New York Liquid Asset Fund

MUNICIPAL COOPERATION AGREEMENT
Amended and Restated as of September 18, 2015
Pursuant to New York General Municipal Law, Article 3-A and Article 5-G
By and among the municipal corporations that have adopted this agreement as participants

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EXHIBIT A INVESTMENT GUIDELINES A-1

EXHIBIT B FEES OF THE INVESTMENT CONSULTANT, ADMINISTRATOR, MARKETING AGENT AND CUSTODIAN B-1

This MUNICIPAL COOPERATION AGREEMENT (the "Agreement") made and entered into pursuant to Article 3-A and Article 5-G of the New York General Municipal Law, as amended (the "Act") by and among the Cheektowaga Central School District and the Spencer-Van Etten Central School District, New York, each a municipal corporation, as that term is defined in Section 119-n of the Act, or other eligible entity that enters into the Agreement pursuant to Section 7.1 hereof (each individually a "Participant" and collectively the "Participants")

WITNESSETH:

WHEREAS, each Participant wishes to temporarily invest certain of its available funds in cooperation with the other Participants in one or more of the several portfolios of investments to be created hereunder in order to provide legality, safety, liquidity and enhanced yield for its respective investment hereunder; and

WHEREAS, each Participant wishes to strictly limit its liability under or in connection with the Agreement; and

WHEREAS, each Participant is a municipal corporation as defined in Section 119-n of the Act, and otherwise only a municipality, school district or fire district as those terms are defined in the Local Finance Law, or a Board of Cooperative Educational Services as that term is defined in Section 1950 of the General Municipal Law, or other eligible entity; and

WHEREAS, Section 119-o of the Act empowers municipal corporations to enter into, amend, cancel and terminate agreements for the performance among themselves (or one for the other) of their respective functions, powers and duties on a cooperative, contract or joint services basis; and

WHEREAS, this Agreement, including all amendments thereto, has been approved by a majority vote of the voting strength of the governing body of each Participant or certified by the chief fiscal officer of a Participant as approved by such Participant; and

WHEREAS, each Participant has, to the extent any general or special law would require it to do so before performing by itself any function, power or duty that may be performed under this Agreement, held all necessary public hearings, conducted all necessary referenda and obtained all necessary consents of any governmental agency and has satisfied all other legal or administrative requirements applicable to the making and entering into this Agreement; and

WHEREAS, this Agreement became effective on April 24, 1998, was amended pursuant to the provisions of Article XIII hereof

i) on July 24, 1998,

ii) prior to October 20, 1999 to become in compliance with said Article 3-A of the General Municipal Law (Ch. 623, Laws of 1998),

iii) as of June 1, 2001 and again as of July 1, 2004 to reflect the results of procurement processes required by §43(11) of said Article 3-A (all of which amendments are incorporated and reflected herein);

iv) as of January 19, 2007 to reflect the substitution of Cheektowaga Central School District as Lead Agent in replacement of Dutchess County Board of Cooperative Educational Services, the substitution of Bankers Trust Company, N.A. as Administrator in replacement of KeyBank National Association, a national banking association ("KeyBank"), the substitution of Voyageur Asset Management Inc. in replacement of Victory Capital Management Inc. as Investment Consultant and the substitution of M&T Bank as Custodian in replacement of KeyBank and to remove the requirement of a vote of each Participant for certain future amendments;

v) as of July 19, 2007 to reflect the Governing Board's ability to appoint custodians other than M&T Bank with respect to additional Portfolios, to expand the definition of Chief Investment Officer to include the Executive Director, and to eliminate provisions that were only necessary prior to the replacement of the Lead Agent, KeyBank and Victory Capital Management Inc.; and

vi) as of September 18, 2015 to reflect the substitution of the Red Hook Central School District as Lead Agent in replacement of Cheektowaga Central School District and to amend the definition of Chief Investment Officer.

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements contained herein, each Participant hereby acts and agrees as follows:

ARTICLE I

DEFINITIONS

"Act" means Article 3-A and Article 5-G of the GML.

"Article 3-A" means Article 3-A of the GML.

"Administrator" means Bankers Trust Company, N.A. or any other Person or Persons appointed or employed or contracted by the Governing Board pursuant to Sections 4.2 and 11.1 hereof.

"Administration Agreement" means the agreement between the Governing Board and the Administrator, providing for administration services to, and such other ministerial functions, power and duties as may be delegated by, the Governing Board.

"Affiliate" means, with respect to any Person, another Person directly or indirectly in control of, controlled by or under common control with such Person, or any officer, director, partner or employee of such Person.

"Agreement" means this municipal cooperation agreement and a "cooperative investment agreement" as that term is defined in the Act.

"Business Day" means any day on which the Federal Reserve Bank of New York is open.

"Chief Fiscal Officer" means, at any time, the "chief fiscal officer" (as that term is defined in §2 of the Local Finance Law) of a Participant or his or her designees as authorized by the Laws who is, at such time, charged by such Participant with the custody, investment and administration of funds. For purposes of this Agreement, a Participant shall be deemed at any time to have only a single Chief Fiscal Officer.

"Chief Investment Officer" means, at any time, the Person who serves as the Chief Fiscal Officer of the Municipal Corporation designated by the Participants to be the Lead Agent under this Agreement or his or her designees as authorized by the Laws, but solely as an employee or officer of the Lead Agent, and not individually, or the Executive Director appointed by the Governing Board.

"Contribution Procedures" means the procedures for making cash contributions to one or more of the Portfolios in which a Participant maintains an account established from time to time by the Chief Investment Officer.

"Custodian" means, with respect to a particular Portfolio, M&T Bank or another bank or trust company located and doing business in the State appointed, employed or contracted with the Governing Board pursuant to Sections 4.2 and 12.1 hereof. Each Portfolio may have a different Custodian. A Custodian may delegate all or a portion of its responsibilities as Custodian to an Affiliate, when consistent with Sections 10 and 11 of the GML.

"Custody Agreement" means an agreement between the Lead Agent and a Custodian as the same may be amended from time to time.

"Custodial Undertaking Agreement" means a custodial undertaking agreement by and among the Investment Consultant, as agent for the Lead Agent, a counterparty under a Master Repurchase Agreement, and a custodian for the custody of Permitted Investments subject to the terms of a Master Repurchase Agreement.

"Email" means the electronic transmission of information, including, without limitation, confirmation of transactions pursuant to a Master Repurchase Agreement or a Custodial Undertaking Agreement, through the services of an internet provider of the Chief Investment Officer over the world-wide web.

"Executive Director" means an executive director appointed by the Governing Board pursuant to Section 45 of the GML. The Governing Board may designate an officer of the Lead Agent to act as Executive Director.

"GML" means the New York General Municipal Law, as amended.

"Governing Board" means the governing board for this Agreement, created in the manner and exercising the power and responsibilities referred to in sections 44 and 45 of Article 3-A of the GML and set forth in Article VIII hereof.

"Indemnity Agreement" means the agreement between the Governing Board and the indemnifying parties; namely, the Administrator, the Investment Consultant, the Marketing Agent and M&T Bank.

"Information Statement" means the document prepared by the Administrator, the Investment Consultant and the Marketing Agent, approved by the Governing Board, (i) to solicit prospective Participants to participate in NYLAF and execute and deliver this Agreement, and (ii) and for presentment to each Participant as required by the Act.

"Investment Advisory Agreement" means the agreement between the Governing Board and the Investment Consultant as the same may be amended from time to time.

"Investment Consultant" means Voyageur Asset Management Inc., or such other Person who shall be acceptable to the Governing Board.

"Investment Guidelines" means the investment guidelines applicable to each Portfolio as set forth in Exhibit A, attached hereto and made a part hereof, as the same may be amended from time to time pursuant to Section 13.1 hereof; provided, however, that any investment unless registered shall be held only in the State in United States funds and United States currency, and no investment shall be held in a foreign bank, a foreign country or a foreign branch of a Custodian or in a United States bank's office or branch located in a foreign country.

"Laws" means 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 agency thereof.

"Lead Agent" means the Cheektowaga Central School District, acting solely in its capacity hereunder pursuant to the Act and other applicable Laws, but not otherwise as a Municipal Corporation, or any Participant that consents to acting as Lead Agent, is nominated as Lead Agent by a majority of the Governing Board and is appointed by an amendment hereto as provided in Section 13.2 hereof.

"Letter of Credit" means an "irrevocable letter of credit" as that term is defined in the Act.

"Master Repurchase Agreement" means a master repurchase agreement by and between the Investment Consultant, as agent for the Lead Agent and a counterparty, substantially in the form prescribed by The Bond Market Association for domestic repurchase transactions, and including, by attachment or otherwise, the terms and conditions set forth in paragraph XIII.A or B or both of the Investment Guidelines.

"Market Value" means "market value" as that term is defined in the Act.

"Marketing Agent" means Voyageur Asset Management Inc./RBC Dain Rauscher Inc. or any other Person or Persons appointed or employed or contracted by the Governing Board pursuant to Sections 4.2 and 10.2 hereof.

"Municipal Corporation" means a "municipal corporation" as that term is defined in the Act.

"NYLAF" means the acronym for New York Liquid Asset Fund which, together with such acronym, is the trade name for those Municipal Corporations which are from time to time Participants in this Agreement.

"Participant" means "participant" as that term is defined in the Act and a Municipal Corporation which is a party to this Agreement. Such term shall include "employers" providing group self-insurance pursuant to Article 4 of the Workers' Compensation Law, "municipal reciprocal insurers" pursuant to Article 61 of the Insurance Law and "municipal health insurance cooperatives" pursuant to Article 42 of the Insurance Law; provided (i) each "employer", member of a "municipal reciprocal insurer" or member of a "municipal health insurance cooperative" is a Municipal Corporation, (ii) each Participant Balance is maintained in the name of each "employer", member of a "municipal insurance reciprocal" or member of a "municipal health insurance cooperative", and (iii) each "employer", member of a "municipal insurance reciprocal" or member of a "municipal health insurance cooperative" or Persons authorized by the governing board or attorney-in-fact of such group of "employers", or such "reciprocals" or such "cooperatives" (such action to be ratified, approved and confirmed by the governing body of each such employer or member) must execute a counterpart of this Agreement and adopt the Investment Guidelines with respect to its respective Participant Balance.

"Participant Balance" means for each Participant, and with respect to each Portfolio, an amount initially equal to zero, adjusted on a daily basis pursuant to Article II hereof to reflect, among other things, cash contributions by such Participant, cash payments to such Participant, expenses charged to and investment results credited or debited to the account of such Participant.

"Payment Procedures" means the procedures for obtaining payments from one or more of the Portfolios in which a Participant maintains an account, established from time to time by the Chief Investment Officer.

"Permitted Investments" means the types of investments set forth under the heading "Legally Permitted Investments" and includes the method of investing set forth under the heading "Repurchase Agreements" in the Investment Guidelines as set forth in Exhibit A, as the same may be amended from time to time pursuant to Section 13.1 hereof; provided, however, that any investment unless registered shall be held only in a bank or trust company located and authorized to do business in the State in United States funds and United States currency, and no investment shall be held in a foreign bank, a foreign country or a foreign branch of a Custodian or in a United States bank's office or branch located in a foreign country.

"Person" means any Municipal Corporation, district, corporation, consortium or cooperative, natural person, firm, joint venture, partnership, trust, unincorporated organization, group, government, or any political subdivision, department or agency of any government.

"Portfolio" means a group or category of Permitted Investments established, maintained and liquidated from time to time by the Chief Investment Officer pursuant to this Agreement and a Custody Agreement.

"Portfolio Assets" means, with respect to each Portfolio, any and all property, real, personal or otherwise, tangible or intangible, which is transferred, conveyed or paid to the account of the Lead Agent, for investment by any Participant pursuant to Section 2.2 or 2.3 hereof and all proceeds, income, profits and gains therefrom, that have not been distributed to a Participant pursuant to Section 2.4 hereof, used to discharge a Portfolio Liability, or pay expenses attributable to each respective Portfolio.

"Portfolio Liability" means any liability, including losses in investments, whether known, unknown, actual, contingent or otherwise incurred in connection with each Portfolio by the Lead Agent or the Governing Board pursuant to the terms of this Agreement.

"Portfolio Value" means, individually, the respective value of the Portfolio Assets of each Portfolio, net of the amount of the respective Portfolio Liability of each Portfolio, as determined pursuant to Section 2.3 hereof and the Valuation Procedures taking into account the methodology of the amortized cost method and the Market Value of Permitted Investments.

"Responsible Person" means a securities firm or broker/dealer registered with the National Association of Securities Dealers, Inc. and designated by the Governing Board upon the advice of the Investment Consultant.

"Series" means a group of specialized Portfolios with a common maturity or common average dollar weighted maturity and other similar characteristics and privileges.

"Services and Marketing Agreement" means any agreement entered into with respect to any of the Portfolios by the Governing Board with the Marketing Agent pursuant to this Agreement in connection with the execution of securities transactions and the delivery of securities, including that certain letter from RBC Capital Markets to New York Liquid Asset Fund Governing Board, dated May 1, 2007.

"State" means State of New York.

"Third Party Agreement" means any or all of the following: Administration Agreement, Investment Advisory Agreement, Services and Marketing Agreement, Custody Agreement, the Third Party Custodian Agreement, Master Repurchase Agreement, and Custodial Undertaking Agreement.

"**Third Party Custodian Agreement**" means the agreement by and among the Lead Agent, a Custodian, and a third party custodian, providing for collateral to secure moneys deposited and/or invested in Participant Balances and/or Portfolios.

"Valuation Procedures" means the procedures for determining the Portfolio Value established from time to time by the Chief Investment Officer or the Governing Board in consultation with the Investment Consultant. At a minimum, the Chief Investment Officer on a monthly basis on any Business Day shall monitor the difference between the amortized cost value and the Market Value of any Portfolio. If such difference shall exceed 0.3%, the Chief Investment Officer shall draw upon the Letter of Credit in an amount required to maintain such difference at no more than 0.3% and deposit the proceeds of the Letter of Credit with a Custodian.

ARTICLE II

CONTRIBUTIONS, ADJUSTMENTS AND PAYMENTS

2.1. General. Except as otherwise provided in this Agreement:

(a) each Participant shall own and retain its interest in the moneys, investments, and collateral required by Section 10 and Section 11 of the GML and have an undivided interest in the moneys and investments held by the Lead Agent on behalf of the Participants in the proportion that the total amount of contributions made by such Participant and stated as its Participant Balance bears to the total amount of contributions made by all the Participants stated as the total Participant Balances of all the Participants to the extent permitted by the Laws;

(b) no Participant shall have any beneficial interest in the Portfolio Assets, including earnings;

(c) no Participant can be called upon to share or assume any Portfolio Liability other than its investment in a Portfolio of a Series, including losses in connection with the Portfolio Assets, or suffer an assessment or offset of any kind by virtue of its being a Participant in any of the Portfolios;

(d) no Participant shall be entitled to any preference, preemptive, appraisal, conversion or exchange rights of any kind in connection with this Agreement or any Portfolio Assets;

(e) no Participant shall have any right to call for any partition or division of any Portfolio Assets, except in the event it becomes necessary to assure the timely or other return payment of principal and interest due and owing to such Participant pursuant to the terms of this Agreement;

(f) each Participant's right under this Agreement to receive Portfolio Assets shall be limited to cash and personal property only as specifically set forth in this Agreement; and

(g) the total annual fees which may be charged (i) by the Administrator under the Administration Agreement, (ii) by the Investment Consultant under the Investment Advisory Agreement, (iii) by the Marketing Agent under the Services and Marketing Agreement, and (iv) for fees of M&T Bank under its Custody Agreement with respect to the Portfolios designated the (a) "Liquid Portfolio" and (b) "MAX Portfolio" shall be in such amounts and shall not exceed such percentages of the average daily Portfolio Value of such Portfolio as set forth in Exhibit B, attached hereto and made a part hereof. Such fees and any other amounts not included in such fees or expenses incurred with respect to such Portfolio as shall be approved by the Governing Board shall be charged to such Portfolios on a monthly basis in proportion to each Participant's Portfolio Balance, provided that allocations of fees between the Liquid Portfolio and the MAX Portfolio shall be as determined by the Governing Board. Nothing in this Agreement shall prohibit the Administrator from providing investment or banking services to a Participant separately outside the scope of this Agreement.

2.2. Cash Contributions. Unless otherwise determined by the Chief Investment Officer, each Participant may, from time to time, increase its Participant Balance in a particular Portfolio by making a cash payment to the Administrator for the account of the Lead Agent or Governing Board in accordance with the Contribution Procedures to be invested in such Portfolio. Each time a Participant makes such a payment, its Participant Balance shall be increased (as of the time and date specified in the Contribution Procedures) by the amount of such payment. Each Participant shall have electronic access to a printable activity report provided by the Administrator or Custodian reflecting each contribution no later than the next Business Day.

2.3. Adjustments.

(a) Immediately upon the determination of the Portfolio Value of each Portfolio on each Business Day pursuant to Section 2.3(b) hereof or, from time to time, pursuant to Section 2.3(c) hereof, each Participant Balance in each Portfolio shall be increased or decreased proportionately (and rounded to the nearest whole cent) such that after such adjustment the total of every Participant Balance in each Portfolio shall be equal to the Portfolio Value of such Portfolio as so determined.

(b) The Portfolio Value of each Portfolio shall be determined once on each Business Day at the time and in the manner provided in the Valuation Procedures.

(c) Notwithstanding anything in this Agreement to the contrary, the Chief Investment Officer may determine the Portfolio Value of each of the Portfolios in the manner provided in the Valuation Procedures at any time the Chief Investment Officer may deem to be appropriate.

(d) For purposes of calculating the Portfolio Value of a particular Portfolio, the amount of any uncertain or contingent Portfolio Liability shall be deemed to be equal to the amount of the reserve, if any, against such Portfolio Liability that has been approved from time to time by the Chief Investment Officer.

(e) For purposes of calculating the Portfolio Value of a particular Portfolio, if the value of any part of the respective Portfolio Assets is uncertain, the value of such part of the respective Portfolio Assets shall be deemed to be equal to the amount determined from time to time by the Chief Investment Officer.

(f) A Participant Balance can also be adjusted as provided in Section 2.6 hereof.

2.4. Payments.

(a) Subject to the terms and conditions of this Agreement,

(i) each Participant shall have the right, from time to time, to request from a particular Portfolio, in accordance with the Payment Procedures applicable to such Portfolio, the payment to it, or on its behalf, of any amount (rounded to the nearest whole cent) that is less than or equal to its Participant Balance in such Portfolio at the time that payment is made pursuant to such request; and

(ii) upon the receipt of any such request, the requested amount (rounded to the nearest whole cent) shall be paid, out of the Portfolio Assets of such Portfolio, to, or on behalf of, such Participant.

(b) Subject to the terms and conditions of this Agreement, the Chief Investment Officer may, from time to time, in its sole discretion, pay to a Participant, out of the Portfolio Assets of a particular Portfolio, any amount (rounded to the nearest whole cent) that is less than or equal to such Participant's Portfolio Balance in that Portfolio at the time payment is made.

(c) Whenever any payment is made to, or on behalf of, any Participant out of the Portfolio Assets of a particular Portfolio, such Participant Balance in that Portfolio shall be reduced by the amount of such payment. Each Participant shall have electronic access to a printable activity report provided by the Administrator or a Custodian showing each payment or distribution no later than the next Business Day.

2.5. Collateral. Any uninvested moneys contributed by a Participant or resulting from the liquidation of a Permitted Investment or otherwise included in any Participant Balance and constituting a "public deposit" as that term is defined in Section 10 of the GML, shall be secured by eligible securities or other collateral pursuant to the terms of the Third Party Custodian Agreement.

2.6. Suspension of Requests; Postponement of Payments. Each Participant agrees that the Chief Investment Officer may, without prior notice, temporarily suspend the Participants' right to request payments out of the Portfolio Assets of a particular Portfolio or postpone the time or date of payment for requests already made for the whole or any part of any period (i) during which trading in securities generally on the New York Stock Exchange or the American Stock Exchange or the over-the-counter market shall have been suspended or minimum prices or maximum daily changes shall have been reached on such exchange or market, (ii) a general banking moratorium shall have been declared by federal or New York state authorities, or (iii) there shall have occurred any outbreak, or material escalation, of hostilities, or other calamity or crisis, the effect of which on the financial markets of the United States is such as to make it, in the sole judgment of the Chief Investment Officer, impracticable (a) to dispose of any Portfolio Assets because of the substantial losses which might be incurred in such disposition, or (b) to determine the Portfolio Value of a particular Portfolio in accordance with the Valuation Procedures taking into account the use of the Letter of Credit. Each Participant shall be immediately notified by telephone, email or facsimile in the event that such a suspension or postponement is commenced. Such a suspension or postponement shall not itself directly alter or affect a Participant Balance in a particular Portfolio. Such a suspension or postponement shall take effect at such time as is determined by the Chief Investment Officer, in its sole discretion, and thereafter, there shall be no right to request or receive payment until the first to occur of: (a) the time at which the Chief Investment Officer declares the suspension or postponement at an end, such declaration to occur on the first day on which the event specified in clause (i) or (ii) above shall have ceased; or (b) the end of the first day on which the Chief Investment Officer no longer reasonably believes that the event specified in clause (iii) above is continuing. Any Participant that requested a payment prior to any suspension or postponement of payment may withdraw its request at any time prior to the termination of the suspension or postponement.

2.7. Letter of Credit; Sensitivity Testing.

(a) In addition to the Valuation Procedures established by the Chief Investment Officer or the Governing Board, the Governing Board shall, at a minimum on a monthly basis, test each of the Portfolios for sensitivity to changes in interest rates, and employ a testing methodology which shall be reasonably designed to reliably quantify the effect of a change in interest rates on the Market Value of each of the Portfolios.

(b) For the limited purposes of carrying out the Valuation Procedures and limiting the exposure of the Portfolios to changes in interest rates, the Governing Board shall secure an irrevocable Letter of Credit from a bank or depository institution in an amount estimated by the Governing Board in consultation with the Investment Consultant to be sufficient from time to time to cover potential losses in any Portfolio which may result from the difference in the amortized cost value and the Market Value of any Portfolio exceeding 0.3%. The Letter of Credit shall be made payable to the Lead Agent.

(c) Unless otherwise provided, the Chief Investment Officer, with prior notice to the Governing Board, shall draw on the Letter of Credit in such amounts and at such times to cover any potential losses in any Portfolio quantified pursuant to the monthly sensitivity testing referred to in this Section 2.7. Repayment of the Letter of Credit to the Letter of Credit provider shall be paid from Portfolio Assets to the extent the net asset value of Portfolio Assets exceeds $1.00 if, as and when available pursuant to an agreement with the Letter of Credit provider. (d) The cost of the Letter of Credit shall be an expense chargeable as an annual fee as set forth in Section 2.1(g) of this Agreement.

2.8. Records. The Governing Board shall, or shall cause the Administrator to collect, and to maintain for three years (or such longer period as may be required under any applicable Laws), written records of all transactions affecting the Portfolio Assets or the Participant Balances, including, but not limited to: (a) contributions by and payments to or on behalf of Participants to and from the Portfolios; (b) acquisitions and dispositions of Portfolio Assets by the Lead Agent; (c) pledges and releases of collateral securing the Portfolio Assets of the Portfolios; (d) determinations of the Portfolio Value of the Portfolios; (e) adjustments to the Participant Balances in the Portfolios; and (f) the daily Participant Balance for each Participant in each Portfolio. There shall be a rebuttable presumption that any such records are complete and accurate.

ARTICLE III

THE LEAD AGENT

3.1. Term. The Lead Agent shall continue to serve as Lead Agent until:

(a) it resigns pursuant to this Section 3.2;

(b) it withdraws from this Agreement pursuant to Sections 7.2 or 7.3 hereof; or

(c) the appointment of a new Lead Agent has become effective under the provisions of Section 13.2 hereof.

3.2. Resignation. The Lead Agent may resign as Lead Agent only upon giving at least sixty (60) days written notice of such resignation to the Governing Board, subject to the provisions of Section 13.3. The Lead Agent may continue to be a Participant after such resignation. Following the effective date of the resignation of the Lead Agent, this Agreement shall terminate pursuant to Section 13.3 hereof unless a replacement Lead Agent has been appointed by the Governing Board pursuant to Section 13.2. The Lead Agent must resign under the provisions of Section 6.3 hereof.

ARTICLE IV

POWERS AND RESPONSIBILITIES OF THE LEAD AGENT AND THE GOVERNING BOARD

4.1. Exercise of Power. The primary responsibility for exercising the powers and responsibilities set forth in and administering all aspects of this Agreement shall be with the Governing Board, the Chief Investment Officer as specifically set forth in this Agreement, and the Lead Agent with respect to the custody of Portfolio Assets, money and investments on behalf of the Participants pursuant to a Custody Agreement. The Governing Board shall perform any and all of its duties under this Agreement through the Chief Investment Officer, and every decision made or action taken by the Chief Investment Officer in the name of the Governing Board shall be for and on behalf of the Governing Board acting on behalf of all the Participants. The Participants hereby expressly authorize, and the Governing Board hereby expressly authorizes the Chief Investment Officer, to take such actions in the name of and on behalf of the Governing Board as it shall deem to be in the best interests of the Participants taken as a whole. In addition to any requirements under the applicable Laws, the Governing Board shall require the Chief Investment Officer to be bonded upon such terms as it deems appropriate. If the office of the Chief Investment Officer becomes vacant or if the Chief Investment Officer is replaced, the Governing Board shall promptly notify in writing, by facsimile or by Email, all the other Participants. If the office of the Chief Investment Officer becomes vacant, the Governing Board shall fill such vacancy in accordance with applicable Laws as quickly as practicable.

4.2. General. The Lead Agent shall at all times retain custody of the Portfolio Assets through a Custodian in the name of the Lead Agent. Subject to the terms and conditions of this Agreement, the Governing Board shall have the exclusive power, from time to time, upon such terms and conditions and for such consideration as the Governing Board may deem proper and the Investment Guidelines applicable to a particular Portfolio may permit, (i) to do and perform any or all of the following and (ii) to negotiate, make, complete, execute, sign, acknowledge, deliver, amend, waive, submit, record and file any agreements or other documents in connection with the following, in each case, as the Governing Board deems to be necessary or proper, as evidenced by its authorized and official act;

(a) upon the recommendation and advice of the Investment Consultant, subscribe for, invest in, reinvest in, purchase or otherwise acquire, hold, sell, assign, transfer, exchange, distribute or otherwise deal in or dispose of the Permitted Investments for the Portfolios as permitted under applicable Laws and as provided through a Master Repurchase Agreement and, if applicable, a Custodial Undertaking Agreement;

(b) upon the recommendation and advice of the Investment Consultant, sell, exchange or otherwise dispose of any and all Portfolio Assets free and clear of any and all interests of any and all Participants, at public or private sale, with or without advertisement; and execute and deliver any deed, power, assignment, bill of sale, or other instrument in connection therewith;

(c) exercise any and all of the rights, powers, duties and privileges appertaining to the ownership of all or any of the Portfolio Assets to the same extent that any Person 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;

(d) enter into the agreements for services upon terms and conditions (including but not limited to indemnification provisions) approved by a resolution of the Governing Board;

(e) appoint one or more Custodians in accordance with Section 12.1 hereof and authorize and direct the Lead Agent to enter into a Custody Agreement with each Custodian upon terms and conditions (including but not limited to indemnification provisions) approved by a resolution of the Governing Board;

(f) with respect to enforcing rights in connection with the Portfolio Assets of a particular Portfolio:

(i) collect, sue for, receive and receipt for all sums of money or other property due;

(ii) consent to extensions of the time for payment, or to the renewal of any securities, investments or obligations;

(iii) 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 Portfolio Assets;

(iv) foreclose any collateral, security or instrument securing any investments, notes, bills, bonds, obligations or contracts that are part of or relate to the Portfolio Assets;

(v) exercise any power of sale, and convey good title thereunder free of any and all interests of any and all Participants, and in connection with any such foreclosure or sale, purchase or otherwise acquire title to any property;

(vi) be a party to the reorganization of any Person and 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 Portfolio Assets, for the purpose of such reorganization or otherwise;

(vii) participate in any arrangement for enforcing or protecting the interests of any Person possessing an interest in such securities, investments or obligations and to pay any assessment levied in connection with such reorganization or arrangement;

(viii) 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;

(ix) pay or satisfy any debt or claims;

(x) file any financing statements concerning the Portfolio Assets with the appropriate authorities to protect the Portfolio Assets from any potential claim of any creditors of any of the Participants; and

(xi) provide for the timely amendment of this Agreement and any Third Party Agreement to conform to changes enacted to any relevant provision of the GML or other State or federal law, rule, or regulation;

(g) with respect to the payment of expenses on behalf of a particular Portfolio, on audit of the auditing official or body of the Lead Agent or the Chief Investment Officer or the Governing Board (which audit shall be performed within fifteen (15) days of the presentment of an invoice with a voucher, if required, supplied by the Governing Board): within thirty (30) days of the presentment of such invoice and voucher irrespective of the performance of such audit (i) pay charges or expenses necessary or incidental to or proper for carrying out any of the purposes of this Agreement; (ii) reimburse others, including the Lead Agent or the Chief Investment Officer or a member of the Governing Board, for the payment thereof but only if such invoice and voucher properly document expenses actually incurred or services actually performed; and (iii) pay appropriate compensation or fees from the Portfolio Assets to Persons, including the Lead Agent or the Chief Investment Officer or a member of the Governing Board, with whom the Governing Board has, pursuant to but limited to the purpose of this Agreement, contracted for or transacted business;

(h) purchase and pay for, ratably out of the Portfolio Assets of each Portfolio, insurance policies insuring the Participants, members of the Governing Board, Lead Agent, Chief Investment Officer and officers, employees and agents of each of the Participants acting in their respective official capacity, against all claims and liabilities of every nature arising out of or in connection with this Agreement, including, but not limited to, Portfolio Liabilities arising out of any action alleged to have been taken or omitted to be taken by any such Person in such capacity, any action taken or omitted to be taken that may be determined under any applicable Laws to constitute negligence, whether or not the Participants would have the power to indemnify such Person directly against such liability; provided that the Participants each have the right to directly provide such insurance;

(i) to the extent permitted by applicable Laws, indemnify or enter into agreements with respect to indemnification with any Person with whom the Lead Agent, Chief Investment Officer or the Governing Board has dealings in connection with the Portfolio Assets of each

Portfolio, including, without limitation, the Investment Consultant, the Administrator, the Marketing Agent, and any Custodian: provided, however, that the Governing Board shall not indemnify any Person against any loss, damage, cost, expense, liability or claim arising from such Person's willful misconduct, unlawful conduct, bad faith or gross negligence;

(j) deposit (through a Permitted Investment) any monies or funds included in the Portfolio Assets of each Portfolio, and intended to be used for the payment of expenses hereunder, with one or more banks or trust companies located and authorized to do business in the State, whether or not such deposits will draw interest; such deposits to be subject to withdrawal in such manner as the Governing Board may determine;

(k) pay out of the Portfolio Assets of each Portfolio all taxes or assessments, of whatever kind of nature, validly and lawfully imposed upon or against or in connection with the Portfolio Assets of the respective Portfolio or income thereon or any part thereof; settle and compromise disputed tax liabilities; and for the foregoing purposes make such returns and do all such other acts and things as may be necessary or desirable for each Portfolio; and

(l) take such other actions as the Lead Agent or the Governing Board, or the Chief Investment Officer through delegation by the Governing Board shall deem necessary, proper or desirable to carry out its responsibilities under this Agreement with respect to each Portfolio.

4.3. Constraints on Third Party Agreements.

(a) With respect to each Portfolio, the Lead Agent or the Governing Board shall use its reasonable efforts to assure that each of the Third Party Agreements entered into by the Lead Agent or the Governing Board, pursuant to this Agreement (any other provision thereof to the contrary notwithstanding) provides that:

(i) each Third Party Agreement has been made and entered into by the Lead Agent or the Governing Board pursuant to the authority of this Agreement and subject to the terms of this Agreement, as the same may be amended from time to time;

(ii) the obligations of the Lead Agent or the Governing Board, or the Chief Investment Officer through delegation by the Governing Board under each Third Party Agreement shall be non-recourse against any interest or assets of any Participant other than the Portfolio Assets of the respective Portfolio to which each Third Party Agreement pertains;

(iii) if at any time another Participant becomes the Lead Agent under this Agreement, the former Lead Agent shall be deemed to have assigned any Custody Agreement and any Third Party Custodian Agreement to the new Lead Agent, the new Lead Agent shall be deemed to have assumed any Custody Agreement and any Third Party Custodian Agreement and the former Lead Agent shall be released from all further obligations and liabilities as Lead Agent under or in connection with any Custody Agreement and any Third Party Custodian Agreement with respect to the performance thereunder of the Lead Agent.

(b) Notwithstanding the provisions of Section 4.3(a), the omission of any provision required pursuant to Section 4.3(a) shall not operate to impose personal liability on any member of the Governing Board, the Chief Investment Officer, the Lead Agent or any Participant.

(c) Nothing in this Agreement shall be deemed to (i) constrain or prevent the Lead Agent or the Governing Board from entering in any Third Party Agreement with any entity engaged in the business of providing banking services because of banking relationships such entity shall have with any one or more Participants or (ii) prohibit any such banking entity that is a party to a Third party Agreement from, on a prospective basis, marketing its banking services to any participant or providing any of its banking services to any Participant.

4.4. Investment Powers. With respect to each Portfolio, the Governing Board, acting through the Chief Investment Officer, shall be authorized and is permitted to invest cash contributed by Participants in Permitted Investments only in accordance with the terms of this Agreement. Except as otherwise provided in this Agreement, the Governing Board shall have full authority and power to invest cash contributed by Participants in any and all Permitted Investments within the limitations of this Agreement that it, acting through the Chief Investment Officer, upon the recommendation and advice of the Investment Consultant, shall determine to be advisable and appropriate as evidenced by its making an authorized act. The Lead Agent, the Chief Investment Officer and the Governing Board shall not be liable for loss with respect to investments in Permitted Investments made within the terms of this Agreement, even if such investments were of a character, or in an amount, not considered proper for the investment of funds by one or more of the Participants.

4.5. Transactions Involving Affiliates. Any provision of this Agreement to the contrary notwithstanding and except to the extent restricted by any applicable Laws or the Investment Guidelines:

(a) the Governing Board may approve, enter into and ratify transactions in which the Investment Consultant is acting as principal, including a Master Repurchase Agreement and a Custodial Undertaking Agreement, if applicable, but only to the extent of ministerial acts which are not acts of discretion to be performed only by the Governing Board or the Chief Investment Officer;

(b) without limiting the foregoing, the Lead Agent or the Governing Board may enter into transactions with any Participant, the Investment Consultant, the Administrator, the Marketing Agent, a Custodian or any Affiliate, officer, director, employee or agent of any of the foregoing if (i) each such transaction has, after disclosure of such affiliation, been approved or ratified by the affirmative vote of a majority of the members of the Governing Board, including a majority of the members then in office who are not Affiliates of any Person (other than the Participants as Participants) who is a party to the transaction; and (ii) such transaction is, in the opinion of the Chief Investment Officer, as evidenced by a written declaration stating such opinion, on terms fair and reasonable to the Participants and at least as favorable to them as similar arrangements for comparable transactions with Person(s) unaffiliated with the Participants or with the other Person who is a party to the transaction; provided, however, that in no event shall the Lead Agent or the Governing Board enter into any transaction with any of the

officers, directors, employees or agents of any Participant, including, but not limited to, the Chief Investment Officer.

(c) in the absence of fraud, a contract, act or other transaction, made, done or entered into by the Lead Agent, the Governing Board or the Chief Investment Officer pursuant to this Agreement (unless entered into with any of the officers, directors, employees or agents of any Participant, including, but not limited to, the Chief Investment Officer), is valid, and no Participant, member of the Governing Board, officer, employee or agent of any Participant (including, but not limited to, the Lead Agent and Chief Investment Officer) shall have any liability by reason of one or more of such Persons, individually or jointly with others, being a party or parties to, being directly interested in, or being affiliated with, such contract, act or transaction, or any party thereto, provided that such interest or affiliation is disclosed to the Lead Agent, the Governing Board or the Chief Investment Officer and the Lead Agent, the Governing Board or the Chief Investment Officer authorizes such contract, act or other transaction in writing; and

(d) any officer, employee, or agent of any Participant or a member of the Governing Board, Lead Agent or Chief Investment Officer may have, to the extent permitted by applicable Laws, in its personal capacity, or in a capacity as trustee, officer, director, stockholder, partner, member, agent, advisor or employee of any Person, business interests and engage in business activities in addition to those relating to this Agreement, which interests and activities may be similar to those contemplated by this Agreement and may include the acquisition, syndication, holding, management, operation or disposition of securities, investments and funds, for such officer's, employee's or agent's own account or for the account of other Person(s). No Person shall have any obligation to present to the Lead Agent, a member of the Governing Board, or the Chief Investment Officer any investment opportunity which comes to that Person in any capacity other than solely as a Participant, even if such opportunity is of a character which, if presented to the Lead Agent, a member of the Governing Board, or the Chief Investment Officer could be taken by the Lead Agent, a member of the Governing Board, or the Chief Investment Officer.

4.6. No Borrowing. Neither the Lead Agent, the Governing Board nor the Chief Investment Officer shall have the power to borrow money or incur indebtedness for any purpose whatsoever under the terms of this Agreement except with respect to the Letter of Credit to the extent provided in Section 2.7 hereof. No act by any Person under the terms of a Master Repurchase Agreement or Custodial Undertaking Agreement, if applicable, shall constitute with respect to any Participant a direct or indirect gift or loan of money or property of any Participant or of its credit to or in aid of any individual, private corporation or association.

4.7. Additional Power and Responsibilities of the Governing Board. In addition to the powers and responsibilities set forth in this Article IV of this Agreement, the Governing Board shall have, without limitation, the following powers and responsibilities: (i) enter into contracts deemed appropriate to assist in the management of this Agreement, (ii) delegate the daily responsibilities of making investment decisions pursuant to this Agreement and the Investment Guidelines to the Chief Investment Officer, as provided in Article VIII of this Agreement, and (iii) monitor compliance with the provisions of the Investment Guidelines, monitor compliance with the maturity limitations of Permitted Investments established in the Investment Guidelines and in the Act, and monitor compliance with the reporting and disclosure

requirements set forth in this Agreement and in the Act, as to those Persons charged in this Agreement or any Third Party Agreement with such compliance.

ARTICLE V

REPRESENTATIONS AND WARRANTIES

5.1. Municipal Corporation. Each Participant hereby represents and warrants to the other Participants that it is a Municipal Corporation or other eligible entity.

5.2. Approvals. Each Participant hereby represents and warrants to the other Participants that this Agreement has been approved by a majority vote of the voting strength of its respective governing body as evidenced by a certificate of its Chief Fiscal Officer.

5.3. Hearings, Referenda and Consents. Each Participant hereby represents and warrants to the other Participants that it has, to the extent any general or special law would require it to do so before performing by itself any function, power or duty that may be performed under this Agreement, held all necessary public hearings, conducted all necessary referenda and obtained all necessary consents of any governmental agency and satisfied all other legal or administrative requirements thereunder.

5.4. Execution; Enforceability. Each Participant hereby represents and warrants to the other Participants that it has duly executed this Agreement in accordance with its internal procedures and that this Agreement is legal, valid and binding upon and enforceable against such Participant.

5.5. Accuracy of Certificates. Each Participant hereby represents and warrants to the other Participants that each of the documents and certificates delivered heretofore or hereafter by such Participant pursuant to this Agreement, as of the date specified therein, is true and complete and contains no material misstatements of fact or material omissions of fact that would render such statements to be misleading to the Lead Agent or the Governing Board or any other Participant.

5.6. Business Analyses. Each Participant has such knowledge and experience in financial and business matters that it is capable of evaluating the merits and risks of its participation in the transactions contemplated herein. Each Participant has received a copy of the Information Statement and acknowledges that it has had access to such financial and other information, and has been afforded the opportunity to ask such questions of the Administrator, the Investment Consultant, the Chief Investment Officer and the Marketing Agent and receive answers thereto, as it deems necessary in connection with its decision to participate in the transactions contemplated hereby, including repurchase transactions pursuant to a Master Repurchase Agreement and, if applicable, a Custodial Undertaking Agreement. Each Participant understands that its interest in this Agreement is non-transferable. This representation and warranty is not intended to imply that the transactions contemplated hereby constitute the issuance of any securities by the Lead Agent, the Chief Investment Officer, the Administrator, the Marketing Agent, the Investment Consultant or the Governing Board.

ARTICLE VI

COVENANTS

6.1. Source of Contributions. Each Participant covenants that all contributions made to the Portfolio Assets of a particular Portfolio by it shall be from funds which it is permitted, pursuant to the provisions of statutes, local laws, resolutions, ordinances, charters, codes rules, regulations, and agreements applicable to such Participant to invest and otherwise apply in the manner contemplated by this Agreement.

6.2. Truth of Representations. Each Participant covenants that it shall withdraw from this Agreement pursuant to Section 7.2 hereof prior to the time that any of the representations made by it pursuant to Article V hereof ceases to be true.

6.3. Resignation of Lead Agent; Bankruptcy.

(a) The Lead Agent covenants that it shall not resign as Lead Agent except in accordance with Section 3.2 hereof. However, the Lead Agent must resign immediately upon notice to any Person that the Lead Agent intends to file for bankruptcy, reorganization or otherwise seek judicial protection from creditors under the applicable Laws. No Participant may contribute to or receive cash from any Portfolio until a Custodian is assured as provided in a Custody Agreement that a new Lead Agent is appointed by the Participants and such appointment has become effective.

(b) With respect to the Lead Agent's intent to file for bankruptcy, reorganization or otherwise seek judicial protection from creditors under the applicable Laws, for purposes of this Agreement, the Lead Agent shall be deemed to hold only legal title, and not an equitable interest (except to the extent the Lead Agent is a Participant) to or in any money, funds, Portfolios or Series subject to this Agreement, and each Participant shall be deemed to hold its pro-rata share of and an undivided interest in the beneficial interest in any such money, funds, Portfolios or Series.

6.4. Supplemental Information. Each Participant covenants that if at any time any document or certificate delivered by it pursuant to this Agreement shall at such time be incomplete or false or contain material misstatements of fact or material omissions of fact that would render such statements to be misleading (including, but not limited to, changes in incumbent officers), such Participant shall deliver promptly to the Governing Board a new certificate that sets forth the correct information.

6.5. Investment Grade Rating. The Contributions Procedure shall provide at all times that each Series is rated AAAm by Standard & Poor's Corporation pursuant to the terms of the Administration Agreement. The Administrator shall disclose to each Participant at the annual meeting of the Governing, Board the rating of each Portfolio and disclose to each Participant immediately in writing any change in the rating of any Portfolio.

6.6. Not a Money Market Fund. No Series shall be operated at any time by the Lead Agent or the Governing Board under the provisions of any Third Party Agreement as a "money market fund" as that term is defined in 17 C.F.R. 270.2a-7.

6.7. Insurance. The Governing Board shall obtain at its expense, paid from Portfolio Assets, errors and omissions insurance and fidelity insurance with respect to its employees and agents in an amount at all times not less than $1 million. Such insurance shall be maintained by the Governing Board with a nationally recognized insurance carrier throughout the term of this Agreement.

6.8. [Reserved]

6.9. Information Statement. The Governing Board, through the Administrator, shall provide at least annually to each Participant the Information Statement. The Information Statement shall be approved at the annual meeting of the Governing Board. The Information Statement shall be provided to any prospective Participant by the Administrator or the Marketing Agent. The Information Statement shall contain, at a minimum, (i) a brief history of NYLAF and this Agreement, (ii) a description of the organization and terms of this Agreement, including the powers and responsibilities of the Governing Board and the qualifications of any professionals retained under this Agreement, (iii) a description of the investment objectives, policies and practices contained in this Agreement and the Investment Guidelines, including those pertaining to liquidity, methodology for determining Participants' interests, distribution of earnings and calculation of yield, (iv) a description of the investments currently held under this Agreement, (v) a listing of any fees or charges to be incurred by Participants, (vi) a description of the required procedures for initiation and termination of participation in this Agreement, and (vii) such other material statements which the Governing Board in its sole judgment shall determine to be necessary or reasonable to disclose in the Information Statement.

6.10. Notice of Material Events. Each Participant and the State Comptroller shall receive immediate written or Email notice of (i) any event or circumstances which, in the judgment of the Chief Investment Officer, may require the deferral of distributions or may cause investment losses not anticipated or provided against pursuant to the terms of this Agreement or the Investment Guidelines, and (ii) any other material adverse event relating to activities or operations of any Person with respect to this Agreement or any Third Party Agreement, in the judgment of the Governing Board.

6.11. Procurement of Professional Services. The Governing Board may procure the services of the Administrator, the Investment Consultant, a Custodian, the Marketing Agent, independent accountants, legal counsel and such other professionals and specialists as it deems necessary, desirable and appropriate to assist the Governing Board in executing its powers and fulfilling its responsibilities under the terms of this Agreement, provided that (i) such professionals or specialists shall meet all qualifications deemed appropriate by the Governing Board, (ii) the procurement of such professionals or specialists shall be made in compliance with the applicable provisions, if any, of Section 104-b of the GML subject to a request for proposals at least once every three (3) years, unless such applicable provisions are waived by the Governing Board upon the receipt of an opinion of legal counsel that such waiver is permitted by the Laws, (iii) any agreements with such professionals or specialists ensure compliance with Section 10 and Section 11 of the GML, in the judgment of the Governing Board, and (iv) the charges, fees and other compensation for any such professionals or specialists shall be clearly stated in written service contracts.

ARTICLE VII

PARTICIPANTS

7.1. Admission. Each Participant (including, but not limited to, the Lead Agent) hereby expressly agrees that any Municipal Corporation or other eligible entity can enter into this Agreement and become a Participant upon its: (a) holding any necessary public hearings, conducting any necessary referenda and obtaining any necessary consents of governmental agencies; (b) approving this Agreement by a majority vote of the voting strength of its governing body; (c) satisfying any other requirements applicable to its making contracts; (d) delivering to the Governing Board an executed counterpart of this Agreement; and (e) delivering to the Governing Board a certificate, in a form acceptable to the Governing Board, to the effect that the requirements of clauses (a) through (c) above have been satisfied and setting forth such other information as the Governing Board may require.

7.2. Withdrawal. Any Participant except the Lead Agent may withdraw from this Agreement at any time upon thirty (30) days written notice to the Governing Board. Upon a Participant's withdrawal from this Agreement, a Participant shall cease to have any rights or obligations under this Agreement. A notice of withdrawal shall be deemed to constitute a request under the Payment Procedures that an amount equal to the requesting Participant's Participant Balance in all Portfolios be paid to such Participant. Upon the effectiveness of such withdrawal such Participant's Participant Balance with respect to any Portfolio shall be equal to zero, and until such time, such Participant shall continue to possess all the rights, and shall be subject to all the obligations, arising from this Agreement.

7.3. Forced Withdrawal. Any Participant that is or becomes in default under any covenant contained in Article VI hereof or for which any of the representations contained in Article V hereof ceases to be true, shall be deemed to have given a notice of withdrawal pursuant to Section 7.2 hereof immediately upon the occurrence and continuation of such default, but shall not be deemed to have requested the payment of its Participant Balances from any Portfolio unless and until such Participant either makes an actual payment request to the Chief Investment Officer or the Chief Investment Officer makes a final determination that such default has occurred, is continuing and no cure is available for such default.

ARTICLE VIII

ADVISERS GOVERNING BOARD

8.1. Establishment of Governing Board. There is hereby created a governing body for the administration of this Agreement to be known as the "New York Liquid Asset Fund Governing Board" or the "NYLAF Governing Board" and referred to in this Agreement as the Governing Board. The Governing Board shall administer all the provisions of this Agreement and be the contracting party under this Agreement with respect to all Third Party Agreements and agreements for services provided by professionals and specialists, except for a Custody Agreement and any Third Party Custody Agreement which shall be contracted in the name of the Lead Agent. The predecessor to the Governing Board known as the Advisers or the Board of

Advisers has been and is abolished, with no power, responsibilities or liabilities whatsoever thereafter.

8.2. Number, Election and Qualification. The number of members of the Governing Board shall be no more than fifteen (15). All members of the Governing Board shall be a Fiscal Officer of a Participant, or such officers or employees of a Participant which, in the judgment of the Governing Board, shall have knowledge and experience in financial matters. A candidate for membership on the Governing Board shall be nominated by the Participant he or she represents and the Governing Board shall present a recommended slate of candidates to the Participants. Candidates for membership on the Governing Board shall be elected by the Participants by resolution of their respective governing body at the annual meeting of the Governing Board upon at least thirty (30) days written notice of such election with the opportunity for Participants to vote by mail or proxy. The Governing Board shall establish an annual date for the election of members of the Governing Board. The election of a Fiscal Officer as a member of the Governing Board shall not become effective unless and until (i) such Fiscal Officer accepts such election in writing, (ii) such Fiscal Officer agrees in writing to be bound to the terms of this Agreement, and (iii) the Participant which the Fiscal Officer represents who is so elected has delivered to the Governing Board a certificate in acceptable form to the effect that such Person is the Fiscal Officer of such Participant or other qualified officer or employee of such Participant. Members of the Governing Board shall serve without compensation but shall be entitled to reimbursement paid from Portfolio Assets for their necessary and reasonable expenses for serving on the Governing Board. Each member of the Governing Board shall have an appropriate bond or undertaking in an amount to be determined by the Governing Board, the expense of which shall be paid from Portfolio Assets. Notwithstanding any provision of this Agreement to the contrary, no member of the Governing Board shall have an interest in a contract entered into by the Governing Board prohibited by Section 801 of the GML, and except as provided in Section 802 of the GML, an officer or employee of a Participant shall not have a prohibited interest (as that word is defined Section 800 of the GML) in any contract entered by the Governing Board.

8.3. Term; Vacancies. Each member of the Governing Board shall hold office after his or her election, designation and qualification for a term of three years. Any three-year term of a member of the Governing Board shall extend to the date in the third fiscal year of NYLAF following the year of commencement of such term on which (a) a replacement member has been elected or (b) the member has been reelected. Such date shall be determined by the Governing Board by resolution. A member of the Governing Board shall serve until the first to occur of: (a) the expiration of his or her term, (b) his or her resigning, (c) his or her being removed, (d) his or her being adjudicated incompetent or otherwise losing capacity to discharge the duties of a member of the Governing Board, (e) his or her dying, (f) his or her ceasing to serve as the Fiscal Officer of the Participant he or she represents, or (g) the Participant who he or she represents is no longer a Participant in this Agreement. If a member of the Governing Board is no longer such a member prior to the expiration of his or her term, the remaining members of the Governing Board may appoint the Fiscal Officer of a Participant to fill the vacancy until the next annual election of the Governing Board at which time the unexpired term of the vacancy shall be filled in the same manner as all members of the Governing Board.

8.4. Resignation and Removal. A member of the Governing Board may resign by an instrument in writing signed by him or her and delivered to the Governing Board and such resignation shall be effective upon such delivery, or a later date according to the terms of such instrument. A member of the Governing Board may be removed for or without cause at any time by notice to the Governing Board by the Participant that nominated such Fiscal Officer for membership on the Governing Board.

8.5. Meetings. The Governing Board shall meet at least annually for the purpose of electing members of the Governing Board, accepting reports, and conducting such other business which may come before it. The annual meeting shall occur no earlier than ninety (90) days prior to the commencement of the next succeeding fiscal year. The Governing Board shall also hold quarterly meetings, one in each fiscal year quarter. The dates, times and places of such annual and quarterly meetings shall be established by the Governing Board upon written notice to members of the Governing Board and to Participants, pursuant to applicable Laws. Special meetings of the Governing Board may be called by the chair at any time and shall be called by the chair upon the written request of any two members of the Governing Board on at least two days' telephonic or facsimile notice to each member and shall be held at the date, time and place stated in the call of the meeting. A written waiver of notice, signed by a member of the Governing Board entitled to receive such notice shall be deemed equivalent to the timely giving of such notice, and attendance by a member of the Governing Board at a meeting shall constitute waiver of notice of such meeting unless such member attends such meeting for the express purpose of objecting, at the beginning of such meeting, to the transaction of any business on the ground that such meeting was not properly called. Attendance of meetings of the Governing Board may be in person or in person through an authorized representative of a member, or telephonically or by facsimile or by such other means in which all members of the Governing Board participating in such meeting may hear or effectively communicate with each other, and such participation at such meeting shall be deemed to constitute presence in person at such meeting.

8.6. Quorum. Two-thirds of the members of the Governing Board shall constitute a quorum for the transaction of business. If a quorum shall be present, the act of a majority of the members present shall be the act of the Governing Board. If at any meeting of the Governing Board there shall be less than a quorum present, a majority of those present may adjourn the meeting from time to time until a quorum is obtained, and no further notice thereof need be given other than by announcement at the meeting which shall be so adjourned.

8.7. Action Without Meeting. Unless prohibited by any applicable Laws, any action required or permitted to be taken at any meeting of the Governing Board may be taken without a meeting and without notice if all members of the Governing Board consent thereto in writing, and the writing is filed with the minutes of proceedings of the Governing Board. Any such written consent shall be effective as of the date specified therein, or if no date is specified, on the date when the consent is expressed.

8.8. Officers. At the annual meeting of the Governing Board, or at a special meeting called for such purpose, the Governing Board shall elect a chair, a vice-chair, a secretary, a treasurer and the Chief Investment Officer. The president, the vice-president and the Chief Investment Officer shall each hold office for one (1) year each. The secretary and the treasurer

shall hold office for two (2) years, one elected in an even year, the other elected in an odd year. Such officers shall hold office until the next annual meting of the Governing Board and until their successors are elected and qualified, except in the case of resignation, removal or death. The Governing Board may remove any appointed or elected officer at any time with or without cause and may fill any vacancy in any office, however created. Each officer in taking any act is entitled to rely upon the advice provided in writing or otherwise by legal counsel, an independent accountant, the Administrator, the Investment Consultant, the Marketing Agent, the Lead Agent or a Custodian.

(a) Chair - The chair shall preside at all meetings of the Governing Board, shall receive all notices and send all communications required to be received or sent by the Governing Board pursuant to the terms of this Agreement, shall exercise general supervision over the affairs of the Governing Board and shall perform such other duties as are usually incident to such office or as may be prescribed by the Governing Board. The chair shall be an ex-officio member of all committees of the Governing Board, may execute and deliver all instruments, contracts and other obligations in the name of the Governing Board and shall have such other powers and duties as may be prescribed by the Governing Board.

(b) Vice-chair - The vice-chair shall perform the duties of the chair in the latter's absence or inability to perform and have such powers and duties as may be prescribed by the Governing Board.

(c) Secretary - The secretary shall attend and keep minutes of all meetings of the Governing Board, shall keep such books and records as may be required by the Governing Board, shall give notices of meetings of the Governing Board and of the Participants, and shall have such other powers and duties as may be prescribed by the Governing Board.

(d) Treasurer - The treasurer shall have the responsibility for maintaining expenses and providing reimbursement therefor for the Governing Board. The treasurer shall have no other powers, duties or responsibilities. The treasurer shall have no control or authority with respect to the operations and activities conducted under this Agreement.

(e) Chief Investment Officer - The Chief Investment Officer shall be the Chief Fiscal Officer of the Participant which is the Lead Agent under this Agreement, or such other officer of the Participant which is the Lead Agent under this Agreement who has been appointed Executive Director by the Governing Board. The Governing Board shall and hereby does delegate to the Chief Investment Officer the daily responsibilities of making investment decisions pursuant to this Agreement. The Chief Investment Officer is authorized to perform such functions and exercise such judgment as specifically set forth in this Agreement and in the Investment Guidelines. The Chief Investment Officer shall have an appropriate bond or undertaking the cost of which shall be an expense of the Governing Board paid from Portfolio Assets.

8.9. Committees. The Governing Board may by resolution establish one or more committees, each committee to consist of at least three (3) members of the Governing Board, for the purpose of conducting the functions of the Governing Board.

8.10. By-Laws. The Governing Board may adopt by-laws, and amend same from time to time, to establish rules and procedures for the conduct of the functions of the Governing Board, its committees and its members.

ARTICLE IX

STATEMENTS AND REPORTS

9.1. Monthly Statement of Participant Balances. Within 15 days of the end of each month, the Governing Board shall, or shall cause the Administrator to, prepare and submit to each Participant that was a Participant during such month a statement, with respect to each Portfolio; disclosing any activity in its Participant Balances, the opening Participant Balances for such month, the value of its Participant Balances, an itemization of all Permitted Investments included in its Participant Balances, fees charged under the terms of this Agreement or any Third Party Agreement, and closing Participant Balances for such month including the Market Value of each Permitted Investment.

9.2. Reports. The Governing Board shall, or shall cause the Administrator to, prepare at least annually, with respect to any Portfolio (i) a report of operations containing a statement of the Portfolio Assets and the Portfolio Liabilities and the Permitted Investments held in any Portfolio, (ii) a statement of operations and of net changes in Portfolio Assets, prepared in conformity with generally accepted accounting principles consistently applied, including the Market Value of each Permitted Investment, time remaining to maturity, interest earned and realized, unrealized gains and losses, overall investment results, yield and weighted average maturity, list of fees paid for all professional services under the Third Party Agreements or otherwise, and a statement of all fees incurred by the Governing Board in administering this Agreement; and (iii) an opinion of an independent certified public accountant on such financial statements based on an examination of the books and records of the Governing Board with respect to the Portfolio Assets of each Portfolio made in accordance with generally accepted auditing standards. Such report, statement and opinion shall conform to the rules, regulations and opinions published by the office of the State Comptroller relating to joint investment activities of Municipal Corporations, and shall take into account applicable methods of accounting promulgated by the Government Accounting Standards Board. A signed copy of such report and opinion shall be filed with the Chief Investment Officer within ninety (90) days after the close of the period covered thereby. Copies of such reports shall be mailed promptly to each Participant that is a Participant at the close of the period covered thereby. The Governing Board shall prepare, or cause the Administrator to prepare, at least quarterly, an interim report containing an unaudited statement of the Portfolio Assets and the Portfolio Liabilities of all Portfolios as of the end of such quarterly period and a statement of operations and changes in net assets from the beginning of the then current reporting year to the end of such quarterly period. Within thirty (30) days after the end of such quarter, a copy of such report shall be sent to each Participant that is a Participant at the close of such quarterly period.

ARTICLE X

THE INVESTMENT CONSULTANT AND MARKETING AGENT

10.1. Appointment of Investment Consultant.

(a) The Governing Board, acting through the Chief Investment Officer, shall be ultimately responsible for making all investment decisions regarding the Portfolio Assets of all Portfolios in accordance with the Investment Guidelines applicable to such Portfolio. Consistent with the Governing Board's ultimate responsibility as stated herein, the Governing Board may contract with the Investment Consultant, subject to the consent by resolution of the governing board of each Participant, to provide investment advice to the Chief Investment Officer pursuant to the terms of the Investment Advisory Agreement. Although neither the Lead Agent nor the Governing Board may delegate the authority to make investment decisions to the Investment Consultant, the Chief Investment Officer may obtain advice from the Investment Consultant before making such investment decisions. The Investment Consultant may also serve as or be an Affiliate of the Administrator, the Marketing Agent and a Custodian. The Investment Consultant shall be liable to the Lead Agent, the Chief Investment Officer and the Governing Board under the terms of the Indemnity Agreement.

(b) To execute the securities transactions required by the investment decisions made by the Governing Board, acting through the Chief Investment Officer, in consultation with the Investment Consultant and the Administrator, the Governing Board may contract with one or more Responsible Persons, subject to the consent by resolution of the governing board of each Participant and selected pursuant to the provisions of Section 104-b of the GML.

10.2. Appointment of Marketing Agent. The Marketing Agent shall serve the Lead Agent or the Governing Board pursuant to the terms of the Services and Marketing Agreement. The Marketing Agent shall be liable to the Lead Agent, the Chief Investment Officer and the Governing Board under the terms of the Indemnity Agreement. The Marketing Agreement may also serve as or be an Affiliate of the Administrator, a Custodian and the Investment Consultant.

ARTICLE XI

THE ADMINISTRATOR

11.1. Appointment. The Governing Board shall be primarily responsible for the general supervision and administration of the Portfolio Assets of all Portfolios. However, the Governing Board is not required personally to perform all of the administrative tasks required under this Agreement and, consistent with the Governing Board's ultimate responsibility as stated herein, the Governing Board may from time to time, by amendment of the Agreement as provided for in Section 13.2 hereof, appoint an Administrator for purposes of carrying out the powers and responsibilities of the Governing Board under the terms of the Administration Agreement; provided that no investment discretion may be delegated to the Administrator. The Administrator may also serve as or be an Affiliate of Marketing Agent, a Custodian and the Investment Consultant. The Administrator shall be liable to the Lead Agent, the Chief Investment Officer and the Governing Board under the terms of the Indemnity Agreement.

ARTICLE XII

THE CUSTODIAN

12.1. Appointment. The Lead Agent is responsible for the custody of moneys, funds and investments under this Agreement and for assuring the security of the Portfolio Assets including the maintenance of collateral for all Portfolio Assets. To fulfill such duty, the Governing Board, with the consent of the Lead Agent, shall at all times require that each Custodian be a bank or trust company located and doing business in the State and otherwise qualified under applicable Laws as a custodian for investments of Participants. A Custodian shall serve pursuant to the terms of a Custody Agreement and in such other capacity with respect to any custodial function set forth in this Agreement as determined by and in the judgment of the Lead Agent and the Governing Board. The Governing Board may replace a Custodian from time to time, with the consent of the Lead Agent, by amendment of the Agreement as provided for in Section 13.2 hereof. The Lead Agent may appoint the Investment Consultant to serve as agent of the Lead Agent, with respect to ministerial acts only, under a Custody Agreement.

12.2. Actions of a Custodian. A Custodian may rely on instructions from the Investment Consultant, as agent of the Lead Agent under a Custody Agreement as set forth in Section 12.1 hereof and related agreements between a Custodian and the Lead Agent, as being duly authorized by the Lead Agent. The Lead Agent shall provide and retain written evidence of its authorized acts transmitted orally or in writing by the Investment Consultant, as agent of the Lead agent, to a Custodian, and a Custodian may require proof of such written evidence. A Custodian (and the Administrator and the Marketing Agent) acting in its capacity as a bank located and authorized to do business in the State, may perform additional functions under this Agreement, including, without limitation, (i) the transfer of funds from and to Participants and the performance of treasury function and other banking services of a financial institution, (ii) the providing for and holding of collateral for uninvested moneys held by a Custodian, or for moneys invested in a collateralized certificate of deposit held by a Custodian, in either case in its own name or through its agent, pursuant to the terms of the Third Party Custodian Agreement, and (iii) serving under a Custodial Undertaking Agreement with respect to a Master Repurchase Agreement.

ARTICLE XIII

AMENDMENT AND TERMINATION

13.1. Amendment. This Agreement, including the Exhibits hereto, may be amended by the Participants from time to time in the following manner:

(a) A majority of the voting strength of the Governing Board shall adopt a resolution setting forth the proposed amendment and declaring its advisability;

(b) The Chief Investment Officer shall promptly, and in any event within five (5) Business Days, notify each Participant of the terms of the proposed amendment, the date on which such resolution was adopted, and (except in the case of an amendment permitted under

Section 13.2 hereof) that each Participant has sixty (60) days from the date of the adoption of such resolution by the Governing Board to approve the proposed amendment;

(c) Sixty (60) days after the date of the adoption of such resolution, (A) a Participant shall be deemed to have given notice of approval of the proposed amendment if it has theretofore delivered to the Governing Board an executed counterpart of the proposed amendment and a certificate, in a form acceptable to the Governing Board, to the effect that: (i) such Participant has held any necessary public hearings, conducted any necessary referenda and obtained any necessary consents of governmental agencies; (ii) the proposed amendment has been approved by a majority vote of the voting strength of such Participant's governing body; and (iii) such Participant has satisfied any other requirements applicable to its making contracts; or (B) a Participant shall be deemed to have given notice pursuant to the provisions of Section 7.2 hereof of its intent to withdraw from the Agreement; and

(d) the amendment shall become effective once the approval or withdrawal of every Participant deemed to have given notice of approval or withdrawal under Section 13.1(c) in connection with the proposed amendment has become effective.

13.2. Simplified Procedure for Certain Amendments.

The provisions of Section 13.1 to the contrary notwithstanding, if an amendment is to effect a replacement of the Lead Agent with another Participant consenting to serve as such, or to replace the Administrator or a Custodian, or to make related changes to the Agreement reasonably necessary or convenient to accommodate the Lead Agent, Administrator or Custodian (such as, without limitation, changes to responsibilities and compensation) which are, in the determination of the Governing Board, expected to be in the best interest of the Participants taken as a whole, the procedures of this Section 13.2 shall apply as follows:

(a) A majority of the voting strength of the Governing Board shall adopt a resolution setting forth the amendment and including the identity of any replacement Administrator, the replacement Custodian or the Participant which is to become Lead Agent and, subject to Section 13.2(c), the date upon which such amendment is to become effective. In lieu of establishing such date in the resolution, the Governing Board may delegate the authority to establish such date to the Chair;

(b) The Chief Investment Officer shall promptly, and in any event within five (5) Business Days, notify each Participant of the terms of the amendment and the date on which such resolution was adopted; and

(c) Such amendment shall not become effective until at least thirty (30) days have elapsed since the notification of each participant under Section 13.2(b). Participants who have not withdrawn by such time shall be deemed to have consented to such amendment.

13.3. Termination.

(a) This Agreement may be terminated at any time pursuant to a duly adopted amendment hereto.

(b) This Agreement shall terminate automatically if this Agreement is not amended to name a new Lead Agent on or before the day that is immediately prior to the date on which the resignation or withdrawal of the Lead Agent would otherwise become effective.

(c) Upon the termination of this Agreement pursuant to this Section 13.3:

(i) The Lead Agent shall carry on no business in connection with the Portfolio Assets of each Portfolio except for the purpose of satisfying the Portfolio Liabilities of each Portfolio and winding up its affairs in connection with the Portfolio Assets of each Portfolio;

(ii) The Lead Agent shall proceed to wind up its affairs in connection with the Portfolio Assets of each Portfolio, and all of the powers of the Lead Agent, the Chief Investment Officer and the Governing Board under this Agreement shall continue until the affairs of the Lead Agent in connection with the Portfolio Assets of each Portfolio shall have been wound up, including, but not limited to, the power to fulfill or discharge obligations under the Third Party Agreements, collect amounts owed, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining Portfolio Assets of each Portfolio 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 the Portfolio Liabilities of each Portfolio, and do all other acts appropriate to liquidate its affairs in connection with the Portfolio Assets of each Portfolio; and

(iii) After paying or adequately providing for the payment of all Portfolio Liabilities of each Portfolio, and upon receipt of such releases, indemnities and refunding agreements as the Lead Agent deems necessary for its protection, the Lead Agent shall distribute the remaining Portfolio Assets of each Portfolio, in cash or in kind or partly in each, among the Participants according to their respective Participant Balances.

(d) Upon termination of this Agreement, paying or adequately providing for the payment of all Portfolio Liabilities and making distributions to the Participants as herein provided, the Lead Agent shall execute and lodge among the records maintained in connection with this Agreement, an instrument in writing setting forth the fact of such termination, and the Lead Agent, Chief Investment Officer, Participants and Governing Board shall thereupon be discharged from all further liabilities and duties hereunder, and the rights and benefits of all Participants hereunder shall cease and be canceled and discharged; provided that Section 2.6 hereof and the provisions of the Indemnity Agreement shall survive any termination of this Agreement.

(e) If this Agreement is terminated pursuant to Section 13.3(a) hereof, the resignation and/or withdrawal of the Lead Agent shall be postponed until the instrument contemplated by Section 13.3(c) hereof has been executed and lodged among the records maintained in connection with this Agreement.

ARTICLE XIV

MISCELLANEOUS

14.1. Governing Law. This Agreement is executed by the Participants and delivered in the State and with reference to the Laws thereof, and the rights of all parties and the validity, construction and effect of every provision hereof shall be subject to and construed according to the laws of the State.

14.2. Fiscal Year. The fiscal year of activities and operations conducted under this Agreement shall commence on October 1 and end on September 30.

14.3. Counterparts. This Agreement may be executed in several counterparts, each of which when so executed in full 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.

14.4. Reliance by Third Parties. Any Person dealing with the Lead Agent, the Chief Investment Officer or the Governing Board shall be entitled to rely upon a certificate executed by a Person who, according to the records maintained hereunder, makes a bona fide representation to be the Lead Agent, the Chief Investment Officer or a member of the Governing Board, as the case may be, with respect to any of the following matters: (i) the number or identity of the Governing Board or Participants; (ii) the identity of the Lead Agent, the Governing Board or the Chief Investment Officer; (iii) the due authorization of the execution of any instrument or writing; or (iv) the existence of any fact or facts which in any manner relate to this Agreement.

14.5. Conflicts with Law. The provisions of this Agreement are severable, and if any one or more of such provisions (the "Conflicting Provisions") are in conflict with any applicable Laws, the Conflicting Provisions shall be deemed never to have constituted a part of this Agreement and this Agreement may be amended pursuant to Section 13.1 hereof to remove the Conflicting Provisions; provided, however, that such conflict or amendment shall not affect or impair any of the remaining provisions of this Agreement or render invalid or improper any action taken or omitted (including, but not limited to, selection of the Lead Agent and the designation of the Governing Board) prior to the discovery or removal of the Conflicting Provisions.

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

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

14.8. No Assignment. No Participant may sell, assign, pledge or otherwise transfer or dispose any of its rights or benefits under this Agreement to any other Person except with respect

to the Lead Agent pursuant to Section 4.3(a)(iii) of this Agreement, and any purported sale, assignment, pledge, or other transfer or disposition shall be null and void.

14.9. No Partnership, Bank or Broker/Dealer. Notwithstanding any provision hereof to the contrary, this Agreement, and the establishment of the Portfolios, does not constitute an association of two or more Persons to carry on as co-owners a business for profit, and none of the Participants intends this Agreement to constitute (i) a partnership or any other joint venture or association, except as permitted by the Act, (ii) a bank subject to State or Federal banking laws, or a broker/dealer, (iii) a mutual fund, or other entity regulated by the U.S. Securities and Exchange Commission or subject to State or Federal securities laws. Furthermore, none of the Participants has any authority hereunder to personally bind or act as agent for another Participant in any manner whatsoever, except to the extent, if any, expressly provided elsewhere herein with respect to the functions, power and duties of the Lead Agent, the Chief Investment Officer and the Governing Board.

14.10. Trade Name. Notwithstanding the provisions of Section 14.9, the Participants, together with the Lead Agent, Chief Investment Officer, Governing Board, Administrator, Investment Consultant, Marketing Agent, and Custodian may operate under the terms of this Agreement for purposes of representations to the public under the trade name of "New York Liquid Asset Fund" or the acronym "NYLAF". The Lead Agent, Chief Investment Officer and Governing Board shall take such action with the advice counsel under applicable Laws to register, reserve and protect the said trade name and acronym so long as this Agreement is in force and effect.

14.11. Construction of Powers. In construing the provisions of this Agreement, the presumption shall be in favor of a grant of power to the Lead Agent, the Chief Investment Officer, and the Governing Board. The Lead Agent, the Chief Investment Officer, and the Governing Board shall not be required to obtain any court order to deal with the Portfolio Assets of any Portfolio.

14.12. Notice. Unless otherwise specified in this Agreement, all notices required to be sent under this Agreement: (i) shall be in writing, (ii) shall be deemed to be sufficient if given by depositing the same in the United States mail, postage prepaid, addressed to the person entitled thereto at his address as it appears on the records maintained by the Governing Board, and (iii) shall be deemed to have been given on the day of such mailing.

IN WITNESS WHEREOF, the Lead Agent, as a Participant, has caused this Agreement, as amended, to be executed in its name and on its behalf as of July 19, 2007.

CHEEKTOWAGA CENTRAL SCHOOL DISTRICT,
as Lead Agent

By:_____
Title: District Superintendent

IN WITNESS WHEREOF, the undersigned Participant has caused this Agreement, as amended, to be executed in its name and on its behalf as of _____, 2007.

Name of Participant:

_____

_____

By:_____
Title:

EXHIBIT A

Investment Guidelines

CHEEKTOWAGA CENTRAL SCHOOL DISTRICT,
NEW YORK

I. SCOPE

These investment guidelines apply to all moneys and other financial resources available for investment by the Cheektowaga Central School District on its own behalf (as its investment policy) or on behalf of any other entity or individual, including as Lead Agent under a Municipal Cooperation Agreement, dated Ju1y 1, 2004, as amended (the "Agreement"). All capitalized words, terms and phrases contained in this Investment Policy and not otherwise defined shall have the same meaning ascribed to them in the Agreement.

II. OBJECTIVES

The primary objectives of the investment activities of the Cheektowaga Central School District are, in priority order,

- to conform with all applicable federal, state and other legal requirements (legal);
- to adequately safeguard principal (safety);
- to provide sufficient liquidity to meet all operating requirements (liquidity); and
- to obtain a reasonable rate of return (yield).

The objectives of the Cheektowaga Central School District as Lead Agent under the Agreement shall also include (i) conforming to the provisions of Section 39 of the General Municipal Law (the "GML") relating to an investment policy, (ii) maintaining the value of each Participant's interest in the Agreement at a stable value of one dollar, (iii) restricting Permitted Investments only to those types of investments set forth in Section 11 of the GML and investing through repurchase agreements, variable rate obligations and structured obligations only upon the recommendation of the Investment Consultant and the advice of legal counsel, (iv) limiting the maximum time remaining to maturity of individual investments to not more than 397 days, and limiting the maximum weighted average maturity of all investments to not more than 60 days, (v) obtaining reasonable diversification of types of investments and reasonable diversification of Persons performing services under the Services and Marketing Agreement in consultation with the Marketing Agent; provided that, in compliance with article 3-A of the GML, any Permitted Investment held under the Agreement on or after May 1, 1998 which provides for the adjustment of its interest rate on set dates shall be deemed to mature or to have matured on the earliest date after May 1, 1998 on which the interest rate resets, and (vi) with the advice of counsel, maximizing the use of commercially acceptable transaction methods which provide maximum yield with minimum exposure to liquidity and safety of principal.

III. DELEGATION OF AUTHORITY

The Cheektowaga Central School District's responsibility for administration of the investment program is delegated to (i) the Treasurer and Deputy Treasurer of the Cheektowaga Central School District with respect to investment activities of the Cheektowaga Central School District, and (ii) the Assistant Superintendent of the Cheektowaga Central School District, or authorized designee in writing, with respect to the investment activities of the Lead Agent, who shall be the Chief Investment Officer under the Agreement and who shall establish written procedures for the operation of the investment program consistent with these investment guidelines. Such procedures shall include an adequate internal control structure to provide a satisfactory level of accountability based on a data base or records incorporating a description and the amounts of investments, transaction dates, and other relevant information and to regulate the activities of subordinate employees. Such procedures shall also include use of electronic transmissions ("Email"), which shall be confirmed in a written record, to accept or not accept transaction activity upon notice from a Custodian under the Agreement or a custodian under a Custodial Undertaking Agreement in connection with a Master Repurchase Agreement.

IV. PRUDENCE

All participants in the investment process shall seek to act responsibly as custodians of the public trust and shall avoid any transaction that might impair public confidence in the Cheektowaga Central School District to govern effectively.

Investments shall be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the safety of the principal as well as the probable income to be derived.

All participants involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to make impartial investment decisions.

V. DIVERSIFICATION

It is the policy of the Cheektowaga Central School District to diversify its deposits and investments by financial institution, by investment instrument, and by maturity scheduling.

VI. INTERNAL CONTROLS

It is the policy of the Cheektowaga Central School District for all moneys collected by any officer or employee of the government to transfer those funds to (i) the Treasurer and Deputy Treasurer within a maximum period of two (2) days of deposit, and (ii) to the Assistant Superintendent immediately, or within the time period specified in law, whichever is shorter.

The (i) Treasurer and Deputy Treasurer, and (ii) Assistant Superintendent each is responsible for establishing and maintaining an internal control structure to provide reasonable, but not absolute, assurance that deposits and investments are safeguarded against loss from unauthorized use or disposition, that transactions are executed in accordance with management's

authorization and recorded properly, and are managed in compliance with applicable laws and regulations.

VII. DESIGNATION OF DEPOSITORIES

The banks and trust companies authorized for the deposit of monies include any commercial bank authorized to do business in the State of New York, providing the account is collateralized as required by law.

VIII. COLLATERALIZATION

In accordance with the provisions of Section 10 of the GML, all deposits of the Cheektowaga Central School District, including certificates of deposit and special time deposits, in excess of the amount insured under the provisions of the Federal Deposit Insurance Act shall be secured:

1. By a pledge of "eligible securities" with an aggregate "market value" as provided by Section 10 of the GML, equal to the aggregate amount of deposits from the categories designated in Appendix A to the policy.

2. By an eligible "irrevocable letter of credit" issued by a qualified bank other than the depositary bank in favor of Cheektowaga Central School District for a term not to exceed 90 days with an aggregate value equal to 140% of the aggregate amount of deposits and the agreed upon interest, if any. A qualified bank is one whose commercial paper and other unsecured short-term debt obligations are rated in one of the highest rating categories by at least one nationally recognized bank rating agency or by a bank that is in compliance with applicable federal minimum risked-based capital requirements.

3. By an eligible surety bond payable to Cheektowaga Central School District for an amount at least equal to 100% of the aggregate amount of deposits and agreed upon interest, if any, executed by an insurance company, specializing in casualty, general liability and indemnity insurance, authorized to do business in New York State, whose claims-paying ability is rated in the highest rating category by at least two nationally recognized insurance rating agencies.

IX. SAFEKEEPING AND COLLATERALIZATION

Eligible securities used for collateralizing deposits shall be held by a commercial bank authorized to do business in the State of New York, which shall be M&T Bank (except when a circumstance identified by the Lead Agent makes another such commercial bank an advantageous choice for the Participants taken as a whole) for the Lead Agent, subject to security and custodial agreements, and subject further, where applicable, to a Custodial Undertaking Agreement in the case of a Master Repurchase Agreement with respect to the Agreement.

The security agreement shall provide that eligible securities are being pledged to secure local government deposits together with agreed upon interest, if any, and any costs or expenses arising out of the collection of such deposits upon default. It shall also provide the conditions under which the securities may be sold, presented for payment, substituted or released and the events which will enable the local government to exercise its rights against the pledged

securities. In the event that the securities are not registered or inscribed in the name of the local government, such securities shall be delivered in a form suitable for transfer or with an assignment in blank to the Cheektowaga Central School District or its custodial bank.

The custodial agreement shall provide that securities held by the bank or trust company, or agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not be commingled with or become part of the backing for any other deposits or other liabilities, except with respect to the Agreement in the case of substitution of securities in connection with a Master Repurchase Agreement or a Custodial Undertaking Agreement. The custodial agreement should also describe that the custodian shall confirm the receipt, substitution or release of the securities. The agreement shall provide for the frequency of revaluation of the eligible securities and for the substitution of securities when a change in the rating of a security may cause ineligibility. Such agreement shall include all provisions necessary to provide the local government a perfected interest in the securities.

X. LEGALLY PERMITTED INVESTMENTS

As authorized by Section 11 of the GML, the Cheektowaga Central School District authorizes the Treasurer or Deputy Treasurer and the Assistant Superintendent as Chief Investment Officer under the Agreement to invest moneys not required for immediate expenditure for terms not to exceed its projected cash flow needs in the following types of investments:

- Special time deposit accounts;
- Certificates of deposit;
- Obligations of the United States of America;
- Obligations guaranteed by agencies of the United States of America where the payment of principal and interest are guaranteed by the United States of America;
- Obligations of the State of New York;
- Obligations issued pursuant to Local Finance Law §24.00 or 25.00 (with approval of the State Comptroller) by any municipality, school district or district corporation other than the City of New York.
- Obligations of this local government, but only with any moneys in a reserve fund established pursuant to General Municipal Law §§6-c, 6-d, 6-e, 6-g, 6-h, 6-j, 6-k, 6-1, 6-m, or 6-n.

All investment obligations shall be payable or redeemable at the option of the Cheektowaga Central School District within such times as the proceeds will be needed to meet expenditures for purposes for which the moneys were provided and, in the case of obligations

purchased with the proceeds of bonds or notes, shall be payable or redeemable at the option of the Cheektowaga Central School District within two years of the date of purchase.

XI. AUTHORIZED FINANCIAL INSTITUTIONS AND DEALERS

The Cheektowaga Central School District shall maintain a list of financial institutions and dealers approved for investment purposes and establish appropriate limits to the amount of investments which can be made with each financial institution or dealer. All financial institutions with which the local government conducts business must be credit worthy. Banks shall provide their most recent Consolidated Report of Condition (Call Report) at the request of the Cheektowaga Central School District Security and dealers not affiliated with a bank shall be required to be classified as reporting dealers affiliated with the New York Federal Reserve Bank, as primary dealers. The Treasurer or Deputy Treasurer and the Assistant Superintendent each is responsible for evaluating the financial position and maintaining a listing of proposed depositories, trading partners and custodians. Such listing shall be evaluated at least annually.

XII. PURCHASE OF INVESTMENTS

The Treasurer or Deputy Treasurer and the Assistant Superintendent each is authorized to contract for the purchase of investments:

1. Directly, including through a repurchase agreement, from an authorized trading partner.

2. By participation in a cooperative investment program with another authorized governmental entity pursuant to article 3-A and article 5-G of the GML where such program meets, among all other things, substantially all the requirements set forth in the Office of the State Comptroller Opinion No. 88-46, and the specific program has been authorized by the Governing Board.

3. By utilizing an ongoing investment program with an authorized trading partner pursuant to a contract authorized by the Governing Board.

All purchased obligations, unless registered or inscribed in the name of the local government, shall be purchased through, delivered to and held in the custody of a bank or trust company. Such obligations shall be purchased, sold or presented for redemption or payment by such bank or trust company only in accordance with prior written authorization from the officer authorized to make the investment. All such transactions shall be confirmed in writing to the Cheektowaga Central School District by the bank or trust company. Any obligation held in the custody of a bank or trust company shall be held pursuant to a written custodial agreement as described in Section 10 of the GML.

The custodial agreement shall provide that securities held by the bank or trust company, as agent of and custodian for, the local government, will be kept separate and apart from the general assets of the custodial bank or trust company and will not, in any circumstances, be commingled with or become part of the backing for any other deposit or other liabilities. Such agreement shall describe how the custodian shall confirm the receipt, substitution and release of the securities. Such agreement shall include all provisions necessary to provide the local

government a perfected interest in the securities. Such agreement shall provide for the frequency of revaluation of collateral by the custodian and the substitution of collateral when a change in the rating of a security causes ineligibility pursuant to Section 10(1)(f) of the GML.

XIII. REPURCHASE AGREEMENTS

A. Repurchase agreements not included as investments under the Agreement are authorized subject to the following restrictions:

- All repurchase agreements must be entered into subject to a Master Repurchase Agreement.
- Trading partners are limited to banks or trust companies authorized to do business in New York State and primary reporting dealers.
- Obligations shall be limited to obligations of the United States of America and obligations guaranteed by agencies of the United States of America.
- No substitution of investment securities will be allowed.
- The custodian shall be a party other than the trading partner.
- All repurchase agreements shall be in compliance with the provisions of Sections 10 and 11 of the GML.
- Any investment securities which are purchased pursuant to a repurchase agreement shall be deemed to be payable or redeemable for purposes of the preceding sentence on the date on which such obligations are scheduled to be repurchased by the seller thereof; any investment securities which provide for the adjustment of their respective interest rate on set dates shall be deemed to be payable or redeemable for purposes of the preceding sentence on the date on which the principle amount may be recovered in full by demand of the holder or owner thereof.

B. Repurchase agreements included as investments under the Agreement are authorized subject to he following provisions in addition to the restrictions set forth in paragraph XIII.A above unless such restriction is not included in such provisions:

- A transaction constituting a repurchase agreement or a series of such transactions each of which is or is deemed to be a repurchase agreement may be in effect for up to 90 days.
- Substitution of investment securities is authorized. Substitution may occur one or more times during a business day with respect to any investment security. Each substitution shall be deemed a separate purchase and sale of an investment security and a separate repurchase agreement with the understanding that a substituted security may be commingled with other investment securities of a

counterparty to a Master Repurchase Agreement and may, in turn, become subject to liens granted to third parties and used for delivery in other securities transactions of such a counterparty. Any substitution of investment securities is subject to authorization by the Chief Investment Officer under the Agreement upon notice through Email of a confirmation by 4:00 p.m. (New York Time) on a business day (Monday through Friday). The Chief Investment Officer shall review such transmission and any confirmation contained therein and accept the terms of same by Email by 10:00 a.m. (New York Time) on the next succeeding business. Any transaction not so accepted by the Chief Investment Officer shall be terminated and be deemed terminated. A Master Repurchase Agreement shall include in its terms optional substitution/termination language substantially in the form contained in The Bond Market Association market Practice Update 96-1.

- All investment securities shall remain in the possession, custody or control of the custodian under the Agreement or the custodian under a Custodial Undertaking Agreement and shall be segregated from other securities in the possession, custody or control of any such custodian with title or other written designation as to ownership to such securities at all times in Cheektowaga Central School District, as Lead Agent; provided that the Lead Agent shall not sell, pledge, hypothecate or otherwise transfer such securities or any interest therein. The Lead Agent acknowledges that segregation of investment securities will be subject to a counterparty to a Master Repurchase Agreement' ability to satisfy any lien granted in a substituted security.

- During any transaction the security interest of the Cheektowaga Central School District, as Lead Agent, in any investment security will be evidenced by its possession and control by the custodian under the Agreement or a custodian under a Custody Undertaking Agreement. Although Cheektowaga Central School District intends that any transaction is a purchase and sale of securities, in the event any transaction is deemed to be a secured loan collateralized by such securities, a Master Repurchase Agreement shall provide that the relevant counterparty thereto shall be deemed to have granted and pledged to Cheektowaga Central School District perfected security interest in such securities. Any Master Repurchase Agreement shall provide that any transaction is and shall be deemed to be a "qualified financial contract" under applicable federal bankruptcy and secured transaction law and that such securities are not part of the estate of any counterparty to a Master Repurchase Agreement upon an event of insolvency, bankruptcy, reorganization, liquidation, dissolution or assignment for the benefit of creditors of such counterparty.

- Cheektowaga Central School District, as Lead Agent, in the exercise of the provisions contained in paragraph XIII.B herein is exercising and shall be deemed to be exercising a necessarily implied power authorized in Section 11 of the GML, and any actions taken shall not be or be deemed to be a direct or indirect gift or loan of money or property or credit of Cheektowaga Central School District or any participant under the Agreement to or in aid of any individual, private corporation or association.

- All transactions shall be deemed to be purchases and sales, and shall never be or be deemed to be a loan of money secured by investment securities as collateral, notwithstanding any accounting rule or interpretation of federal tax law to the contrary applied by any counterparty to a Master Repurchase Agreement or to a Custodial Undertaking Agreement.

- Securities subject to a Master Repurchase Agreement shall not include mutual funds or money market funds or securities other than those set forth in paragraph X herein.

- No counterparty to a Master Repurchase Agreement or Custodial Undertaking Agreement shall be or be deemed to be an agent or carrying out the duties of an agent of the Chief Investment Officer or the Lead Agent, and all such acts of any such counterparty shall be and shall be deemed to be ministerial in nature and constitute the following of express or necessarily implied authorizations, acceptances and consents of the Chief Investment Officer or the Lead Agent, as the case may be.

- The Marketing Agent shall attach a true copy of these Investment Guidelines to any Master Repurchase Agreement or custody undertaking agreement executed, delivered and used in connection with investment in securities or any interest therein under the Agreement.

APPENDIX A TO INVESTMENT GUIDELINES
Schedule of Eligible Securities for Collateral

NOT ELIGIBLE INVESTMENT SECURITIES

_____ (i) Obligations issued, or fully insured or guaranteed as to the payment of principal and interest, by the United States of America, an agency thereof or a United States government sponsored corporation.

_____ (ii) Obligations partially insured or guaranteed by any agency of the United States of America, at a proportion of the Market Value of the obligation that represents the amount of the insurance or guaranty.

_____ (iii) Obligations issued or fully insured or guaranteed by the State of New York, obligations issued by a municipal corporation, school district or district corporation of such State or obligations of any public benefit corporation which under a specific State statute may be accepted as security for deposit of public moneys.

_____ (iv) Obligations issued or fully guaranteed by the International Bank for Reconstruction and Development, the Inter-American Development Bank, the Asian Development Bank, and the African Development Bank.

_____ (v) Obligations issued by states (other than the State of New York) of the United States rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

_____ (vi) Obligations of Puerto Rico rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

_____ (vii) Obligations of counties, cities and other governmental entities of another state having the power to levy taxes which are backed by the full faith and credit of such governmental entity and rated in one of the three highest rating categories by at least one nationally recognized statistical rating organization.

_____ (viii) Obligations of domestic corporations rated in one of the two highest rating categories by at least one nationally recognized statistical rating organization.

_____ (ix) Any mortgage related securities, as defined in the Securities Exchange Act of 1934, as amended, which may be purchased by banks under limitations established by federal bank regulatory agencies.

_____ (x) commercial paper and banker's acceptances issued by a bank (other than the bank in which money is being deposited or invested) rated in the highest short-term category by at least one nationally recognized statistical rating organization and having maturities of not longer than 60 days from the date they are pledged.

_____ (xi) Zero coupon obligations of the United States government marketed are "Treasury strips".

_____ (xii) An eligible surety bond, as defined in Section 10 of the GML, payable to Cheektowaga Central School District to the extent of 100% of the Permitted Investment.

_____ (xiii) An eligible letter of credit, as defined in Section 10 of the GML, payable to Cheektowaga Central School District to the extent of 140% of the Permitted Investment.

For the purpose of determining Market Values of the eligible securities set forth in this Appendix A (a) obligations described in clauses (i), (ii), (iii) and (iv) shall be valued at 100% of their Market Value, (b) obligations described in clauses (v), (vi) and (vii) if rated in the highest category shall be valued at 100% of their market value, if rated in the second highest category shall be valued at 90% of their Market Value, and if rated in the third highest category shall be valued at 80% of their Market Value; (c) obligations described in clauses (viii), (x) and (xi) shall be valued at 80% of their Market Value; and (d) obligations described in clause (ix) shall be valued at 70% of their Market Value.

EXHIBIT B

Fees of the Investment Consultant, Administrator, Marketing Agent and Custodian

The Liquid Portfolio and the MAX Portfolio

Under the Investment Advisory Agreement, the Investment Consultant is paid a fee at an annual rate equal to 0.075% of the average daily net asset value of each of the Liquid Portfolio and the MAX Portfolio. These fees are calculated daily on each Portfolio, charged to the Liquid Portfolio or MAX Portfolio, as applicable, and paid monthly.

Under the Administration Agreement, the Administrator is paid a fee for administrative services it provides to the Liquid Portfolio and the MAX Portfolio. For administrative services provided to the Liquid Portfolio, the Administrator is paid a fee at an annual rate equal to 0.11% of the average daily net asset value of each Portfolio that are $150,000,000 or less, 0.10% of the average daily net asset value of each Portfolio that are in excess of $150 million to $300 million, 0.05% of the average daily net asset value of each Portfolio that are in excess of $300 million to $450 million and 0.03% of the average daily net asset value of each Portfolio that are in excess of $450 million. For administrative services provided to the MAX Portfolio, the Administrator is paid a fee at an annual rate equal to 0.10% of the average daily net asset value of each Portfolio that are $150,000,000 or less, 0.09% of the average daily net asset value of each Portfolio that are in excess of $150 million to $300 million, 0.05% of the average daily net asset value of each Portfolio that are in excess of $300 million to $450 million and 0.03% of the average daily net asset value of each Portfolio that are in excess of $450 million.

Under the Custody Agreement with the Lead Agent, M&T Bank as Custodian is paid an annual fee equal to 0.03% of the total market value of the assets in the account, with a minimum market value fee equal to $1,500. Fees are payable monthly. In addition, the Custodian is paid disbursement charges, security transaction charges and other charges.

The administrative, marketing, cash management and custodial fees are calculated daily on each Portfolio, charged to the Liquid Portfolio or MAX Portfolio, as applicable, and paid monthly. In general, the Governing Board intends to limit the expenses allocated to the MAX Portfolio to 0.50% of the average daily net asset value of the MAX Portfolio, with any expenses in excess of that amount allocated to the Liquid Portfolio. Extraordinary or non-recurring expenses may, however, be allocated differently, in the discretion of the Governing Board.

The Select Fixed Income Investment Program

Participants purchasing Permitted Investments through the Select Fixed Income Investment Program will pay up to a 0.15% annual fee on the original principal amount of the Permitted Investments. These fees are separate and apart from those assessed to the Liquid and MAX Portfolios.

An amount equal to 0.10% (annualized) of the revenue derived from the sale of fixed income securities orders placed by the Investment Consultant will be transferred [each month] to an administrative account established by the Governing Board to be used for the payment of NYLAF's expenses relating to the Liquid Portfolio and the MAX Portfolio. This amount is

calculated and accrued [daily] and transferred [monthly]. These expenses may include [accounting expenses, marketing costs and legal fees].

Payment of Fees and Expenses

The Administrator and the Investment Consultant have agreed to pay from the fees described above certain costs incurred by the Governing Board and the Lead Agent. Specifically, the Administrator and the Investment Consultant have agreed to pay from their fee for administrative and marketing services (1) the annual fee of the Lead Agent up to, but not in excess of $60,000 per year, payable in monthly installments of not greater than $5,000 per month, (2) costs to, and all expenses of, the Governing Board associated with appointment of an executive director to assist the Governing Board with general operational requirements, organizational matters and other Governing Board activities, up to, but not in excess of, $20,000 per year, payable in monthly installments of not greater than $1,667 per month, and (3) Governing Board expenses for (a) legal services up to, but not in excess of, $32,000 per year, payable in monthly installments of not greater than $2,667, (b) audit services, up to, but not in excess of $14,000 per year, payable in monthly installments of $1,167 and (c) other Governing Board expenses, including meeting related expenses, up to, but not in excess of $9,000 per year, payable in monthly installments of not greater than $750 per month.