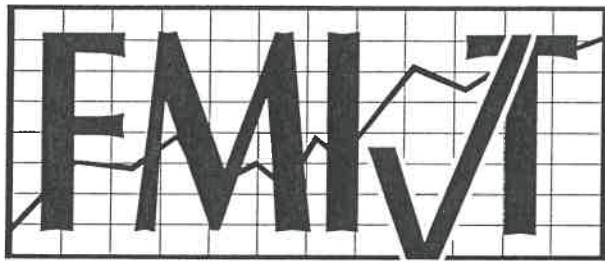
Section 3. The City of Gainesville is hereby expressly authorized to purchase shares of beneficial interest in the Trust from time to time with available funds, and to redeem some or all of its shares of beneficial interest from time to time as funds are needed for other purposes, subject to the terms and restrictions of the Agreement and Declaration of Trust referred to in Section 2 and the most recent Informational Statement. These actions are to be taken by the officers designated for this purpose pursuant to general or specific instructions by the City Commission of the City of Gainesville.

Section 4. The trustees of the Trust are designated as having official custody of the City of Gainesville’s funds, which are invested by the purchase of shares of beneficial interest in the Trust.

Section 5. The City of Gainesville specifically finds and determines the following matters:

- a) the conditions of the agreement and the rights and responsibilities of members of the Trust are set forth in the Agreement and Declaration of Trust, as amended and in the most recent Informational Statement;

- 1 b) participation in the Trust shall be terminable at any time by the City
2 of Gainesville, subject to the terms and restrictions of the Agreement
3 and Declaration of Trust, as amended and the most recent
4 Informational Statement;
- 5 c) the Agreement and Declaration of Trust, as amended, and the
6 purchase of its shares of beneficial interest are for the purpose of
7 investing the City of Gainesville's funds as part of a pooled-
8 investment program with other agencies or political subdivisions in
9 or of the state, thereby achieving economic and other advantages of
10 pooled investments, and the powers and scope of authority delegated
11 are set forth in the Agreement and Declaration of Trust, as amended;
- 12 d) it is not necessary to finance the agreement authorized herein from
13 funds of the City of Gainesville, except through the purchase of
14 shares of beneficial interest in the Trust;
- 15 e) the Trust shall be managed by a Board of Trustees as set forth in the
16 Agreement and Declaration of Trust, as amended; and
- 17 f) the Board of Trustees of the Florida Municipal Trust adopted
18 Resolution No. 93-2, providing for general disclosure policies of the
19 Trust's operation and Informational Statements for the benefit of
20 members and prospective members of the Trust so that members and
21 prospective members are fully aware of significant investment and
22 administrative policies, practices, and restrictions of the investment
23 portfolios of the Trust.
- 24



FLORIDA MUNICIPAL INVESTMENT TRUST

**AGREEMENT AND DECLARATION OF TRUST
CREATING THE FLORIDA MUNICIPAL
INVESTMENT TRUST
DATED AS OF APRIL 28, 1993
AMENDED AS OF SEPTEMBER 19, 1997**

EXHIBIT

A

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THIS INDENTURE, made and entered into this 28th day of April, 1993, and as subsequently amended by and between the City of Bradenton, Florida, the City of Lauderhill, Florida, and the City of Palatka, Florida, hereinafter referred to as the "initial parties to this Declaration of Trust", and any other party who may hereafter become a member of the Florida Municipal Investment Trust,

WITNESSETH:

WHEREAS, Art. VIII, Sec. 2, Fla. Const., in part provides municipalities shall have governmental, corporate and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services, and may exercise any power for municipal purposes except as otherwise provided by law; and

WHEREAS, Sec. 166.021, Fla. Stat., in part provides municipalities shall have governmental, corporate and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services, and may exercise any power for municipal purposes, except when expressly prohibited by law, and further defines a municipal purpose to mean any activity or power which may be exercised by the state or its political subdivisions; and

WHEREAS, the courts have held that the only limitation on the exercise of a municipality's home rule power is that it must be exercised for a valid municipal purpose, that municipalities are not dependent upon the legislature for further authorization, and that legislative statutes are relevant only to determine the limitations on a municipality's home rule authority, State v. City of Sunrise, 354 So.2d 1206 (Fla. 1978); and

WHEREAS, Sec. 125.01, Fla. Stat., in part provides counties, by and through their legislative and governing bodies, shall have the power to carry on county government and may exercise all powers and privileges not specifically prohibited by law; and

WHEREAS, the courts have held Sec. 125.01, Fla. Stat., grants to the governing body of a county the full power to carry on county government and the full authority to act through the exercise of home rule power unless the state legislature has preempted a particular subject relating to county government, Speer v. Olson, 367 So.2d 207 (Fla. 1978); and

WHEREAS, Sec. 166.261, Fla. Stat., and Sec. 125.31, Fla. Stat., authorizes municipalities and counties, respectively, to invest and reinvest surplus public funds in certain enumerated securities and obligations and any other securities or obligations authorized by the municipality or county by ordinance, and further provide this investment authority is supplemental to any and all other laws relating to legal investments by municipalities and counties; and

WHEREAS, Sec. 163.01, Fla. Stat., authorizes the state, or any county, municipality or political subdivision of the state, to jointly exercise any power, privilege, or authority which such governmental entities share in common and which each might exercise separately, and further provides such authority is in addition to and not in limitation of those granted by any other general, local, or special law; and

WHEREAS, by Resolutions dated the 14th day of January, 1993, the 25th day of January, 1993, and the 27th day of January, 1993, the governing bodies of the City of Palatka, Florida, the City of Lauderhill, Florida, and the City of Bradenton, Florida, respectively, found the creation of a pooled-investment program serves a municipal purpose for said cities and other agencies or political subdivisions in or of the state and would therefore be in the best interests of said cities and other agencies or political subdivisions in or of the state, their officials, officers, and citizens in that such a program would offer diversified and professionally managed portfolios to meet investment needs, would result in economies of scale that would create greater purchasing powers and would thereby lower the costs traditionally associated with the investment of the assets of said cities and other agencies or political subdivisions in or of the state; and

WHEREAS, it is the intent of the City of Bradenton, Florida, the City of Lauderhill, Florida, and the City of Palatka, Florida, to hereby create said pooled investment program.



NOW, THEREFORE, FOR AND IN CONSIDERATION OF THE MUTUAL COVENANTS, PROMISES AND OBLIGATIONS HEREIN CONTAINED, WHICH ARE GIVEN TO AND ACCEPTED BY EACH PARTY HEREOF AS TO THE OTHER, THE PARTIES HERETO DO HEREBY COVENANT, STIPULATE AND AGREE AS FOLLOWS:

ARTICLE I - ESTABLISHMENT AND PURPOSE OF TRUST

Section 1. Establishment of Trust

There is hereby established and created the Florida Municipal Investment Trust, hereinafter referred to as the "Trust", the operation and administration of which shall be the joint responsibility of a Board of Trustees.

Section 2. Purpose of Trust

The purpose of the Trust is to provide members with a vehicle to pool their surplus funds and to thereby create an increased economy of scale to invest and reinvest such funds in one or more investment portfolios, under the direction and daily supervision of professional investment advisers, in a manner consistent with the mutual investment policies and parameters established by said Trust.

ARTICLE II - TRUSTEES

Section 1. Qualifications of Trustees

The operation and administration of the Trust shall be the full responsibility of a Board of Trustees consisting of a number of Trustees selected from the ranks of elected officials of municipalities participating in the Trust. To the extent service on said Board of Trustees is subject to Art. II, Sec. 5, Fla. Const., said service shall be deemed "ex officio duties" to the duties performed by said elected officials. This paragraph shall not be construed to prohibit a member of the Board of Directors or an officer of the Florida League of Cities, Inc., or a member of the Board of Trustees of the Florida Municipal Insurance Trust, or of any other similar pooled self-insurance program or governmental trust, created pursuant to the laws of Florida and consisting all or in part of Florida municipalities and governed by elected municipal officials, from serving on said Board of Trustees.

Section 2. Initial Board of Trustees

The initial Board of Trustees shall consist of the President, the First Vice-President and the Second Vice-President of the Florida League of Cities, Inc., one member of the Board of Trustees of the Florida Municipal Self-Insurers Fund appointed by that Board of Trustees, and one member of the Board of Trustees of the Florida Municipal Insurance Trust appointed by that Board of Trustees.

The members of the initial Board of Trustees shall hold office by virtue of their holding one of the offices enumerated in the above paragraph. If for any reason a person fails to hold the enumerated office, such person shall be considered to have resigned from the initial Board of Trustees and shall be replaced by their successor in the office enumerated in the above paragraph.

The initial Board of Trustees shall have all the powers of the Trustees provided in this Declaration of Trust until such time as the successor Board of Trustees have been selected in the manner provided herein. In addition, the initial Board of Trustees shall have the power to appoint up to two (2) additional members to the initial Board of Trustees who shall serve, subject to the provisions herein relating to reelection, length of appointment, qualifications and limitations on service, and removal of a Trustee, until the successor Board of Trustees are selected in the manner provided herein.

Section 3. Number of Trustees

Except as otherwise provided herein, the Board of Trustees shall be composed of no less than five (5) and no more than seven (7) Trustees. The Board of Trustees shall always consist of the President and the Second Vice-President of the



Florida League of Cities, Inc., two members of the Board of Trustees of the Florida Municipal Insurance Trust appointed by that Board of Trustees, and up to three (3) appointed Trustees as provided in Article II, Section 4.

The four (4) members of the Board of Trustees enumerated in the above paragraph shall hold office by virtue of their holding one of the offices enumerated. If for any reason a person fails to hold the enumerated office, such person shall be considered to have resigned from the Board of Trustees and shall be replaced by their successor in the office enumerated in the above paragraph.

Section 4. Appointment of Trustees

On or before January 1, 1994, and no less than annually thereafter, the Board of Trustees shall solicit nominations from members of the Trust whose officials are eligible to serve on the Board of Trustees and such nominees shall constitute the basis for election to the Board of Trustees. Following the solicitation of nominations, Trustee vacancies may be filled by the Board of Trustees, by majority vote, from the nominees offered by such members. Trustees, including Trustees sitting on the initial Board of Trustees, may be reelected, subject to the provisions in this Declaration of Trust relating to length of appointment, qualifications and limitations on service, and removal of a Trustee. Each Trustee and each successor Trustee shall acknowledge and consent to his appointment as Trustee by giving written notice of acceptance of such selection to the Chairman of the Board of Trustees of the Trust, addressed to the office or offices of the Trust.

Section 5. Length of Appointment, Limitations on Service, and Removal of a Trustee

Except as provided in Article II, Section 3, all Trustees shall serve three-year terms. Subject to reelection as provided herein, each Trustee, unless due to the resignation, death, incapacity, removal, or refusal to act, shall serve and shall continue to serve on the Board of Trustees; however, in no event shall a Trustee serve more than two (2) full consecutive three-year terms.

No Trustee may be selected or continue to serve as a Trustee after becoming an owner, officer, employee or agent of a business entity having a contractual relationship or otherwise doing business with the Trust. This paragraph shall not be construed to prohibit an officer or a member of the Board of Directors of the Florida League of Cities, Inc., simply by virtue of service on said Board, from serving on the Board of Trustees of the Trust.

A Trustee shall relinquish his office or may be removed by a majority vote of the Board of Trustees ipso facto when he no longer serves as an elected official, trustee, officer or director of the member from which he was qualified or selected, or when the member ceases membership in the Trust. Notice of removal of a Trustee shall be furnished to a Trustee by the Chairman of the Board of Trustees by mail to the address of the removed Trustee as is recorded in the office or offices of the Trust and shall provide for the effective date of such removal.

Section 6. Resignation of a Trustee

A Trustee may resign from all duties or responsibilities hereunder by giving not less than sixty (60) days prior notice in writing to the Chairman of the Board of Trustees addressed to the office or offices of the Trust. Such notice shall state the date said resignation shall take effect and such resignation shall take effect on such day unless a successor Trustee shall have been selected at an earlier date by the Board of Trustees in which event such resignation shall take effect immediately upon the appointment of the successor Trustee.

Any Trustee, upon leaving office, shall forthwith turn over and deliver to the Chairman of the Board of Trustees at the office or offices of the Trust, any and all records, books, documents or other property in his possession or under his control which belongs to the Trust.

Section 7. Appointment of Successor Trustee

In the event any Trustee duly elected or appointed to serve on the Board of Trustees shall die, resign, become incapacitated, be removed, or refuse to act, a successor Trustee shall be selected forthwith by the Board. The notice of appointment of a successor Trustee shall be provided in writing to said Trustee by the Chairman of the Board of Trustees



or the Administrator, and such successor Trustee's notice of acceptance of such appointment shall be provided in writing to the Chairman of the Board of Trustees addressed to the office or offices of the Trust. Subject to the provisions of Article II, Section 3, a successor Trustee selected pursuant to this paragraph shall fulfill the unexpired term of the Trustee replaced and, subject to reelection, qualifications and limitations on service, and removal of a Trustee as provided in this Declaration of Trust, shall be entitled to serve two (2) full consecutive three-year terms following the expiration of the unexpired term filled by the successor Trustee.

Section 8. Trustees' Rights

In case of death, resignation, incapacity, removal, or refusal to act on the part of one or more of the Trustees, the remaining Trustees shall have all the powers, rights, estates, and interest provided in this Declaration of Trust as Trustees and shall be charged with the duties provided in this Declaration of Trust; provided, in such cases, no action may be taken unless it is concurred in by a majority of the remaining Trustees.

Section 9. Trustee Officers

The initial Board of Trustees shall meet promptly after the execution of this Declaration of Trust and elect from among the members of the Board of Trustees a Chairman and Vice-Chairman. The term of these officers shall commence on the date of their election and shall continue to the end of the fiscal year. Thereafter, such officers shall be elected annually by the Board of Trustees. The Vice-Chairman of the Board of Trustees shall exercise the powers, duties and responsibilities of the Chairman in the Chairman's absence.

ARTICLE III - ADMINISTRATION OF TRUST

Section 1. Meetings

The Board of Trustees shall meet at such time and in such location as may be acceptable to a majority of the Board of Trustees. The Chairman of the Board of Trustees or his designee shall set the date, time and location of each meeting, and notice thereof shall be furnished to each Trustee by the Chairman or his designee not less than ten (10) days prior to the date of such meeting. Such notice shall specify the date, time and location of such meeting and may specify the purpose thereof, and any action proposed to be taken thereat. Such notice shall be directed to each Trustee by mail to the address of such Trustee as is recorded in the office or offices of the Trust. In no event shall the Board of Trustees meet less than semi-annually.

The Chairman of the Board or a majority of the Trustees may call a special meeting and direct the Administrator to send the prerequisite notice for any special meeting of the Board of Trustees. Special meetings of the Board of Trustees may be held at any time and place without notice, or with less than the prerequisite notice, provided all Trustees execute a waiver of notice and consent to said meeting.

For purposes of a duly called meeting of the Board of Trustees, a quorum shall exist if a majority of the members of the Board of Trustees are present.

Section 2. Voting

All actions by, and decisions of, the Board of Trustees shall be by vote of a majority of the Trustees attending a duly called meeting of the Board of Trustees at which a quorum is present; however, in the event of a duly called special meeting, all actions by, and decisions of, the Board of Trustees may be by vote of a majority of the Trustees present and attending such special meeting if a proper waiver of notice and consent was obtained as provided herein.

Section 3. Office of the Trust

The Board of Trustees shall establish, maintain and provide adequate funding for an office or offices for the administration of the Trust. The address of such office or offices shall be made known to agencies or political subdivisions in or of the



state eligible to participate in or participating in the Trust. The books and records pertaining to the Trust and its administration shall be kept and maintained at the office or offices of the Trust.

Section 4. Execution of Documents

A certificate, document, or other instrument signed by the Chairman of the Board of Trustees or by the Administrator of the Trust shall be evidence of the action of the Board of Trustees and any such certificate, document, or other instrument so signed shall conclusively be presumed to be authentic. Likewise, all acts and matters stated therein shall conclusively be presumed to be true.

Section 5. Appointment of Administrator

The Board of Trustees shall designate and provide compensation for an Administrator to administer the affairs of the Trust. Any Administrator so designated shall furnish the Board of Trustees with a fidelity bond with the Board of Trustees as named obligee. The amount of such bond shall be determined by the Board of Trustees and the evidence thereof shall be available to agencies or political subdivisions in or of the state eligible to participate in or participating in the Trust.

Section 6. Compensation and Reimbursement of Trustees

The Board of Trustees may from time to time establish a nominal amount of compensation to cover attendance at a duly called meeting by the Board of Trustees, or to cover the performance of the normal duties of a Trustee. Such compensation shall include reimbursement for reasonable and necessary expenses incurred therewith.

ARTICLE IV - POWERS AND DUTIES OF THE BOARD OF TRUSTEES

Section 1. General Authority of the Board of Trustees.

The Board of Trustees shall have exclusive and absolute control over the Trust Property and over the affairs of the Trust to the same extent as if the Board of Trustees was the sole owner of the Trust Property in its own right, but with such powers of delegation as may be permitted by this Declaration of Trust. The Board of Trustees shall have power to conduct the affairs of the Trust and carry on its operations in any and all of its branches and maintain offices both within and without the State of Florida, and to do all such other things and execute all such instruments as the Board of Trustees deem necessary, proper or desirable in order to promote the purpose and interests of the Trust although such things are not herein specifically mentioned. Any determination as to what is in the interests of the Trust made by the Board of 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 a power to the Board of Trustees.

The enumeration of any specific power herein shall not be construed as limiting the aforesaid power. Such powers of the Board of Trustees may be exercised without order of or resort to any court.

Section 2. Investments

The Board of Trustees shall have the power to subscribe for, invest in, reinvest in, purchase or otherwise acquire, own, hold, pledge, sell, assign, transfer, exchange, distribute, lend or otherwise deal in or dispose of investments of every nature and kind, provided such investment is, in the sole and absolute discretion of the Board of Trustees, consistent with the Statement of Investment Policy adopted and published by the Board, as most recently amended or supplemented, and to exercise any and all rights, powers and privileges of ownership or interest with respect to 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 with respect to any of said investments.



The Board of Trustees shall adopt and publish an Informational Statement for each investment portfolio that it has approved. The Informational Statements shall identify investments, consistent with the Statement of Investment Policy, that are authorized within each investment portfolio.

The Board of Trustees shall take such action necessary to determine the general types of securities eligible for investment purposes, including appropriate maturity limitations and other guidelines necessary for the prudent investment of the assets of the Trust. In formulating such guidelines, the Board of Trustees shall seek to provide that the investments of the Trust are made with the judgment and care under the circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of the funds considering the probable income, total return and the probable safety of the invested funds.

Section 3. Legal Title

Legal title to all the Trust Property shall be vested in the Board of Trustees as joint tenants except that the Board of Trustees shall have power to cause legal title to any Trust Property to be held by or in the name of one or more members of the Board of Trustees, or in the name of the Trust, or in the name of any other person as nominee, on such terms as the Board of Trustees may determine, provided that the interest of the assets therein are appropriately protected. The right, title and interest of the Board of Trustees in the Trust Property shall vest automatically in each person who may hereafter become a Trustee. Upon the resignation, removal or death of a Trustee, he shall automatically cease to have any right, title or interest in any of the Trust Property, and the right, title and interest of such Trustee in the Trust Property shall vest automatically in the remaining Trustees. Such vesting and cessation of title shall be effective whether or not conveyancing documents have been executed and delivered.

Section 4. Issuance and Redemption of Shares of Beneficial Interest

The Board of Trustees shall have the power to issue, sell, repurchase, redeem, retire, cancel, acquire, hold, resell, reissue, dispose of, transfer, and otherwise deal in Shares of Beneficial Interest and, subject to the provisions set forth in Articles IV, X, and XII hereof, to apply to any such repurchase, redemption, retirement, cancellation or acquisition of Shares of Beneficial Interest any funds or property of the Trust, whether capital or surplus or otherwise, to the full extent now or hereafter permitted by any law of the State of Florida.

Section 5. Borrowing Money and Lending Trust Assets

The Board of Trustees shall have power to borrow money or otherwise obtain credit and to secure the same by mortgaging, pledging or otherwise subjecting as security the Trust Property, to endorse, guarantee, or undertake the performance of any obligation, contract or engagement of any other person and to lend the assets of the Trust.

Section 6. Delegation and Committees

The Board of Trustees shall have power to delegate from time to time to such of their number or to officers, employees or agents of the Trust the doing of such things as provided in this Agreement and Declaration, to include the authority to judge whether or not an applicant for membership shall be eligible to participate in the Trust, and the execution of such instruments either in the name of the Trust or the names of the members of the Board of Trustees or otherwise, as the Board of Trustees may deem expedient; provided, however, such delegation shall not relieve the Board of Trustees of its ultimate responsibilities or liabilities under this Agreement and Declaration.

Section 7. Collection and Payments

The Board of Trustees shall have power to collect all property due to the Trust; to pay all claims, including taxes, against the Trust Property; to prosecute, defend, compromise or abandon any claims relating to the Trust Property; to foreclose any security interest securing any obligations, by virtue of which any property is owed to the Trust; and to enter into releases, agreements and other instruments.



Section 8. Expenses and Limits Thereon

The Board of Trustees shall have the power to incur and pay those expenses which in the opinion of the Board of Trustees are necessary or incidental to carry out the purpose of this Declaration of Trust.

Section 9. Miscellaneous Powers

The Board of Trustees shall have the power: (a) to employ or contract with such persons as the Board of Trustees may deem desirable for the transaction of the affairs of the Trust; (b) to enter into joint ventures, partnerships and any other combinations or associations; (c) to appoint from their own number, and terminate, any one or more committees which may exercise some or all of the power and authority of the Board of Trustees as the Board of Trustees may determine; (d) to purchase, and pay for out of the assets of the Trust, insurance policies insuring the Board of Trustees, officers, employees, and agents 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; (e) to the extent permitted by law, indemnify any person with whom the Trust has dealings to such extent as the Board of Trustees shall determine; (f) to determine and change the method by which its accounts shall be kept; and (g) to adopt a seal for the Trust but the absence of such seal shall not impair the validity of any instrument executed on behalf of the Trust.

In addition to these specific powers, the Board of Trustees shall also have all other powers reasonably necessary from time to time to carry out the ultimate purpose of the Trust as herein provided.

Section 10. Minimum Total Investment

The Board of Trustees shall have the power to fix the minimum contribution and total investment for members participating in the Trust expressed in dollars or Shares, or both, for purposes of investment in the Trust's Shares of Beneficial Interest. Whenever a member's total investment is less than the minimum established by the Board of Trustees, said Board may redeem the Shares of Beneficial Interest of such member, provided thirty days prior notice is given to such member. If the Board of Trustees changes the minimum total investment to an amount greater than the investment of any member at the time that such change becomes effective, such member's investment shall not be redeemed without such member's consent.

Section 11. Approval of Members

The Board of Trustees, after the inception of the Trust, shall receive applications for membership from prospective new members in the Trust and shall approve applications for membership in accordance with the terms of this Declaration of Trust, any Participation Agreement, applicable federal and state statutes and rules and regulations, and the rules and regulations established by the Board of Trustees for the admission of new members into the Trust; provided, however, no prospective member may participate in the Trust unless such prospective member is an agency or political subdivision in or of the state. As used herein, the phrase "agency or political subdivision in or of the state" includes, but is not limited to, the state, its agencies, counties, municipalities, special districts, school districts, and other governmental entities; the independent establishments and constitutional officers of the state, counties, municipalities, school districts, special districts, and other governmental entities; and corporations primarily acting as instrumentalities or agencies of the state, counties, municipalities, school districts, special districts or other governmental entities and having a 26 U.S.C. section 115 ruling from the Internal Revenue Service stating that such corporation's income is excluded from gross income. The Board of Trustees shall be the sole judge of whether or not an applicant for membership shall be eligible to participate in the Trust.

Section 12. Reporting

The Board of Trustees shall be responsible for and shall cause to be prepared and filed such annual or other periodic audits, reports and disclosures as may be required from time to time to accomplish the purpose of the Trust or to satisfy



applicable federal and state statutes and rules and regulations, including, but not limited to, periodic investment reports, reports governing the operation of the Trust, disclosure statements and reports, statements of investment objectives and policies, periodic statements of financial condition, certified audits, periodic status reports, and any other such reports as may be required from time to time.

Section 13. Reliance on Counsel's Opinion

The Board of Trustees may employ and consult with legal counsel concerning any questions which may arise with reference to the duties and powers of the Board of Trustees or with reference to any other matter pertaining to this Declaration of Trust or the Trust created hereby; and the opinion of such counsel shall be full and complete authorization and protection from liability arising out of or in respect to any action taken or suffered by the Board of Trustees or an individual Trustee acting hereunder in good faith and in accordance with the opinion of such counsel.

Section 14. Bylaws, Rules and Regulations

The Board of Trustees may adopt and enforce such bylaws, rules and regulations as between the members of the Trust, the Trust, and the Trust's Board of Trustees, officers, employees, and agents governing the operation of the Trust as are consistent with the terms of this Declaration of Trust and as are reasonably necessary to accomplish the purpose of the Trust.

ARTICLE V - POWERS AND DUTIES OF THE ADMINISTRATOR

Section 1. General

The Administrator shall serve as Secretary-Treasurer of the Trust and shall have the power and authority to implement the directives of the Board of Trustees and the policy matters set forth by the Board of Trustees as they relate to the on-going operation and supervision of the Trust, the rules and regulations established by the Board of Trustees, the provisions of this Declaration of Trust, applicable federal and state statutes and rules and regulations, and any other matter delegated by the Board of Trustees to and accepted by the Administrator.

Section 2. Minutes

The Administrator shall keep minutes of all meetings, proceedings and acts of the Board of Trustees, but such minutes need not be verbatim. Copies of all minutes of the Board of Trustees shall be sent by the Administrator to all Trustees.

ARTICLE VI - CUSTODIAN, INVESTMENT ADVISERS, AND OTHER SERVICES TO TRUST

Section 1. Custodian

The Board of Trustees shall at all times employ one or more banks or trust companies having a capital surplus and undivided profits of at least five million dollars (\$5,000,000) as custodian with authority as its agent, but subject to restrictions, limitations or other requirements, if any, as may be contained in this Declaration of Trust. All monies and all investment securities of the Trust shall be held by the Custodian bank or trust companies at all times. The Custodian may act as transfer agent, disbursement agent, and agency for any other legal purposes not inconsistent with the Declaration of Trust. The Trust may from time to time enter into tri-party repurchase agreements under which a custodian other than the Trust's regular Custodian holds securities of the Trust; provided, however, that the Trustees have approved the use of each such bank or trust company as a custodian for tri-party repurchase agreements with the Trust.

The Board of Trustees may direct the Custodian to deposit all or any part of the securities owned by the Trust in a system for the central handling of securities established by a national securities exchange or a national association registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934, or such other person as may be permitted by that Commission, pursuant to which system all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without



physical delivery of such securities, provided that all such deposits shall be subject to withdrawal only upon the order of the Trustees.

The Board of Trustees may direct the Custodian to accept written receipts or other written evidence indicating purchases of securities held in book-entry form in the Federal Reserve System in accordance with the regulations promulgated by the Board of Governors of the Federal Reserve System and the local Federal Reserve Banks in lieu of receipt of certificates representing such securities.

Section 2. Investment Advisers and Approval of Agreements

The Board of Trustees may in its discretion, from time to time, enter into investment advisory or management contracts 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 Board of Trustees shall from time to time consider desirable and all upon such terms and conditions as the Board of Trustees may in its discretion determine. The Board of Trustees may authorize one or more investment advisers to effect purchases, sales, loans or exchanges of the portfolio securities of the Trust on behalf of the Board of Trustees or may authorize any officer, employee, Administrator, Trustee or other agent of the Trust to effect such purchases, sales, loans or exchanges, pursuant to policies, rules and regulations established by the Trust all without further action by the Board of Trustees. Any such purchases, sales, loans and exchanges shall be deemed to have been authorized by all of the Trustees.

Section 3. Other Services to the Trust

The Board of Trustees may from time to time in its discretion enter into agreements with qualified and experienced employees and agents to provide any or all of the following services to the Trust: to carry out the function of transfer agent and dividend disbursing agent, to maintain all books and records of the Trust, to supervise all aspects of the Trust's operations, to periodically update the Trust's Informational Statements and other documents, to prepare the Trust's tax returns and periodic reports to members, to compute the Trust's net asset value and yield, to provide all office space, equipment and facilities necessary for the Trust's operations, to carry out the functions of a customer service agent, to provide information to members and prospective members, to hold all money and securities constituting the Trust property, to carry out the function of an independent certified public accountant to perform an annual audit, and to provide such other services as the Board of Trustees may require. The foregoing specific list of services shall not prevent the Board of Trustees from employing other persons to provide such advice, assistance or service as the Board of Trustees may from time to time require to carry out the ultimate purpose of the Trust.

ARTICLE VII - LIMITATIONS OF LIABILITY OF MEMBERS, TRUSTEES AND OTHERS

Section 1. No Personal Liability of Members, Trustees and Others

No member shall be subject to any personal liability whatsoever to any person in connection with the Trust Property or the acts, obligations or affairs of the Trust. Except as otherwise assumed by written agreement, no Trustee, officer, employee or agent of the Trust shall be subject to any personal liability whatsoever to any person, in connection with the Trust Property or the affairs of the Trust, save only that arising from bad faith, willful misfeasance, gross negligence or reckless disregard for his duty to such person; and all such persons shall look solely to the Trust Property for satisfaction of claims of any nature arising in connection with the affairs of the Trust. Except as otherwise assumed by written agreement, no member, Trustee, officer, employee, or agent, as such, of the Trust, made a party to any suit or proceeding to enforce any such liability, shall be held to any personal liability. The Trust shall indemnify and hold each member harmless from and against all claims and liabilities, to which such member may become subject by reason of its being or having been a member of this Trust and shall reimburse such member for all legal and other expenses reasonably incurred by it in connection with any such claim or liability. The rights accruing a member under this Section shall not exclude any other right to which such member may be lawfully entitled, nor shall anything herein contained restrict the right of the Trust to indemnify or reimburse such member in any appropriate situation even though not specifically provided herein.



Section 2. Non-Liability of Trustees and Others

Except as otherwise assumed by written agreement, no Trustee, officer, employee or agent of the Trust shall be liable to the Trust, to its members, or to any member, Trustee, officer, employee, or agent thereof 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 its, his or her own bad faith, willful misfeasance, gross negligence or reckless disregard of duties.

Section 3. Mandatory Indemnification

(a) Subject to the exceptions and limitation contained in paragraph (b) below:

- (i) every person who is or has been a Trustee or officer of the Trust shall be indemnified by the Trust against all liability and against all expenses reasonably incurred or paid in connection with any claim, action, suit or proceeding in which such Trustee or officer becomes involved as a party or otherwise by virtue of being or having been a Trustee or officer and against amounts paid or incurred by such Trustee or officer in the settlement thereof;
- (ii) the words "claim", "action", "suit" or "proceeding" shall apply to all claims, actions, suits or proceedings (civil, criminal, or other, including appeals), actual or threatened; and the words "liability" and "expenses" shall include, without limitation, attorneys' fees, costs, judgments, amounts paid in settlement, fines, penalties and other liabilities.

(b) No indemnification shall be provided hereunder to a Trustee or officer:

- (i) against any liability to the Trust or the members by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of duty;
- (ii) with respect to any matter as to which such person shall have been finally adjudicated not to have acted in good faith in the reasonable belief that the disputed action was in the best interest of the Trust;
- (iii) in the event of a settlement involving a payment by a Trustee or officer, unless there has been a determination that such Trustee or officer did not engage in willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his office, such determination to be made (A) by the court or other body approving the settlement; or (B) by majority active member vote; or (C) by vote of two-thirds of the Trustees, constituting at least a majority of the Board of Trustees, who are not themselves involved in the claim, action, suit or proceeding; or (D) by written opinion of independent counsel.

(c) The rights of indemnification herein provided may be insured against by policies maintained by the Trust, shall be severable, shall not affect any other rights to which any Trustee or officer may now or hereafter be entitled, shall continue as to a person who has ceased to be such Trustee or officer and shall inure to the benefit of the heirs, executors and administrators of such person. Furthermore, in addition to or in lieu of the maintenance of insurance policies to insure the rights of indemnification, the Board of Trustees may create a fund or funds to secure such rights and may deposit moneys from the Trust Property in such fund or funds from time to time in such amounts as the Board of Trustees in its sole judgment may deem advisable. Such fund or funds may be held by the Board of Trustees or by a fiduciary party, and the Board of Trustees may create such a fund or funds solely for the benefit of the Trust or on a joint basis with other similar trusts for the benefit of the Trust and the other trusts.

(d) Expenses of preparation and presentation of a defense to any claim, action, suit or proceeding of the character described in paragraph (a) of this Section will be advanced by the Trust prior to final disposition thereof upon receipt of an



undertaking by or on behalf of the recipient, to repay such amount if it is ultimately determined that he is not entitled to indemnification under this Section.

Section 4. No Bond Required of Trustees

No Trustee shall be obligated to give any bond or other security for the performance of any of his duties hereunder.

Section 5. No Duty of Investigation; Notice in Trust Instruments

No purchaser, lender, transfer agent or other person dealing with the Board of Trustees or any officer, employee or agent of the Trust shall be bound to make any inquiry concerning the validity of any transaction purporting to be made by the Board of Trustees or by said officer, employee or agent or be liable for the application of money or property paid, loaned, or delivered to or on the order of the Board of Trustees or of said officer, employee or agent. Every obligation, contract, instrument, certificate, Share of Beneficial Interest, other security of the Trust or undertaking, and every other document executed in connection with the Trust shall be conclusively presumed to have been executed or done by the executors thereof only in its capacity as Board of Trustees under this Declaration of Trust or in its capacity as officers, employees or agents of the Trust. Every written obligation, contract, instrument, certificate, Share of Beneficial Interest, other security of the Trust or undertaking made or issued by the Board of Trustees shall recite that it is executed by them not individually, but as Board of Trustees under this Declaration of Trust and that the obligations of any such instruments are not binding upon any of the Trustees or members, individually, but bind only the trust estate, but the omission of such recital shall not operate to bind the Trustees or members individually.

The Board of Trustees may in its discretion maintain insurance for the protection of the Trust Property, its members, Trustees, officers, employees and agents in such amount as the Board of Trustees may deem adequate to cover possible tort or other liability, and such other insurance as the Board of Trustees in its sole judgment may deem advisable. Furthermore, in addition to or in lieu of the maintenance of such policies of insurance, the Board of Trustees may create a fund or funds to secure such risks and may deposit moneys from the Trust Property in such fund or funds from time to time in such amounts as the Board of Trustees in its sole judgment may deem advisable. Such fund or funds may be held by the Board of Trustees or by a fiduciary party, and the Board of Trustees may create such a fund or funds solely for the benefit of the Trust or on a joint basis with other similar trusts for the benefit of the Trust and the other trusts.

Section 6. Reliance on Experts

Each Trustee and officer or employee of the Trust shall, in the performance of his or her duties, be fully 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 Trust, upon an opinion of counsel, or upon reports made to the Trust by any of its officers or employees or by an investment adviser, administrator, transfer agent, custodian, accountant, appraiser or other experts or consultants selected with reasonable care by the Board of Trustees, officers or employees of the Trust.

Section 7. Non-Liability of Initial Parties

The initial parties to this Declaration of Trust, and any party who may now or hereafter become a member of the Trust, agree the initial parties to this Declaration of Trust, individually or collectively, by executing this Declaration of Trust, have not and do not assume any liabilities arising out of the creation or operation of the Trust, and that the initial parties to this Declaration of Trust, individually or collectively, shall only be liable for the obligations of the Trust to the extent they specifically covenant to do so by separate agreement as a member of the Trust. The Trust hereby agrees to save, hold harmless and indemnify the initial parties to this Declaration of Trust, and their officers, employees, and agents, of and from any loss, damage or expense incurred by said parties as a result of the said parties' execution of this Declaration of Trust. This hold harmless and indemnify provision shall not apply to any liability for the obligations of the Trust assumed by the initial parties to this Declaration of Trust pursuant to any separately executed agreement.



ARTICLE VIII - SHARES OF BENEFICIAL INTEREST

Section 1. Beneficial Interest

The interest of the members hereunder shall be divided into transferable Shares of Beneficial Interest, all of one class except as permitted by Section 2 hereof, without par value. The number of Shares of Beneficial Interest authorized hereunder is unlimited. All Shares of Beneficial Interest issued hereunder including, without limitation, Shares issued in connection with a dividend in Shares or a split of Shares, shall be fully paid and nonassessable.

Section 2. Series or Portfolio Designation

The Board of Trustees, in its discretion, may authorize the division of Shares into one or more series, or portfolios, and the different series or portfolios shall be established and designated, and the variations in the relative rights and preferences as between the different series or portfolios shall be fixed and determined by the Board of Trustees; provided, that all Shares shall be identical except that there may be variations so fixed and determined between different series or portfolios as to purchase price, if applicable, trust fees and expenses, minimum contribution amount, minimum total investment amount, right of redemption and the price, terms and manner of redemption, special and relative rights as to ownership, distributions on liquidation, conversion rights, and conditions under which the several series or portfolios shall have separate investment objectives, and separate investment restrictions, separate eligibility and participation requirements, and separate management and administrative policies and practices.

Section 3. Informational Statements

The Trust shall establish an Informational Statement for any investment portfolio or series of investment portfolios describing the purpose of the Trust; the investment objectives of the portfolio; authorized and any restricted investments; Trust policies on income, expenses, dividend, yield and total return; policies and procedures on the determination of the portfolios' net asset value and the valuation of the members' beneficial shares; member procedures for the opening of accounts, contributions and the withdrawal of funds; and, other information on the Trust and its operations of general interest to members including but not limited to the Trust's fees and expenses for the Board of Trustees, officers, employees and agents of the Trust.

Section 4. Rights of Members

The ownership of the Trust Property of every description and the right to conduct the affairs of the Trust hereinbefore described are vested exclusively in the Board of Trustees, and the members shall have no interest therein other than the beneficial interest conferred by its Shares, and they shall have no right to call for any partition or division of any property, profits, rights or interests of the Trust nor can they be called upon to assume any losses of the Trust or suffer an assessment of any kind by virtue of its ownership of Shares. The Shares shall be personal property giving only the rights in the Declaration of Trust specifically set forth. The Shares shall not entitle the holder to preference, preemptive, appraisal, conversion or exchange rights.

Section 5. Trust Only

It is the intention of the Board of Trustees to create only the relationship of Trustee and beneficiary between the Board of Trustees and each member from time to time. It is not the intention of the Board of Trustees to create a general partnership, limited partnership, joint stock association, corporation, bailment or any form of legal relationship other than a trust.

Section 6. Register of Shares of Beneficial Interest

A register shall be kept at the office or offices of the Trust or at such place as the Board of Trustees shall designate containing the names and addresses of all members and the number of Shares held by them respectively and a record of all transfers thereof. Such register shall be conclusive as to which members are the holders of the Shares and which members



shall be entitled to receive distributions or otherwise to exercise or enjoy the rights of membership. No member shall be entitled to receive payment of any distribution, nor to have given to it as herein provided, until its correct name and address has been given to the transfer agent or such other officer or agent of the Board of Trustees as shall keep the register. The Board of Trustees, in its discretion, may but need not authorize the issuance of Share certificates and may promulgate appropriate rules and regulations as to their use.

Section 7. Transfer of Shares of Beneficial Interest

Shares of Beneficial Interest shall be transferable on the records of the Trust only by the record holder thereof or by its agent thereunto duly authorized in writing, upon delivery to the Board of 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 member of record shall be deemed to be the holder of such Shares for all purposes hereunder and neither the Board of Trustees nor any transfer agent nor any officer, employee or agent of the Trust shall be affected by any notice of the proposed transfer.

No Shares may be transferred to a transferee other than a member as specified in Article IV, Section 11, or to the Trust itself.

Section 8. Notices

Any and all notices to which any member may be entitled and any and all communications shall be deemed duly served or given if mailed, postage prepaid, addressed to any member of record at its address as recorded on the register of the Trust. Members shall be entitled to notice of changes to this Declaration of Trust, Participation Agreements and Informational Statements, which materially effect the members' rights under such documents. Notice to members shall be made as described herein within 60 days prior to the effective date of any change which materially effects, in the sole discretion of the Board of Trustees, the rights of the members. Members shall have 30 days from the date of notice to withdraw or transfer their Shares of Beneficial Interest without penalty as described in Article X, Section 3.

Section 9. Sale of Shares of Beneficial Interest

The Trustees may from time to time issue and sell or cause to be issued and sold Shares for cash, which shall in every case be paid to the Custodian as agent of the Trust before delivery of any certificate or other receipt of such Shares. The Shares, including additional Shares which may have been repurchased by the Trust (herein sometimes referred to as the "treasury shares"), may be sold at a price which will net the Trust not less than the net asset value thereof (as determined in Article X, Section 2 hereof) determined by or on behalf of the Trustees next after the sale is made or at some later time after such sale.

ARTICLE IX - REDEMPTIONS

Section 1. Redemptions

In case any member at any time desires to dispose of its Shares of Beneficial Interest, it may deposit a written request or other such form of request as the Board of Trustees may from time to time authorize at such locations designated by the Board of Trustees together with an irrevocable offer in writing in a form acceptable to the Board of Trustees to have the Shares redeemed by the Trust at the net asset value thereof per Share, next determined as provided in the Trust's Informational Statement describing the series or portfolios after such deposit. Payment for redemption shall be made to the members within the number of business days specified in the Trust's Informational Statement, as most recently amended or supplemented, unless (i) the date of payment is postponed pursuant to Section 2 hereof, or (ii) the receipt, or verification of receipt, of the redemption price for the Shares to be redeemed is delayed, in either of which event payment may be delayed beyond such period.



Section 2. Suspension of Right of Redemption

The Trust may declare a suspension of the right of redemption or postpone the date of payment or redemption for the whole or any part of any period (i) during which the New York Stock Exchange is closed other than customary weekend and holiday closings, (ii) during which trading on the New York Stock Exchange is restricted, or (iii) during which an emergency exists as a result of which disposal by the Trust of securities owned by it is not reasonably practicable or it is not reasonably practicable for the Trust to fairly determine the value of its net assets. Such suspension shall take effect at such time as the Trust 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 nor payment on redemption until the Trust shall declare the suspension at an end, except that the suspension shall terminate in any event on the first day on which said Stock Exchange shall have reopened or the period specified in (ii) or (iii) shall have expired (as to which the determination of the Trust shall be conclusive). In the case of a suspension of the right of redemption, a member may either withdraw its request for redemption or receive payment based on the net asset value existing after the termination of the suspension.

Section 3. Redemption in Kind

Payment for Shares deposited pursuant to Section 1 hereof may, at the option of the Board of Trustees, or such officer or officers as they may duly authorize for the purpose, in its complete discretion be made in cash, or in kind, or partially in cash and partially in kind. In case of payment in kind, the Board of Trustees, or its delegate, shall have absolute discretion as to what security or securities shall be distributed in kind and the amount of the same, and the securities shall be valued for purposes of distribution at the figure at which they were appraised in computing the asset value of the Shares, provided that any member which cannot legally acquire securities so distributed in kind by reason of the statutes or laws of Florida governing the investment of funds shall receive only cash.

ARTICLE X - DETERMINATION OF NET ASSET VALUE, NET INCOME AND DISTRIBUTIONS

Section 1. Net Asset, Net Income and Distribution Procedures

The Board of Trustees shall prescribe and set forth in the Trust's Informational Statement such bases and times 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.

Section 2. Net Asset Value of Shares in Trust Portfolios

(a) For the Trust portfolios designated as money market funds where the net asset value is designed to remain constant at \$1.00 per Share, net asset value per Share shall be determined at a time certain on a daily basis by the Custodian, or such other qualified institution, firm or agent, each day the Custodian is open for business. For the Trust portfolios designated as total return fixed income funds, equity funds, or some combination thereof, where the net asset value may fluctuate over time, the net asset value shall be determined in accordance with the policies of the Board of Trustees and as described in each portfolio's Informational Statement.

Net asset value per Share shall be calculated separately for each portfolio and for each series within a portfolio containing more than one series, by dividing the total value of investments and other assets less any liabilities by the total outstanding shares of the portfolio or series within a portfolio, as of a time certain on the day such calculation is made.

(b) For the purpose of calculating the net asset value per Share of portfolios where the net asset value is designed to remain constant at \$1.00 per Share, the securities held in such portfolios shall be valued pursuant to the amortized cost method. The amortized cost method of valuation shall mean the acquisition cost as adjusted for the amortization of premiums or accumulation of discount. The daily amount of premium to be amortized and the daily amount of discount to be accumulated shall be calculated based on generally accepted accounting principles or standard industry practice.



(c) For the purpose of calculating the net asset value per Share of portfolios where the net asset value may fluctuate, securities held in such portfolio shall be valued as follows: (1) securities for which market quotations are readily available shall be valued at the most recent bid price or yield equivalent as obtained from one or more market makers for such securities ("fair market value"), except that any securities designated as money market securities may be valued using the amortized cost method based upon the Trust's acquisition of the security; and (2) all other securities and assets will be valued at fair market value determined in good faith by the Board of Trustees or such other party designated by the Trustees acting under contract with the Trust.

Section 3. Dividends, Distribution and Penalties

The Board of Trustees shall generally provide for the allocation of net income (or loss) to the participating members in a manner which equitably reflects the differing amount of the member's respective investment amount and the differing periods of time for which such amounts were in the custody of the Trust.

(a) For the Trust portfolios designated as money market funds where the net asset value is designed to remain constant at \$1.00 per Share, each day the Custodian bank is open for business, the net income of the portfolio shall be determined and declared as a dividend payable to participating members of record. Net income credited to a participating member's account in this manner shall be distributed as monthly dividends, payable on the last day of each month. Dividends of money market funds shall be payable in either cash or additional shares, as requested by the participating member. Dividends payable in cash will be remitted to the participating member on the first day of the month that the Custodian bank is open.

- (i) For the purpose of calculating dividends, net income shall consist of interest accrued and discounts earned, including any discounts or premium ratably amortized to the date of maturity and all realized gains and losses on the sale of securities, minus a proportionate share of estimated Trust expenses.
- (ii) Capital distributions, if any, may be distributed whenever the Trustees determine that such distributions would be in the best interest of the participating member.

(b) For the Trust portfolios where the net asset value may fluctuate, the net income of the Trust shall be determined by the Trustees. Net income shall be allocated to participating members as described in each portfolio's Informational Statement.

- (i) For the purpose of calculating dividends for portfolios where the net asset value may fluctuate, net income shall consist of interest accrued and changes in fair value of investments since its last Valuation Date and any other investment income earned, minus a proportionate share of the estimated Trust expenses.
- (ii) Capital distribution, if any, may be distributed whenever the Trustees determine that such distribution would be in the best interest of the participating members of the portfolio.

(c) The Board of Trustees may prescribe procedures and penalties for the premature withdrawal or the early redemption by participating members of Shares of Beneficial Interest in Trust portfolios. Such procedures shall be disclosed in the Informational Statement describing the Trust portfolio. For portfolios where the net asset value may fluctuate, the Board of Trustees may charge participating members with a reasonable fee for premature withdrawals based on (i) all penalty charges, losses and other costs (including, without limitation, interest paid on borrowed funds to pay the redemption) associated with amending, terminating, selling or otherwise affecting any of the investments in the portfolio, and (ii) an amount sufficient to maintain the projected yield on the remaining shares to the stated redemption date for the portfolio. For premature redemptions, net asset value shall be determined on the day of the redemption by dividing the total market



value of the securities in the portfolio (bid price) including interest and discount earned and other assets less liabilities and any early redemption fees by the total number of outstanding Shares in the portfolio.

ARTICLE XI - TRUST MEMBERSHIP

Section 1. Definitions

Unless the context indicates otherwise, as used in this Declaration of Trust:

"Member" means an agency or political subdivision in or of the state that has applied for and been accepted to participate in the Trust and shall include both active members and inactive members.

"Active member" means a member holding Beneficial Shares of Interest in the Trust.

"Inactive member" means a member not holding Beneficial Shares of Interest in the Trust.

Section 2. Membership Cancellation, Suspension or Expulsion

The Board of Trustees shall be the sole judge of whether membership in the Trust may be canceled or whether a member may be suspended or expelled from the Trust. Written notice of any such cancellation, suspension or expulsion shall be provided by the Trust to the member at its address as recorded on the register of the Trust no less than thirty (30) days prior to the effective date of such cancellation, suspension or expulsion, and no liability under the Declaration of Trust or any other agreement, certificate, document, or other instrument executed by the Trust and the member pursuant to this Declaration of Trust, shall accrue to the Trust following the effective date of such cancellation, suspension or expulsion.

Section 3. Responsibilities of Member

Each member of the Trust agrees to abide by all the terms and conditions of the Declaration of Trust, the Participation Agreement, Informational Statements, the rules and regulations of the Trust and any other agreement, certificate, document, or other instrument executed by the Trust and the member pursuant to this Declaration of Trust.

Section 4. Inactive Member Status

An active member shall become an inactive member when such active member no longer holds Shares of Beneficial Interest in the Trust. Upon becoming an inactive member, such inactive member shall not be entitled to any rights, titles or privileges provided under the Declaration of Trust, any Participation Agreement, Informational Statements, the rules and regulations of the Trust and any other agreement, certificate, document, or other instrument executed by the Trust and the member pursuant to this Declaration of Trust, except such inactive member shall not be required to submit a Participation Agreement or other document for membership in the Trust in order to acquire Shares of Beneficial Interest in the Trust. The Trust shall owe no duties, obligations or responsibilities to inactive members.

Subject to the provisions of Article II, Section 3, a person serving as a Trustee whose member becomes an inactive member may continue to serve as a Trustee for a period of 90 consecutive days after the member becomes an inactive member. If the Trustee's member remains an inactive member for 90 consecutive days, the Trustee shall cease to be eligible to serve as a Trustee and shall be automatically removed as a Trustee on the 91st day. If the inactive member becomes an active member as provided in this Declaration of Trust, within 90 days of becoming an inactive member and remains an active member for a period of 90 consecutive days, a Trustee from such member shall not cease to be eligible to serve as a Trustee.

Inactive members may acquire Shares of Beneficial Interest under the terms of this Declaration of Trust, any Participation Agreement, or any other written agreement executed by the Trust and such member. Inactive members shall become active members upon acquiring Shares of Beneficial Interest as provided herein and shall be entitled to all rights, titles or privileges, and subject to all liabilities, as provided under the Declaration of Trust, any Participation Agreement,



Informational Statements, the rules and regulations of the Trust and any other agreement, certificate, document, or other instrument executed by the Trust and the member pursuant to this Declaration of Trust.

This section shall not be construed to effect in any way the rights of the Board of Trustees to cancel, suspend or expel a member pursuant to Article XI, Section 2.

Inactive members may terminate membership in the Trust upon written notice addressed to the office or offices of the Trust and no liability under the Declaration of Trust or any other agreement, certificate, document, or other instrument executed by the Trust and the member pursuant to this Declaration of Trust, shall accrue following the effective date of such termination.

Section 5. Termination of Membership

A member that disposes of all its Shares of Beneficial Interest pursuant to Article IX and provides written notice addressed to the office or offices of the Trust that it is terminating membership in the Trust, shall be deemed to have terminated its membership in the Trust and no liability under the Declaration of Trust or any other agreement, certificate, document, or other instrument executed by the Trust and the member pursuant to this Declaration of Trust, shall accrue following the effective date of such termination.

ARTICLE XII - DURATION; TERMINATION OF TRUST; AMENDMENT OF DECLARATION OF TRUST

Section 1. Duration

The Trust shall continue without limitation of time but subject to the provisions of this Article XII.

Section 2. Termination of Trust

(a) This Declaration of Trust shall continue in full force and effect and may be amended and supplemented from time to time subject to the restrictions provided herein. This Declaration of Trust may be terminated at any time by the concurrence of a majority of the Board of Trustees. In addition, the assets, management and operations of this Trust may be merged or consolidated with the assets, management and operations of any other trust with similar or like members and purpose by the concurrence of a majority of the Board of Trustees if the Board of Trustees finds such consolidation or merger is in the best interests of the Trust and its members, the Board of Trustees finds such trust has demonstrated a financial capability to assume, and will in fact assume, any and all liabilities incurred by the Trust prior to the date of any such consolidation or merger, and the Board of Trustees has secured the prior approval of such consolidation or merger from the Board of Directors of the Florida League of Cities, Inc.

(b) The Trust may be terminated by the affirmative vote of a majority of the Board of Trustees voting thereon at a duly called meeting of said Board. Upon the termination of the Trust:

- (i) The Trust shall carry on no activities except for the purpose of finalizing its affairs.
- (ii) The Board of Trustees shall proceed to finalize the affairs of the Trust and all of the powers of the Board of Trustees under this Declaration of Trust shall continue until the affairs of the Trust shall have been completed, including the power to fulfill or discharge the contracts of the Trust, collect its assets, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining Trust Property to one or more persons at public or private sale for consideration which may consist in whole or in part of cash, securities or other property of any kind, discharge or pay its liabilities, and to do all other acts appropriate to liquidate its business; and
- (iii) After paying or adequately providing for the payment of all liabilities and claims, and upon receipt of such releases, indemnities and refunding agreements as they deem necessary for their protection, the Board of Trustees shall distribute the remaining Trust Property, in cash or in kind



or partly in cash and partly in kind, among the active members according to their respective Shares of Beneficial Interests.

(c) After termination of the Trust and distribution to the active members as herein provided, a majority of the Board of Trustees shall execute and lodge among the records of the Trust an instrument in writing setting forth the fact of such termination, and the Board of Trustees shall thereupon be discharged from all further liabilities and duties hereunder, and the rights and interests of all members shall thereupon cease.

(d) During the life of the Trust and also upon and after termination of the Trust, no Trust income or assets shall accrue to the benefit of any person, firm or corporation other than members of the Trust.

Section 3. Amendments

(a) Except as otherwise provided herein, this Declaration of Trust may be amended in writing at any duly called meeting by the concurrence of a majority of the Board of Trustees. However, this Declaration of Trust may not be amended so as to change its purpose as set forth in this Declaration of Trust, to permit the diversion or application of any of the funds of the Trust for any purpose other than those specified herein, or to alter the nature and extent of liability assumed by the initial parties to this Declaration of Trust in executing this Declaration of Trust. In addition, the provisions herein relating to merger or consolidation, reelection, length of appointment, qualifications and limitations on service, and removal of Trustees may not be amended without the prior approval of the Board of Directors of the Florida League of Cities, Inc. The Board of Trustees, upon adoption of an amendment to this Declaration of Trust, shall send notice of any such amendment to the members as provided in Article VIII, Section 8.

(b) No amendment may be made under this Section 3 hereof which would change any rights with respect to any Share of Beneficial Interest by reducing the amount payable thereon upon liquidation of the Trust. Nothing in this Declaration of Trust shall permit its amendment to impair the exemptions contained herein from personal liability of the members, Trustees, officers, employees and agents of the Trust or to permit assessments upon members.

(c) A certificate signed by a majority of the Board of Trustees setting forth an amendment and reciting that it was duly adopted by the Board of Trustees or a copy of an amendment to this Declaration of Trust, executed by the Chairman of the Board of Trustees and attested to by the Administrator, shall be conclusive evidence of such amendment when lodged among the records of the Trust.

ARTICLE XIII - MISCELLANEOUS

Section 1. Situs of Trust.

The situs of this Declaration of Trust is the State of Florida. All questions pertaining to its validity, construction, and administration shall be determined in accordance with the laws of the State of Florida.

Section 2. Construction

Whenever any words are used in this Declaration of Trust in the masculine gender, they shall be construed as though they were also used in the feminine or neuter gender in all situations where they would so apply, and whenever any words are used in this Declaration of Trust in the singular form, they shall be construed as though they were also used in the plural form in all situations where they would so apply, and whenever any words are used in this Declaration of Trust in the plural form, they shall be construed as though they were used in the singular form in all situations where they would so apply.

Section 3. Fiscal Year

The Trust shall operate on a fiscal year from 12:01 a.m., October first to midnight of the last day in September of the succeeding year. Application for membership, when approved in writing by the Board of Trustees or its designee, shall



constitute a continuing contract for each succeeding fiscal year unless canceled by the Board of Trustees or the member in the manner herein provided.

Section 4. Agreement of Counterparts

Any prospective member who formally applies for membership in the Trust by executing a Participation Agreement and which is accepted by the Board of Trustees shall thereupon become a party to this Declaration of Trust and shall be bound by all of the terms and conditions hereof, and said Participation Agreement shall constitute a counterpart of this Declaration of Trust.



FLORIDA MUNICIPAL INVESTMENT TRUST
PARTICIPATION AGREEMENT

Please complete and send to the Florida Municipal Investment Trust, P.O. Box 1757, Tallahassee, FL, 32302-1757
or by FAX (850) 222-3806

Participation Agreement

_____ (herein referred to as the "Governmental Entity") formally applies for membership in the Florida Municipal Investment Trust.

, Check all portfolios in which the Governmental Entity may invest:

- | | | | |
|----------------------------|-------------------------------------|--|-------------------------------------|
| Short Term Bond Portfolio: | <input checked="" type="checkbox"/> | Intermediate Term Bond Portfolio: | <input checked="" type="checkbox"/> |
| Long-Term Bond Portfolio: | <input type="checkbox"/> | Diversified Domestic Equity Portfolio: | <input type="checkbox"/> |

The Governmental Entity further agrees to the following terms and conditions:

- (a) That by this reference it agrees to the terms and provisions of and agrees to become a party to the Agreement and Declaration of Trust creating the Florida Municipal Investment Trust (the "Trust") and any amendments thereto filed;
- (b) To abide by the rules and regulations established by the Board of Trustees for the Trust and to conform to the terms and conditions of the most recently published Informational Statement governing the portfolio(s) selected above;
- (c) To notify the Florida Municipal Investment Trust in writing of any changes to the Membership Application Form(s) and that the Trust may act upon instructions received until notified to the contrary in writing by the Governmental Entity;
- (d) That any and all notices to which a Member may be entitled and any and all communications shall be deemed duly given if mailed, postage prepaid, addressed to the Member of record at its address as specified in the Official Notices section of the Membership Application Form(s).

The undersigned certifies that he/she has the authority and legal capacity to open an account with the Trust on behalf of the Governmental Entity and that the Governmental Entity has the legal capacity to invest funds in and withdraw funds from the Trust. The undersigned binds the Governmental Entity to the terms and conditions set forth in the Agreement and Declaration of Trust creating the Florida Municipal Investment Trust as amended and the most recently published Informational Statement governing the portfolio(s) selected above.

Executed this _____ day of _____, _____.

Name and Title

Attest:

Name and Title

