

**BY-LAWS  
OF  
NEW JERSEY ASSET & REBATE MANAGEMENT PROGRAM**

**ARTICLE I  
PARTICIPANTS, PROGRAM, OFFICES AND RECORDS, DEFINITIONS**

**Section 1.1. PARTICIPANTS.** The “**Participants**” are Local Governments in the State of New Jersey who are authorized, pursuant to the Shared Services Act, to obtain, jointly and individually, professional management of investments for excess cash and for the temporary investment of proceeds of tax-exempt and taxable bonds.

**Section 1.2. PROGRAM, PROGRAM ADMINISTRATION.**

(a) The Participants have agreed to create the New Jersey Asset & Rebate Management Program (the “**Program**”) in order to establish and maintain the following portfolios for the Participants: (i) an investment pool (the “**Joint Account**”) for the joint benefit of the Participants for the investment and reinvestment of the proceeds of tax-exempt and taxable bonds and excess cash; and (ii) an investment portfolio divided into series of fixed-term investment securities (“**NJ/TERM**”, and together with the Joint Account the “**Portfolios**”).

(b) The Participants intend that the Program qualifies as a “local government investment pool” as defined by the Local Fiscal Affairs Law.

(c) Since it is beneficial for the Participants to arrange for the joint investment of the funds referenced herein, the beneficial interest in the Program’s Portfolios shall be divided into units of beneficial interest (the “**Units**”), which shall be evidenced by a share register maintained by the Investment Administrator.

**Section 1.3. PRINCIPAL OFFICES.** The principal office of the Program shall be located within the State of New Jersey at the address designated by the Program’s Board of Directors (the “**Board of Directors**” or the “**Board**”) from time to time.

**Section 1.4. OTHER OFFICES.** The Program may have other offices at any place, within or without the State of New Jersey, as the Board of Directors may designate, or as the business of the Program may require or as may be desirable.

**Section 1.5. BOOKS AND RECORDS.** Any records maintained by the Program in the regular course of its business, including its share ledger, books of account, and minute books, may be maintained on any information storage device or method that can be converted into readable form within a reasonable time.

**Section 1.6. DEFINITIONS.** Capitalized terms used herein and not otherwise defined shall have the meaning ascribed to them in this Section 1.6.

“**Affiliate**” means with respect to a Person another Person directly or indirectly controlled, controlled by or under the common control with such Person, or any officer, director, partner or employees of such Person.

“**Auditor**” shall mean the independent auditor for the Program as determined by the Board in accordance with these By-Laws.

**“Authorized Officer”** shall mean for each Participant the chief financial officer of the Participant or such other officer designated in writing by the governing body of such Participant.

**“Beneficial Account”** shall mean an account maintained under the direction of the Investment Administrator which records a Participant’s interest in funds invested by such Participant in the Program in any of the Joint Account, NJ/TERM, or other investment vehicle.

**“Business Day”** shall mean a day on which (1) both the Federal Reserve Bank of New York and the Custodian are open for business, and (2) the primary trading markets for the Program’s portfolio instruments are open and the Program’s management believes there is adequate market to meet purchase and redemption requests. Additionally, the Program is authorized not to open for trading on a day that is otherwise a Business Day if the Securities Industry and Financial Markets Association (“SIFMA”) recommends that the primary trading markets close. The Program may also close early on a Business Day if the SIFMA recommends that primary trading markets close early. In light of anticipated limited availability for money market securities and fixed income settlement capacity limitations on the Good Friday holiday, the Program will not be open for business on Good Friday even if the primary trading markets are open. Specifically, on Good Friday, no Federal Reserve wire settlement will occur, purchases and redemptions will not be accepted and no settlement will occur for the Program.

**“Cash Management Agent”** shall mean a bank selected by the Board of Directors to provide the services of receiving and disbursing cash from and to Participants and the Custodian and upon Proper Instructions to pay the expenses of the Program, to receive cash amounts due to the Program and to provide for temporary investment of cash held by the Program, all as may be agreed between such bank and the Board of Directors on behalf of the Program.

**“Custodian”** shall mean the Person designated by the Board of Directors to be the custodian of the assets deposited by the Participants in the Program and the interest earned thereon.

**“Director”** means a member of the Board of Directors.

**“Information Statement”** shall mean the currently effective document describing the Program, as updated from time to time and distributed to all current and prospective Participants.

**“Investment Administrator”** shall mean the Person designated by the Board of Directors to invest the assets deposited by the Participants and to administer the Program in accordance with the Program Agreement.

**“Investment Funds”** shall mean immediately available funds received by the Custodian, in accordance with the procedures described in the Program’s Information Statement, for investment in the Portfolios of the Program.

**“Investment Guidelines”** shall mean the guidelines and restrictions set forth in in the Program Agreement, which shall be deemed to be revised from time to time to take into account changes in applicable law that either restrict or add to the authorized investments

for Local Governments as may be described in the Program's then current Information Statement.

**"Local Fiscal Affairs Law"** shall mean the Local Fiscal Affairs Law, N.J.S.A. 40A:5-1 et seq. as revised or amended from time to time or as otherwise replaced and superseded.

**"Local Government"** shall mean a New Jersey municipality, county, school district or a regional authority or district other than an interstate authority or district.

**"1940 Act"** refers to the Investment Company Act of 1940 and the regulations promulgated thereunder, as amended.

**"Person"** shall mean and include individuals, corporations, partnerships, pools, associations, joint ventures and other entities, whether or not legal entities, and governments and agencies and political subdivisions thereof.

**"Proceeding"** means any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal.

**"Program Agreement"** shall mean the shared services agreement then in effect among the Board, the Investment Administrator, and the Custodian which sets forth the terms for the administration of the Program and custody of the assets deposited by the Participants in the Program and the interest earned thereon, and which shall be in a form consistent with the requirements of the Shared Services Act and the Local Fiscal Affairs Law.

**"Program Counsel"** shall mean the legal counsel for the Program as determined by the Board in accordance with these By-Laws.

**"Program Property"** means any and all property, real, personal or otherwise, tangible or intangible, which is transferred, conveyed or paid to the Program and all income, profits and gains therefrom and which, at such time, is owned or held by, for the account of the Program.

**"Program Representative"** means an individual who is, or was at the relevant time, a Director, officer, employee, or agent of the Program (including without limitation the Investment Administrator and the Custodian).

**"Record Date"** shall mean the date established by the Board or the Investment Administrator, from time to time, for purposes of establishing the voting interests of the Participants based on the number of Units.

**"Regulations"** shall mean the Arbitrage Rebate Regulations set forth in the Internal Revenue Service Regulations, Section 1.148-0 through 1.148-11 and 1.150-1 through 1.150-2, as revised or amended from time to time or as otherwise replaced and superseded.

**"Separately Managed Account"** shall mean the separate investments made by the Investment Administrator on behalf of a Participant in accordance with the terms set forth in the Program Agreement. The assets of a Separately Managed Account shall constitute a separate investment of the Participant, and shall not be deemed to constitute property of either the Joint Account or NJ/TERM.

“**Shared Services Act**” shall mean the Uniform Shared Services and Consolidation Act, N.J.S.A. 40A:65-1 et seq as revised or amended from time to time or as otherwise replaced and superseded.

“**State**” shall mean the State of New Jersey.

“**Unit**” shall mean a share of beneficial interest issued by the Program, and refers to shares of the Joint Account or NJ/TERM Joint Investment, as may apply.

## **ARTICLE II PARTICIPANTS**

**Section 2.1. PLACE OF MEETING.** Meetings of the Participants shall be held at any place, either within or without the State of New Jersey, as shall be fixed by the Board of Directors and designated in the notice of the meeting or executed waiver of notice, subject to the conditions imposed by applicable law. The Board of Directors may determine, in its discretion, that any meeting of the Participants may be held that allow for means of remote communication in accordance with Section 2.2 of these By-Laws, without designating a place for a physical assembly of Participants.

**Section 2.2. PARTICIPATION BY REMOTE COMMUNICATION.** The Board of Directors may authorize Participants to participate in a meeting of Participants by means of remote communication, subject to the conditions imposed by applicable law and any guidelines and procedures adopted by the Board of Directors. At any meeting in which Participants can participate by means of remote communication, the Program shall implement reasonable measures to:

(a) verify that each Person participating remotely is a Participant or a Participant's proxy; and

(b) provide such Participants and proxies a reasonable opportunity to participate in the meeting and to vote on matters submitted to the Participants, including an opportunity to communicate, and to read or hear the proceedings of the meeting, substantially concurrently with such proceedings.

**Section 2.3. ANNUAL MEETING.** An annual meeting of Participants, for the purpose of electing Directors and transacting any other business as may be brought before the meeting, shall be held on the date and time fixed by the Board of Directors and stated in the notice of the meeting (the “**Annual Participants Meeting**”).

**Section 2.4. SPECIAL MEETINGS.** A special meetings of the Participants may be called by either (a) the Board of Directors, or (b) the holders of at least forty percent (40%) of the aggregate of the then outstanding Units upon written request delivered to the Board of Directors, the Investment Administrator, and the Custodian specifying the resolution or resolutions to be voted upon at such Special Meeting.

**Section 2.5. RECORD DATE FOR MEETINGS.**

(a) For the purpose of determining Participants entitled to notice of or to vote at any meeting of Participants or adjournment thereof, the Record Date shall be the date specified by the Investment Administrator in the notice of the meeting. A determination

of Participants entitled to notice of or to vote at a meeting of Participants is effective for any adjournment of the meeting unless the Board of Directors fixes a new Record Date for the adjourned meeting.

(b) A Record Date fixed under this Section 2.5 may not be (x) more than sixty (60) days prior to the meeting or action requiring a determination of Participants or (y) less than ten (10) days before the date of any meeting of Participants.

#### **Section 2.6. NOTICE OF PARTICIPANTS' MEETING.**

(a) The Investment Administrator shall prepare a list of the Participants eligible to vote, the number of Units held by each as of the Record Date, and shall give Notice to each eligible Participant of the taking of the vote (which shall be taken not earlier than 20 days after the date of the Notice of the Meeting) and provide proxy materials in written form, available in either paper or electronic format, for each Participant so that a Participant can register its vote through either paper or electronic ballot without attending the meeting. Written notice of any annual or special meeting of Participants shall be given not less than ten (10) days, nor more than sixty (60) days, before the date of the meeting to all Participants entitled to vote at the meeting and to all other Participants entitled to notice of the meeting. Such notice shall state:

- (i) the date and time of the meeting;
- (ii) the place of the meeting, if any;
- (iii) the means of remote communication to be used at the meeting if the Board of Directors has authorized participation by Participants and their proxies by such means; and
- (iv) the purpose or purposes for which the meeting is called.

(b) The Program shall give any notice required under these By-Laws or to each such Participant:

- (i) in paper form, by mail or certified mail addressed to the Participant at the Participant's last address shown as it appears on the Program's records or by personal delivery; and/or
- (ii) by electronic transmission if consented to by the Participant.

(c) Any Participant entitled to notice of a meeting may sign a written waiver of notice in person or by proxy either before or after the meeting. A Participant's attendance at a meeting, in person or by proxy, without protesting the lack of proper notice of the meeting prior to the conclusion of the meeting constitutes waiver of notice.

#### **Section 2.7. QUORUM OF PARTICIPANTS.**

(a) At each meeting of Participants for the transaction of any business, a quorum must be present to approve any matter that properly comes before such meeting. Unless otherwise required by law or these By-Laws, a quorum shall consist of a majority of the votes entitled to be cast on the matter by a voting group represented in person, by proxy, or by means of remote communication. Once a quorum has been established at a

meeting, the Participants present can continue to do business until adjournment of the meeting notwithstanding the withdrawal of enough Participants to leave less than a quorum.

(b) The Participants in a voting group represented in person, by proxy, or means of remote communication at a meeting of Participants, even if not comprising a quorum, may adjourn the meeting from time to time. At any such adjourned meeting at which there is a quorum, any business may be transacted that might have been transacted at the meeting originally.

(c) Notwithstanding anything in these By-Laws to the contrary, the Participants, by the affirmative vote of the holders of at least two-thirds of the aggregate number of outstanding Units may amend the Program Agreement at any time.

### **Section 2.8. CONDUCT OF MEETINGS.**

(a) The Board of Directors may adopt by resolution rules and regulations for the conduct of meetings of the Participants as it shall deem appropriate. At every meeting of the Participants, the President, or in such Person's absence or inability to act, a Director or officer designated by the Board of Directors, shall serve as chair of the meeting (the "**Chair**"). The Secretary or, in the Secretary's absence or inability to act, the Person whom the Chair shall appoint, shall act as secretary of the meeting and keep the minutes thereof.

(b) Unless applicable law or these By-Laws provide otherwise, the Chair shall determine the order of business and establish rules for the conduct of the meeting. The Chair shall announce the close of the polls for each matter voted upon at the meeting, after which no ballots, proxies, votes, changes, or revocations will be accepted. Polls for all matters before the meeting will be deemed to be closed upon final adjournment of the meeting.

### **Section 2.9. VOTING OF UNITS.**

(a) Except as otherwise set forth in these By-Laws, each outstanding Unit shall be entitled to one vote on each matter submitted to a vote at a meeting of Participants.

(b) All action to be taken by vote of the Participants shall be authorized by a majority of the votes cast by the holders of Units entitled to vote thereon at a meeting of the Participants at which a quorum is present, unless otherwise provided by these By-Laws.

(c) Directors shall be elected by a plurality of the votes entitled to vote in the election at a meeting at which a quorum is present, unless otherwise provided by these By-Laws.

(d) The Board of Directors shall designate a Person to be the exclusive judge of the results of the vote (the "**Election Inspector**"). As soon as practicable after the determination of the results of the vote, the Election Inspector shall give notice to all Participants, the Board of Directors (and the Investment Administrator, Custodian, and Program Counsel) of the results of the vote.

**Section 2.10. ACTION BY PARTICIPANTS WITHOUT A MEETING.**

(a) Any action required or permitted to be taken at a meeting of the Participants may be taken without a meeting upon the consent of Participants who would have been entitled to cast the minimum number of votes which would be necessary to authorize such action at a meeting at which all Participants entitled to vote thereon were present and voting, in accordance with the requirements of applicable law.

(b) A Participant may execute a consent in writing or electronically and deliver the consent to the Program in paper form or by electronic transmission. The consents shall be filed with the Secretary for inclusion with the records of meetings of the Program.

(c) For the purposes of determining Participants entitled to give written consent to any action without a meeting and entitled to notice of action taken without a meeting (if applicable), the Board of Directors may fix in advance a date as the Record Date for such determination in accordance with these By-Laws.

**ARTICLE III  
DIRECTORS**

**Section 3.1. BOARD OF DIRECTORS.** The governing body of the Program shall be the Board of Directors, the membership of which shall be determined as provided in these By-Laws. The business and affairs of the Program shall be managed under the direction of the Board of Directors, except such powers expressly conferred upon or reserved to the Participants by law.

**Section 3.2. NUMBER OF DIRECTORS.** The number of Directors shall be fixed from time to time by resolution of the Board of Directors; provided that the number of Directors shall be at no time less than three (3) or more than eleven (11), and there shall always be an odd number of Directors. No reduction in the number of Directors shall have the effect of removing any Director from office prior to the expiration of their term.

**Section 3.3. QUALIFICATIONS OF DIRECTORS.** The Board of Directors shall be comprised of designees of the Participants (“**Designees**”) and non-designees. Any Director who at the time of election or appointment is not a designee of a Participant is referred to herein as a “**Non-Designee.**” The Board of Directors shall have the discretion to qualify Non-Designees based upon their professional experience and expected benefit to serving the interests of the Participants. The majority of the Board of Directors must be Designees. If a Designee of a Participant serves as a Director, and ceases to be a Designee, such Person shall no longer be qualified to serve as a Director, and shall not, by virtue of ceasing to qualify as a Designee, be deemed to be a Non-Designee Director. Each Director shall be a natural person of at least eighteen (18) years of age.

**Section 3.4. NOMINATION OF CANDIDATES.** At the direction of the Board, the Investment Administrator will identify qualified candidates for the position of Director. Such candidates shall include Designees and Non-Designees. The Board of Directors shall review the candidates identified by the Investment Administrator and make nominations from the candidates identified by the Investment Administrator. The candidates nominated by the Board of Directors shall be voted on by the Participants in accordance with Section 3.5 of these By-Laws.

### **Section 3.5. ELECTION OF DIRECTORS.**

(a) Directors are elected for overlapping terms of three (3) years by a vote of the Participants holding at least a majority of the outstanding Units present and entitled to vote at an Annual Participants Meeting. If the Board changes the number of Directors the Board shall, by the same action, specify the number of three-year terms to be filled at the next Annual Participants Meeting, but shall maintain as nearly equal as possible the number of three -year terms to be filled at each subsequent Annual Participants Meeting. Directors may succeed themselves in office. Candidates for election to the Board shall be nominated as provided in Section 3.5 herein. The candidate(s) with the highest number of votes will be elected. The Election Inspector shall be the exclusive judge of the results of the votes for Directors. The Board of Directors shall, at the next meeting following the election, review the election returns and declare the appropriate candidate(s) elected.

(b) No election of a Director shall become effective until the elected Person qualifies for such office by delivering to the President of the Board of Directors a writing signed by them: (i) accepting such election or appointment, and (ii) agreeing to be bound by the terms of these By-Laws. Qualification must be completed within twenty (20) days after such Person is notified of his or her election, and failure to meet this requirement shall void the election.

(c) Upon the election and qualification of any Person to the office of Director, the Program Property shall vest in such new Director without necessity of any further act or conveyance.

(d) A Director remains in office until a vacancy occurs in his or her office as provided in these By-Laws, or until his or her successor is duly elected and qualified for office.

### **Section 3.6. RESIGNATION AND REMOVAL.**

(a) Any Director may resign (without need for prior or subsequent accounting) by an instrument in writing signed by them and delivered to the President and such resignation shall be effective upon such delivery or at a later date according to the terms of the notice.

(b) Any Director may be removed with or without cause by action of two-thirds of the Board of Directors entitled to vote, which shall not include the Director who is being considered for removal.

(c) Upon ceasing to be a Director, such Person shall execute and deliver such documents as the Board of Directors shall require for the purpose of conveying to the Program or the remaining Directors any Program Property held in the name of the resigning or removed Trustee. Upon the incapacity or death of any Director, his or her legal representative shall execute and deliver on his or her behalf such documents as the Board of Directors shall require as provided in this Section 3.6.

### **Section 3.7. VACANCIES.**

(a) A Director's office shall be deemed vacant upon the occurrence of any one of the following events:



- (i) a Person who was duly appointed or elected fails, neglects, or refuses to qualify for office within twenty (20) days after the date he or she is notified of such appointment or election;
- (ii) a Person who was duly appointed submits a written resignation to the Board of Directors;
- (iii) a Person who was duly appointed becomes disabled or dies during his or her term of office, or for whom a guardian or conservator has been appointed;
- (iv) a Person who was duly appointed ceases to meet the requirements for the office of Director, as provided herein;
- (v) a Person who was duly appointed is convicted of a felony or is or becomes the subject of an Order for Relief entered pursuant to the United States Bankruptcy Code (11 U.S.C. § 101 et seq.);
- (vi) a court of competent jurisdiction voids the election or appointment or removes a Person duly elected or appointed for any cause whatsoever, but only after his or her right to appeal has been waived or otherwise exhausted; or
- (vii) the Person who was duly elected or appointed is removed from office pursuant to Section 3.6 hereof.

(b) No vacancy in the office of any Director shall operate to annul these By-Laws or to revoke any existing agency created pursuant to the terms of these By-Laws, and title to any Program Property held in the name of the Director or the Board shall, in the event of a vacancy in the office of such Director, vest in the continuing Board or surviving Directors without necessity of any further act or conveyance.

(c) In the case of a vacancy, the majority of the Board of Directors continuing in office acting by resolution may fill such vacancy for the remainder of the term for the Director position that was vacated.

### **Section 3.8. MEETINGS OF DIRECTORS.**

(a) An annual meeting of the Board shall be held at such time and place as determined by the Board for the election of officers and for the transaction of such other business as may properly come before the meeting.

(b) Regular meetings of the Board may be held at such times and places as may be determined from time to time by the Board or the President and in accordance with applicable Law.

**Section 3.9. REMOTE COMMUNICATION.** Board meetings may be held by means of telephone conference or other communications equipment by means of which all persons participating in the meeting can hear each other and be heard. Participation by a Director in a meeting pursuant to this Section 3.9 shall constitute presence in person at such meeting. All meetings conducted pursuant to this Section 3.9 shall be effected in accordance with applicable law.

### **Section 3.10. NOTICE OF DIRECTORS' MEETINGS**

(a) Whenever notice is required to be given to any Director by applicable law or these By-Laws, such notice shall be deemed given effectively if given in person or by telephone, mail addressed to such Director at such Director's address as it appears on the records of the Program, facsimile, email, or other means of electronic transmission. Such notice shall state:

- (i) the time and date of the meeting;
- (ii) the place of the meeting, if any;
- (iii) the means of any remote communication by which Directors may participate at the meeting; and
- (iv) the business to be transacted at the meeting or the purpose or purposes for which the meeting is called if the meeting is a special meeting.

(b) Any Director entitled to notice of a meeting may sign a written waiver of notice either before or after the time of the meeting. A Director's attendance at a meeting without protesting prior to the conclusion of the meeting constitutes waiver of notice.

### **Section 3.11. QUORUM AND ACTION OF DIRECTORS.**

(a) Except as otherwise provided by applicable law or these By-Laws, the vote of a majority of the Directors present at a meeting at which a quorum is present shall be the act of the Board.

(b) Except as otherwise provided by applicable law or these By-Laws, a quorum for the purposes of any meeting or vote of the Board of Directors shall consist of a majority of the Directors entitled to vote at a meeting of the Board of Directors. The Directors present at a duly called meeting at which a quorum is initially present may continue to do business notwithstanding the withdrawal of Directors, provided any action taken at such meeting is approved by at least a majority of the required quorum for such meeting. In the absence of a quorum, the Directors present shall not take any action on behalf of the Board. However, a majority of the Directors present may adjourn the meeting to a time and place specified in the order of adjournment pursuant to this Section 3.11.

(c) A majority of the Directors present at any meeting of the Board, including an adjourned meeting, whether or not a quorum is present, may adjourn and reconvene such meeting to another time and place. Notice of such adjourned meeting shall be provided in accordance with applicable law, these By-Laws, and the Program Agreement. Any business may be transacted at an adjourned meeting that might have been transacted at the meeting as originally called.

**Section 3.12. COMPENSATION.** Under no circumstances shall any Director be entitled to compensation arising from his or her position as Director. The Board of Directors may pay an individual Director, or any officer, or any one or more of them reimbursement for expenses reasonably incurred by a Director, an officer, or any one or more of them on behalf of the Program for attendance at meetings of the Board or of a Board committee.

**Section 3.13. ACTION BY DIRECTORS WITHOUT A MEETING.** Unless otherwise restricted by these By-Laws or applicable law, any action required or permitted to be taken at any meeting of the Board may be taken without a meeting if all Directors consent thereto in writing or by electronic transmission. After an action is taken, the consent or consents relating thereto shall be filed with the minutes of proceedings of the Board in accordance with these By-Laws and applicable law.

**Section 3.13. COMMITTEES OF THE BOARD OF DIRECTORS.**

(a) The Board of Directors, by resolution adopted by a majority of the Board, may appoint from among its members an executive committee and one or more other committees, each of which shall have one or more members.

(b) Each committee shall have only that authority the Board of Directors has delegated to the committee. Notwithstanding anything in these By-Laws to the contrary, no committee shall have the authority to: (i) make, alter, or repeal by-laws; (ii) elect or appoint any Director, or remove any officer or Director; (iii) submit to Participants any action requiring the approval of Participants; or (iv) amend or repeal any resolution of the Board of Directors that by its terms may only be amended or repealed by the Board of Directors.

(c) The Board of Directors, by resolution adopted by a majority, may: (i) fill any vacancy in any committee; (ii) designate one or more Directors as alternate members of any committee, to act in the absence or disability of members of the committee with all the powers of the absent or disabled members; (iii) abolish any committee at its pleasure; and (iv) remove any Director from membership on any committee, with or without cause.

(d) The designation of a committee of the Board of Directors and the delegation thereto of authority shall not operate to relieve the Board of Directors, or any member thereof, of any responsibility imposed by law.

**ARTICLE IV  
DUTIES AND POWERS OF THE BOARD OF DIRECTORS**

**Section 4.1. BOARD OF DIRECTORS DUTIES.** The Board of Directors, and each Director appointed thereto, shall not have the right and shall not be subject to any duty to demand or collect contributions from the Participants, or from any other Person, or to enforce or attempt to enforce any agreement that may be considered to require contributions to this Program. The Board of Directors shall be accountable only for transfers and contributions made to the Program fund in accordance with the terms of these By-Laws. The powers, rights, and obligations of the Board of Directors, any officers appointed by the Board, and of each Director shall be limited to those set forth herein and shall be governed solely by these By-Laws and applicable law.

**Section 4.2. POWERS OF THE BOARD OF DIRECTORS.** Subject to the rights of the Participants as provided herein, the Board of Directors shall be the investment officer of the Program and shall have authority over the Program property and the affairs of the Program to administer the operation of the Program, subject to the requirements, restrictions and provisions of these By-Laws, including the power to delegate such functions of administration pursuant to the Investment Administrator. The Board of Directors may do and perform such acts and things as in their judgment and discretion, subject to the requirements and restrictions of these By-

Laws, as are necessary and proper for conducting the affairs of the Program or promoting the interest of the Program and the Participants. The enumeration of any specific power or authority herein shall not be construed as limiting the aforesaid general power or authority or any specific power or authority. The Board of Directors may exercise any power authorized and granted to them by these By-Laws. Such powers of the Board of Directors may be exercised without the necessity of any order of, or resort to, any court.

**Section 4.3. INVESTMENTS.** The Board of Directors shall have the following investment powers:

(a) to conduct, operate and provide an investment program for the pooling of idle funds of a Local Government to invest as may be modified from time to time as provided in these By-Laws;

(b) for such consideration as they may deem proper and as may be required by law, to subscribe for, assign, transfer, exchange, distribute and otherwise deal in or dispose of investments; and

(c) to contract for, and enter into agreements with respect to, the purchase and sale of investments.

**Section 4.4. LEGAL TITLE.**

(a) Legal title to any and all Program Property shall be vested in the Board of Directors on behalf of the Participants, who shall be the beneficial owners; except that the Board of Directors shall have full and complete power to cause legal title to any Program Property to be held, on behalf of the Participants, by or in the name of the Program, or in the name of any other Person as nominee, on such terms, in such manner, and with such powers as the Board of Directors may determine, so long as in their judgment the interest of the Program is adequately protected.

(b) The right, title and interest of the Board of Directors in and to the Program Property shall vest automatically in all persons who may hereafter become Directors upon their due selection and qualification without any further act. Upon the resignation, disability, removal, adjudication as an incompetent, disqualification pursuant to the terms of these By-Laws, or death of any individual Director, he or she (and in the event of his or her death, his or her estate) shall automatically cease to have any right, title or interest in or to any of the Program Property, and the right, title and interest of such Director in and to the Program Property shall vest automatically in the remaining Directors without any further act.

**Section 4.5. TAXES.** The Board of Directors shall have full and complete power:

(a) to pay all taxes or assessments, of whatever kind or nature, validly and lawfully imposed upon or against the Program or the Board of Directors in connection with the Program Property or upon or against the Program Property or income or any part thereof;

(b) to dispute, settle and compromise tax liabilities; and

(c) for the foregoing purposes to make such returns and do all such other acts and things as may be deemed by the Board of Directors to be necessary or desirable.

**Section 4.6. COLLECTION POWERS.** The Board of Directors shall have full and complete power to:

- (a) collect, sue for, receive and receipt for all sums of money or other property due to the Program including, without limitation, the power to file proofs of claim in any bankruptcy or insolvency matter;
- (b) consent to extensions of the time for payment, or to the renewal of any securities, investments or obligations;
- (c) 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 Program Property;
- (d) foreclose any collateral, security or instrument securing any investments, notes, bills, bonds, obligations or contracts by virtue of which any sums of money are owed to the Program;
- (e) exercise any power of sale held by the Board of Directors, and to convey good title thereunder free of any and all trusts, and in connection with any such foreclosure or sale, to purchase or otherwise acquire title to any property;
- (f) be parties to reorganization and to transfer to and deposit with any corporation, committee, voting Director or other Person any securities, investments or obligations of any Person which form a part of the Program Property, for the purpose of such reorganization or otherwise;
- (g) participate in any arrangement for enforcing or protecting the interests of the Board of Directors as the owners or holders of such securities, investments or obligations and to pay any assessment levied in connection with such reorganization or arrangement;
- (h) extend the time (with or without security) for payment or delivery of any debts or property and to execute and enter into releases, agreements and other instruments; and
- (i) pay or satisfy any debts or claims upon any evidence that the Board of Directors shall deem sufficient.

**Section 4.7. PAYMENT OF EXPENSES.** The Board of Directors shall have full and complete power to direct the Investment Administrator or Custodian to:

- (a) incur and pay charges or expenses which the Board of Directors deem are necessary or incidental to or proper for the carrying out any of the purposes of these By-Laws;
- (b) reimburse others for the payment therefor; and
- (c) pay appropriate compensation or fees from the funds of the Program to Persons with whom the Program has contracted or transacted business.

Notwithstanding any provision of these By-Laws to the contrary, in no event shall any expenses of administration of the Program be payable from any source other than Program Property.

**Section 4.8. BORROWING AND INDEBTEDNESS.** The Board of Directors shall not incur indebtedness on behalf of the Program or authorize the Program to borrow money or incur indebtedness, except as expressly provided in these By-Laws.

**Section 4.9. DEPOSITS.** The Board of Directors shall have full and complete power to deposit in such a manner as may now and hereafter be permitted by these By-Laws or applicable law, any monies or funds included in the Program Property and intended to be used for the payment of expenses of the Program or the Board of Directors, with one or more banks, trust companies or other banking institutions whether or not such deposits will draw interest. Such deposits are to be subject to withdrawal in such manner as the Board of Directors may determine, and the Board of Directors shall have no responsibility for any loss which may occur by reason of the failure of the bank, trust company or other banking institution with which the monies, investments, or securities have been deposited. Each such bank, trust company or other banking institution shall comply, with respect to such deposit, with all applicable requirements of all applicable laws including.

**Section 4.10. VALUATION.** The Board of Directors shall have full and complete power to conclusively determine in good faith the value of any of the Program Property and to revalue the Program Property as the Board of Directors deem appropriate consistent with the provisions of these By-Laws.

**Section 4.11. SELF-DEALING PROHIBITED.**

(a) No Director, officer, employee or agent of the Program shall cause or permit the Program to make any investment or deposit, enter into any contract or other arrangement, or perform any act which confers or might reasonably be expected to confer any special benefit upon such Person or any Affiliate of such Person.

(b) The Program shall not enter into any investment transaction with any Affiliate of the Program, or with the Investment Administrator or any Affiliate thereof, or with any other officer, director, employee or agent of the Program or any Affiliate thereof. Provided, however, the Program may deposit moneys and purchase and sell Permitted Investments from and to the Custodian or an Affiliate of the Custodian with the written consent of the Board, so long as such transaction is not in contravention of or prohibited by applicable law.

**Section 4.12. INVESTMENT PROGRAM.**

(a) The Board of Directors are responsible for implementing the investment policy and program of the Program and for supervising the officers, agents, employees, investment advisers, custodians, administrators, distributors, and independent contractors of the Program. The Board of Directors are not required personally to conduct all of the routine business of the Program.

(b) The Board of Directors shall use their best efforts to obtain, through the Investment Administrator or other qualified Persons, a continuing and suitable investment program, consistent with the investment policies and objectives of the Program, and the Board of Directors shall be responsible for reviewing and approving or rejecting the investment program presented by the Investment Administrator or such

other Persons. Subject to the provisions of these By-Laws, the Board of Directors may delegate functions arising under this Section 4.12 to one or more Directors, Committees of the Board, or to the Investment Administrator.

**Section 4.13. POWER TO CONTRACT, APPOINT, RETAIN AND EMPLOY.** Subject to the provisions of these By-Laws, the Board of Directors shall have full and complete power to appoint, employ, retain, or contract with any Person of suitable qualifications and high repute to perform any or all of the following functions under the supervision of the Board of Directors:

- (a) serve as the Program's Investment Administrator or co-administrator;
- (b) serve as the Program's Custodian;
- (c) furnish reports to the Board of Directors and provide research, economic and statistical data in connection with the Program's investments;
- (d) act as consultants, accountants, technical advisers, attorneys, brokers, underwriters, corporate fiduciaries, escrow agents, depositaries, custodians or agents for collection, insurers or insurance agents, registrars for Units or in any other capacity deemed by the Board of Directors to be necessary or desirable;
- (e) investigate, select, and, on behalf of the Program, conduct or engage others to manage relations with Persons acting in such capacities and pay appropriate fees to, and enter into appropriate contacts with, or employ, or retain services performed or to be performed by, any of them in connection with the investments acquired, sold, or otherwise disposed of, or committed, negotiated, or contemplated to be acquired, sold or otherwise disposed of;
- (f) substitute any other Person possessing the same minimum qualifications for any such Person, such replacement to be made in the same manner as the original selection;
- (g) act as attorney-in-fact or agent in the purchase or sale or other disposition of investments, and in the handling, prosecuting or other enforcement of any lien or security securing investments; and
- (h) assist in the performance of such ministerial functions necessary in the management of the Program as may be agreed upon by the Board of Directors.

**Section 4.14. INDEMNIFICATION.** Upon advice of counsel, the Board of Directors shall have full and complete power, to the extent of Program Property (as provided in these By-Laws) and as permitted by applicable laws, to indemnify or enter into agreements with respect to indemnification with any Person with whom the Program has dealings, to such extent as the Board of Directors shall determine in accordance with law. The Program is authorized to purchase insurance to provide such indemnification.

**Section 4.15. REMEDIES.** Notwithstanding any provision in these By-Laws, when the Board of Directors deem that there is a significant risk that an obligor to the Program may default or is in default under the terms of any obligation to the Program, the Board of Directors shall have full and complete power to pursue any remedies permitted by law which, in their sole judgment, are in the interests of the Program, and the Board of Directors shall have full and complete power to enter into any investment, commitment or obligation of the Program resulting from the pursuit of

such remedies as are necessary or desirable to dispose of property acquired in the pursuit of such remedies.

**Section 4.16. FURTHER POWERS.** The Board of Directors shall have full and complete power to take all actions, do all such matters and things and execute all such agreements, documents and instruments as they deem necessary, proper or desirable in order to carry out, promote or advance the interests and purposes of the Program although such actions, matters or things are not herein specifically mentioned. Any determination as to what is in the best interests of the Program made by the Board of Directors in good faith shall be conclusive. In construing the provisions of these By-Laws, the presumption shall be in favor of a grant of power to the Board of Directors. No provision in this Agreement, however, may be interpreted or construed in a manner which alters or reduces the duties of the Board of Directors to act as fiduciaries of the Program. The Board of Directors shall not be required to obtain any court order to deal with the Program Property.

## **ARTICLE V OFFICERS**

**Section 5.1. POSITIONS AND ELECTION.** The Board of Directors shall annually designate from their number a President who shall be the Chief Executive Officer of the Program and a Vice President, who each shall have such duties as set forth herein and as the Board of Directors shall deem advisable and appropriate. The Board of Directors may elect or appoint, from among their number or otherwise, a Treasurer and a Secretary, who shall have such powers, duties and responsibilities as the Board of Directors may deem to be advisable and appropriate. The Board of Directors may elect or appoint, from among their number or otherwise, or may authorize the President to appoint, one or more Assistant Secretaries and Assistant Treasurers, and such other officers or agents, who shall have such powers, duties and responsibilities as the Board of Directors may deem to be advisable and appropriate. Two or more offices, except those of President and Vice President, may be held by the same person. The Board at any regular or special meeting of the Board of Directors may remove any officer with or without cause.

**Section 5.2 REMOVAL AND RESIGNATION.** The Board, at any regular or special meeting of the Board of Directors, may remove any officer with or without cause. Any officer may resign at any time by giving written notice to the Program. Unless a different time is specified in the notice, the resignation shall be effective upon its receipt by the Program.

**Section 5.3. PRESIDENT.** The President shall be a Director and will be the chief executive officer of the Program. The President may call meetings of the Board of Directors when they deem it necessary and shall preside at all meetings of the Board of Directors. The President shall at all times exercise general supervision and direction over the affairs of the Program. The President shall have: (i) the power to employ such subordinate officers, employees, and agents as required to transact the business of the Program; (ii) the power to grant, issue, execute or sign such powers of attorney, proxies, or other documents as may be deemed advisable or necessary in furtherance of the interests of the Program; and (iii) such powers and duties as, from time to time, may be conferred upon or assigned by the Directors.

**Section 5.4. VICE PRESIDENT.** The Vice President shall be a Director. In the absence or disability of the President, the Vice President shall perform all the duties and may exercise any of the powers of the President, subject to the control of the Board of Directors. The Vice



President shall perform such other duties as may be assigned from time to time by the Board of Directors or the President.

**Section 5.5. SECRETARY.** The Secretary shall be a Director. The Secretary shall keep the records of all action of the Participants in proper books provided for that purpose; may have custody of the seal of the Program; and shall have charge of the Unit transfer books, lists, and records unless the same are in the charge of the Investment Administrator. The Secretary shall: (i) attend to the giving and serving of all notices by the Program in accordance with the provisions of these By-Laws, and as required by law; (ii) keep the minutes of all meetings of the Board of Directors and Board committees; and (iii) perform such other duties and have such other powers in addition to those specified the Program Agreement as the Board of Directors shall from time to time designate.

**Section 5.6. TREASURER.** The Treasurer shall be a Director. The Treasurer shall be the principal financial and accounting officer of the Program. The Treasurer shall perform all the duties incident to the office of the Treasurer and such other duties as from time to time may be assigned by the Board of Directors.

**Section 5.7. ASSISTANT SECRETARIES.** In the absence or disability of the Secretary, any Assistant Secretary designated by the Board of Directors or duly appointed by the President shall perform all of the duties, and may exercise any of the powers, of the Secretary. The Assistant Secretaries shall perform such other duties as from time to time may be assigned to them by the Board of Directors.

**Section 5.8. ASSISTANT TREASURERS.** In the absence or disability of the Treasurer, any Assistant Treasurer designated by the Board of Directors or duly appointed by the President shall perform all the duties, and may exercise any of the powers, of the Treasurer. The Assistant Treasurers shall perform such other duties as from time to time may be assigned to them by the Board of Directors.

## **ARTICLE VI LIMITATION OF LIABILITY; INDEMNIFICATION**

**Section 6.1. NO PERSONAL LIABILITY OF PARTICIPANTS.** No Participant shall be subject to any liability whatsoever to any Person in connection with the Program or the acts, obligations or affairs of the Program. No officer, employee or agent of any Participant shall be subject to any personal liability to any Person in connection with the Program, save only that arising from his bad faith, willful misfeasance, gross negligence or reckless disregard of his duty to such Person. Wherever reasonably practicable, every written obligation made or issued by the Program shall contain an appropriate Record Date to the effect that the Participants, and their officers, employees and agents shall not personally be bound by or liable thereunder, nor shall resort be had to their private property for the satisfaction of any obligation or claim thereunder.

**Section 6.2. NO LIABILITY OF PROGRAM.** The Participants recognize that the assets held by the Program for investment including the assets of any Separately Managed Accounts may be derived from the proceeds of debt obligations of Local Governments that by law may be expended only for the respective purposes for which such obligations were issued. Therefore, except as otherwise expressly provided in these By-Laws or the Program Agreement in connection with redemptions and the investment and reinvestment of assets of the Program and

the payment therefrom of the fees and expenses of the Investment Administrator, the Custodian, Program Counsel, and the Auditor and other similar expenses, assets held by the Program for investment are subject to requisition or disbursement only at the direction of the Board of Directors.

**Section 6.3. LIABILITY OF THIRD PARTIES; NO PARTNERSHIP AUTHORITY.**

Neither a Participant nor the Investment Administrator shall be liable for the debts, obligations or liabilities of the Program of any kind, including under a judgment decree or order of a court, or for the acts or omissions of any other Participant, other Investment Administrator or agent or employee of any other Investment Administrator; and no Director, officer, employee or agent (including without limitation, the Investment Administrator and the Custodian) of the Program shall be subject to any personal liability whatsoever in tort, contract or otherwise, to any Person or Persons other than the Program in connection with Program Property or the affairs of the Program, except that each shall be liable for its, his or her bad faith, willful misconduct, gross negligence or reckless disregard of its, his or her duties or for its, his or her failure to act in good faith in the reasonable belief that its, his or her action was in the best interests of the Program, and except that the Investment Administrator shall have liability for its, his or her failure to take reasonable measures to restrict investments of Program Property to those permitted by law and this Agreement. All Persons other than the Program shall look solely to the Program Property for satisfaction of claims of any nature arising in connection with the affairs of the Program. If any Participant, Director, officer, employee or agent (including, without limitation, the Investment Administrator and the Custodian) of the Program is made a party to any suit or proceedings to assert or enforce any such liability, it, he or she shall not on account thereof be held to any personal liability. Provided, further, that notwithstanding anything in the foregoing to the contrary, any vendor, Investment Administrator, consultant, administrator, or other third party, employed by or under contract with the Program, shall be responsible to the Program and its Participants as intended beneficiaries, to perform in accordance with the standards imposed in a contract with such party, by operation of law. No Participant shall be deemed the agent, representative or partner of any other Participant for any purpose, nor shall any Participant have any authority to bind, or hold itself out as having any authority to bind, any other Participant to any obligation.

**Section 6.4. INDEMNIFICATION.**

(a) Except as provided in subsection (b) of this Section 6.4, the Program shall indemnify, defend, protect and hold harmless any Person from and against any and all Liabilities arising out of a Proceeding that such Person is a party to because of such Person's status as a Program Representative if such Person's conduct was made in good faith, and (i) such Person reasonably believed that such conduct was in the Program's best interests or, (ii) in the case of a criminal Proceeding, such Person had no reasonable cause to believe such conduct was unlawful.

(b) In no event may the Program indemnify the Investment Administrator for any liability arising out of the Investment Administrator's or its Representative's bad faith, willful misconduct, gross negligence or reckless disregard with respect to the restrictions on investments of the Program Property. Further, the Program shall not indemnify any Program Representative under this Section 6.4 either (i) in connection with a Proceeding by or in the right of the Program in which the Program Representative was adjudged liable to the Program, or (ii) in connection with any Proceeding charging

improper personal benefit to such Person, in which such Person was adjudged liable on the basis that such personal benefit was improperly received in connection with a Proceeding by or in the right of the Program.

(c) Except as provided in subsection (b) of this Section 6.4, the termination of any Proceeding by judgment, order, settlement, or conviction, or upon a plea of nolo contendere or its equivalent, is not of itself determinative that the Person did not meet the standard of conduct set forth in subsection (b) of this Section 6.4.

(d) No indemnification shall be made unless and until a specific determination has been made that indemnification is authorized under this Section 6.4. Such determination shall be made by the Board of Directors by a majority vote of a quorum, which quorum shall consist only of Directors who are not parties to the Proceeding. If such quorum cannot be obtained, the determination shall be made by a majority vote of a Committee of the Board designated by the Board of Directors in accordance with these By-Laws, which committee shall consist of two (2) or more Directors not party to the Proceeding (such committee of the Board the “**Indemnification Committee**”). Directors who are parties to the Proceeding may not participate in designating Directors for the Indemnification Committee. If the said quorum cannot be obtained or the Indemnification Committee cannot be established, or if such quorum is obtained or the Indemnification Committee is designated and such quorum or Indemnification Committee so directs, the determination may be made by independent legal counsel selected by a vote of the Board of Directors or the Indemnification Committee as specified above. If independent counsel determines that indemnification is required under this Section 6.4, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by the body that selected such counsel.

(e) The Program may pay for or reimburse all costs and expenses incurred by a Program Representative with respect to a Proceeding (including attorneys’ fees and other professional fees) in advance of final disposition thereof if (i) the Program Representative furnishes the Program a written affirmation of such Person’s good faith belief that such Person has met the standard of conduct described in subsection (b) of this Section 6.4 and agreeing to repay the advance if it is ultimately determined that indemnification is not authorized under this Section 6.4, and (ii) it is determined as provided in subsection (e) above that the facts then known would not preclude indemnification under this Section 6.4.

(f) Any indemnification of or advance of expenses to a Program Representative pursuant to this Section 6.4 shall be reported in writing to the Participants as soon as practicable, if such indemnification of or advance of expenses arises out of a Proceeding by or on behalf of the Program.

(g) No Program Representative entitled to indemnification may take or be paid the same except out of the earnings of the Program, and no Participant shall be personally liable to any such Program Representative for all or any portion of such indemnity.

**Section 6.5. SURETY BONDS.** No Director shall, as such, be obligated to give any bond or surety or other security for the performance of any of their duties.

**Section 6.6. APPARENT AUTHORITY.** No purchaser, seller, transfer agent or other Person dealing with the Board of Directors, any individual Director, or any officer, employee or agent of the Program shall be bound to make any inquiry concerning the validity of any transaction purporting to be made by the Board of Directors or by such officer, employee or agent or make inquiry concerning or be liable for the application of money or property paid, transferred or delivered to or on the order of the Board of Directors or of such officer, employee or agent.

**Section 6.7. REPRESENTATIVE CAPACITY; RECITALS.** Any written instrument creating an obligation of the Program shall be conclusively taken to have been executed by a Director or an officer, employee or agent of the Program only in his capacity as a Director under these By-Laws or in his or her capacity as an officer, employee or agent of the Program. Any written instrument creating an obligation of the Program shall refer to these By-Laws and shall contain a recital to the effect that the obligations thereunder are not personally binding upon, nor shall resort be had to the property of, any of the Board of Directors, Participants, officers, employees or agents of the Program, and that only the Program Property or a specific portion thereof shall be bound, and such written instrument may contain any further similar recital which may be deemed appropriate; provided however, that the omission of any recital pursuant to this Section 6.7 shall not operate to impose personal liability on any individual Director, the Board of Directors, Participants, officers, employees or agents of the Program, or to void any obligations created in the instrument.

**Section 6.8. RELIANCE ON EXPERTS.** Each Director, officer and employee of the Program shall, in the performance of his or her duties, be fully and completely justified and protected with regard to any act or any failure to act resulting from reliance in good faith upon the books of account or other records of the Program, upon an opinion of counsel or upon reports made to the Program by any of its officers or employees or by the Investment Administrator, the Custodian, accountants, appraisers or other experts or consultants selected with reasonable care by the Board of Directors or officers of the Program.

**Section 6.9. INSURANCE.** The Board of Directors shall obtain and maintain general and official liability and property damage insurance, errors and omission insurance and such other insurance as the Board of Directors may deem advisable for the protection of the Program Property and the Board of Directors, officers and employees of the Program in the operation and conduct of the Program in such amounts as the Board of Directors deem adequate to ensure against all claims and liabilities of every nature, to the extent such insurance may be available at reasonable rates. The cost of any and all such insurance shall be paid from Program Property as an expense of administration of the Program.

## **ARTICLE VII MANAGEMENT AND ADMINISTRATION; PROGRAM PARTICIPATION; UNITS OF BENEFICIAL INTEREST IN THE JOINT ACCOUNT**

**Section 7.1. PROFESSIONAL MANAGEMENT AND ADMINISTRATION.** The Participants recognize that in undertaking the investment of funds in accordance with the Local Fiscal Affairs Law, they benefit from skilled professional investment management and administration of the Portfolios, such other investment accounts as may be offered by the Program, and the Separately Managed Accounts or other services available through the Investment Administrator. The Participants and the Board, as applicable, shall, in accordance

with these By-Laws designate and engage professionals in the management and administration of the Program which shall include, but are not limited to, the positions set forth in this Article VII.

(a) Investment Administrator.

- (i) The Board shall designate the Investment Administrator to invest the assets deposited by the Participants and to administer the Program in accordance with the Program Agreement.
- (ii) The Investment Administrator may be terminated by the Board of Directors at any time on not less than sixty (60) days' notice. A successor Investment Administrator may be appointed by the Board of Directors in the event the Investment Administrator resigns or is terminated. If the Board of Directors fails to appoint a successor Investment Administrator within sixty (60) days after the date the Board has received notice of such resignation or termination the Program shall be terminated, and the assets of the Portfolios shall be liquidated by the Custodian and distributed to the Participants in proportion to their interest.

(b) Custodian.

- (i) The Board shall designate a Person to be the Custodian of the assets deposited by the Participants in the Program and the interest earned thereon in accordance with the Program Agreement. The reasonable fees of the Custodian shall be paid from the assets of the Program.
- (ii) The Board of Directors may terminate the employment of the Custodian on not less than sixty (60) days' notice to the Custodian. In the event of termination or resignation of the Custodian, the Board of Directors shall appoint a successor Custodian. In the event that the Board of Directors fails to appoint a successor within the time provided by these By-Laws or in the Program Agreement, the Investment Administrator shall appoint an interim successor to any Custodian that has terminated or resigned. The successor Custodian shall evidence its acceptance of the duties of the Custodian by executing a copy of the Program Agreement specifically acknowledging and accepting the duties and obligations hereunder.

(c) Program Counsel. A firm or firms of attorneys with experience in the field of municipal securities and finance shall be retained by the Board of Directors to provide legal counsel to the Program (the "**Program Counsel**"). Program Counsel shall serve as legal counsel in connection with such matters concerning the Program as shall be deemed necessary by the Investment Administrator or by the Custodian, including making modifications or revisions to the Investment Guidelines to conform them to any changes in applicable State law providing for restrictions or additions to authorized investments for Local Governments or to changes in the Regulations. The Board of Directors may, from time to time, replace the Program Counsel with another firm or firms of attorneys with experience in the field of municipal securities and finance upon sixty (60) days'

notice to the Program Counsel, Custodian and Participants, which notice shall identify the newly selected Program Counsel.

(d) Auditor. An independent certified public accountant or a firm of such accountants (the “**Auditor**”), shall be retained by the Board of Directors to audit annually the financial statements of the Program and its Portfolios. Copies of such audited financial statements and the report thereon shall be provided to the Board of Directors, Program Counsel, and the Investment Administrator. The Investment Administrator shall furnish a copy of such audited financial statements to each Participant and to each Local Government who was a Participant in the Program as of the end of the respective fiscal period and shall make such audited financial statements available to the public via the Program’s website within one hundred and twenty (120) days of the publication of such audited financial statements. The Board of Directors may, from time to time, replace the Auditor with another firm of independent certified public accountants upon thirty (30) days’ notice to the Auditor, and Participants, which notice shall identify the newly selected Auditor. The Program’s third-party service providers, including the Investment Administrator and the Custodian, shall be audited by a third-party auditor separately in accordance with applicable law.

**Section 7.2. CONDITIONS OF PARTICIPATION.** Any Local Government which desires to become a Participant in the Program shall (i) adopt and deliver to the Board of Directors and the Investment Administrator a certified copy of a resolution or ordinance of the governing body of such Local Government in compliance with the participation procedures as set forth in the Information Statement; and (ii) deliver to the Board of Directors and Investment Administrator an executed Registration Form as set forth in the Information Statement. The Board of Directors or the Investment Administrator shall advise a Local Government whether the Local Government has satisfied the participation procedures. Upon satisfaction of the procedures set forth herein the Local Government shall be entitled to make deposits in the Program.

**Section 7.3. INVESTMENTS IN THE PROGRAM.**

(a) Each Participant shall have the right from time to time to deliver Investment Funds in any amount subject to the Regulations to the Custodian or Cash Management Agent, if any, for credit to the applicable Beneficial Account of such Participant. A Participant that wishes to make such an investment shall give notice to the Investment Administrator, stating whether such investment is to be invested in the Joint Account or NJ/TERM, and otherwise follow the participation procedures set forth in the Information Statement.

(b) The designated Beneficial Account of a Participant shall be increased upon the delivery of the Investment Funds by an amount equal to the amount of such funds invested in accordance with the participation procedures set forth in the Information Statement and by the amount of any net income earned on the funds invested by the Participant less applicable expenses paid or accrued in respect of such account; the Beneficial Account of a Participant shall be decreased by amounts paid to or for the account of the Participant by the Program.

(c) Not later than 4:00 p.m. on any Business Day during which the Custodian or Cash Management Agent, if any, has received Investment Funds from a Participant, the Custodian or Cash Management Agent shall advise the Investment Administrator of

the receipt of such Funds. The Investment Administrator shall transmit to such Participant the Investment Administrator's confirmation evidencing the receipt of such Investment Funds.

**Section 7.4. BENEFICIAL INTEREST.** The interest of the Participants in the assets invested in the Joint Account and the NJ/TERM Joint Investment shall be divided into Units of beneficial interest in such classes or series as may be designated by the Investment Administrator to reflect the investments therein and the terms of the investment, all as shall be described in the Information Statement. The number of such Units of beneficial interest authorized hereunder is unlimited. All Units issued hereunder including, without limitation, Units issued in connection with a dividend in Units or a split of Units, shall be fully paid and nonassessable.

**Section 7.5. RIGHTS OF PARTICIPANTS.** The ownership of all assets of the Portfolios is vested in the Program for the joint benefit of all Participants in such Portfolios. No individual Participant shall have any interest therein other than the beneficial interest conferred by its Units, and it shall have no right to call for any partition or division of any property, profits, rights or interests of the Portfolios nor can it be called upon to share or assume directly any losses of the Joint Account, except to the extent of such Participant's beneficial interest in the value of any asset of the Portfolios, or suffer an assessment of any kind by virtue of its ownership of Units. The Units shall not entitle the holder to preference, preemptive, appraisal, conversion or exchange rights.

**Section 7.6. ISSUANCE OF UNITS.** The Program may from time to time issue Units, in consideration of the investment of Investment Funds in the Joint Account, at a valuation determined by the Board as set forth in the then applicable Information Statement, and by way of distribution of income to Participants as set forth in Section 10.2 hereof. With respect to NJ/TERM, the number of Units held by a Participant (including fractional Units) at any time shall be determined by the valuation method approved of by the Board and set forth in the then applicable Information Statement. The duty to make calculations of Units in accordance with the Section 7.6 may be delegated by the Board to the Investment Administrator, the Custodian, or such other person as the Board may by resolution delegate in accordance with these Bylaws. In connection with any issuance of Units, the Program may issue fractional Units (rounded to the nearest one-hundredth of a Unit). The Program may from time to time divide or combine the Units of the Joint Account into a greater or lesser number without thereby changing the proportionate beneficial interests of Participants in the Joint Account. Reductions in the number of outstanding Units of the Joint Account may be made pursuant to Section 10.3 of these Bylaws. Investments to the Joint Account may be accepted for, and shall be redeemed as, whole Units and 1/100ths of a Unit or multiples thereof.

**Section 7.7. PROGRAM AGREEMENT.**

(a) The business of the Program shall be administered pursuant to the Program Agreement then in effect among the Board, the Investment Administrator, and the Custodian. The Program Agreement shall set forth the terms for the management and administration of the Program, and custody of the assets deposited by the Participants in the Program and the interest earned thereon. The Program Agreement shall be in a form consistent with the requirements of the Shared Services Act, the Local Fiscal Affairs Law, and any other applicable federal or State laws or regulations.

(b) The Participants by the affirmative vote of the holders of at least two-thirds (2/3) of the aggregate number of outstanding Units may amend the Program Agreement at any time. However, the Program Agreement shall be deemed amended if in the opinion of Program Counsel such amendment is necessary to conform the Program Agreement to the requirements of applicable federal or State laws or regulations. No amendment to the Program Agreement shall take effect until ten (10) days after the giving of notice to Participants as provided in the Program Agreement.

**Section 7.8. INFORMATION STATEMENT.** The Program and its investments shall be described to Participants and prospective Participants by means of a current Information Statement which shall be prepared and supplemented, if necessary, by the Investment Administrator, and shall be reviewed and approved by Program Counsel prior to dissemination to the Participants and the Board. The Investment Administrator shall prepare and supplement, if necessary, the Information Statement in accordance with these By-Laws and the Program Agreement.

**Section 7.9. REGISTER OF UNITS; NO CERTIFICATES.** The Investment Administrator shall maintain a register of the names and addresses of the Participants and the number of Units held by them respectively, in accordance with the terms of Article VIII hereof (the “**Register**”). The Register shall be conclusive as to who are the holders of the Units of beneficial interest in the Joint Account and who shall be entitled to receive dividends or distributions or otherwise to exercise or enjoy the rights of Participants. No certificates will be issued for the Units.

**Section 7.10. TRANSFER OF UNITS.** Units shall be non-transferable except as permitted by these By-Laws. The beneficial interests measured by the Units shall not be transferable, in whole or in part, other than to a Local Government, or the Program itself for purposes of redemption. Any attempted transfer of a Unit that is not permitted by these By-Laws shall be void and of no effect.

## **ARTICLE VIII REGISTER OF UNITS**

**Section 8.1. UNIT REGISTER.** The Register shall be kept by the Investment Administrator under the direction of the Board of Directors and shall contain: (i) the names and addresses of the Participants (including both a post office address for regular United States mail and a valid electronic mail address), (ii) the number of Units representing their respective beneficial interests, and (iii) a record of all allocations and redemptions thereof. The Register shall be conclusive as to who are the holders of the Units of beneficial interest in the Portfolios and who shall be entitled to receive dividends or distributions or otherwise to exercise or enjoy the rights of Participants. Only Participants whose allocation of Units are recorded on the Register shall be entitled to receive distributions with respect to Units or otherwise to exercise or enjoy the rights and benefits related to the beneficial interests represented by the Units. No Participant shall be entitled to receive any distribution, nor to have notices given to it as herein provided, until it has given its appropriate address to the Investment Administrator. The Register shall be conclusive as to who are the holders of the Units of beneficial interest in Portfolios and who shall be entitled to receive dividends or distributions or otherwise to exercise or enjoy the rights of Participants. A copy of the Register kept current at all times and shall be made available to the Custodian who shall be entitled to rely thereon.



**Section 8.2. REGISTRAR.** The Board of Directors shall have full and complete power to employ or appoint a registrar (the “**Registrar**”). Unless otherwise determined by the Board of Directors the Register shall be kept by the Investment Administrator, who shall serve as the Registrar for the Program. The Registrar shall record the original allocations of Units in the Register. Such Registrar shall perform the duties usually performed by registrars of certificates and Units of stock in a corporation, except as such duties may be modified by the Board of Directors.

**Section 8.3. OWNER OF RECORD.** No Person becoming entitled to any Units in consequence of the merger, reorganization, consolidation, bankruptcy or insolvency of any Participant or otherwise, by operation of law, shall be recorded as the Participant to which such Units are allocated and shall only be entitled to the redemption value of such Units. Until the Person becoming entitled to such redemption value shall apply for the payment thereof and present any proof of such entitlement as the Board of Directors may in their sole discretion deem appropriate, the Participant of record to which such Units are allocated shall be deemed to be the Participant to which such Units are allocated for all purposes hereof, and neither the Board of Directors nor the registrar nor any officer or agent of the Program shall be affected by any notice of such merger, reorganization, consolidation, bankruptcy, insolvency or other event.

**Section 8.4. LIMITATION OF FIDUCIARY RESPONSIBILITY.** The receipt of the Participant in whose name any Unit is recorded or of any party or agent in whose name any Unit is recorded for the benefit of the Participant shall be a sufficient discharge for all moneys payable or deliverable in respect of such Units and from all liability to see to the proper application thereof.

**Section 8.5. NOTICES.** Any and all notices to which Participants are hereunder entitled and any and all communications shall be deemed duly served or given if (a) mailed, postage prepaid, addressed to Participants of record at their last known post office addresses, or (b) sent by electronic mail addressed to the Participants of record at their last known electronic mail address, in each case as recorded in the Register. Copies of such notices shall be provided to the Participant’s Authorized Officer.

## **ARTICLE IX REDEMPTION OF UNITS**

**Section 9.1. REDEMPTION OF UNITS.** Outstanding Units may be redeemed at the option of the Participants that are the holders thereof on any Business Day by giving notice to the Investment Administrator in the manner described in the Program’s then current Information Statement, or in such other form of request that the Board of Directors may from time to time authorize. The Investment Administrator shall cause the Program to redeem or repurchase from such Participant outstanding Units for an amount per Unit at the then net asset value as determined pursuant to Article X hereof, and in accordance with the current Information Statement. The procedures for effecting a redemption shall be as set forth in the Information Statement that is current as of the date the notice is given.

**Section 9.2. REDEMPTIONS TO EFFECT CONSTANT NET ASSET VALUE FORMULA.** The Investment Administrator may reduce the number of outstanding Units pursuant to the provisions of Section 10.3 of these By-Laws.

**Section 9.3. SUSPENSION OF REDEMPTIONS.** Each Participant agrees that, without prior notice and notwithstanding the provisions of this Article IX, the Board of Directors may, by action without a meeting, temporarily suspend the right of redemption or postpone the right of redemption for the whole or any part of any period (i) during which trading in securities generally on the New York Stock Exchange shall have been suspended, (ii) a general banking moratorium shall have been declared by federal or New Jersey State authorities, or (iii) there shall have occurred any outbreak of hostilities, or other calamity or crisis or disruption of the financial markets, the effect of any of which on the financial markets of the United States is such as to make it impracticable to dispose of securities because of the substantial losses which might be incurred or to determine the value of securities. Each Participant shall be immediately notified by telephone, electronic, or any means deemed reliable by the Investment Administrator in the event that such a suspension or postponement is commenced.

## **ARTICLE X DISTRIBUTIONS**

**Section 10.1. NET ASSET VALUE.** The net asset value of each outstanding Unit shall be determined by the Investment Administrator at the close of business each Business Day in a manner determined by the Investment Administrator as described in the current Information Statement.

**Section 10.2. DISTRIBUTIONS TO PARTICIPANTS.** Each Business Day the Investment Administrator shall determine the net income of the Portfolios, in a manner determined by the Investment Administrator as described in the current Information Statement. The Investment Administrator shall cause the Program to distribute monthly the net income of the Joint Account ratably among the Participants of the Joint Account by issuing, after deduction of all amounts payable from the Joint Account, additional Units or fractions of Units in the Joint Account in a manner consistent with the manner determined by the Investment Administrator as described in the current Information Statement.

**Section 10.3. REDUCTION OF OUTSTANDING UNITS.** It is expected that the Portfolios will have a positive net income at the time of each determination. If for any reason such net income is a negative amount, the Investment Administrator shall have authority to reduce the number of the outstanding Units. Such reduction will be effected by having each Participant proportionately contribute the necessary Units to the capital of the Joint Account or NJ/TERM Joint Investment, as applicable. Each Participant will be deemed to have agreed to such contribution in these circumstances by its investment in the Joint Account or NJ/TERM Joint Investment, as applicable.

## **ARTICLE XI GENERAL PROVISIONS**

**Section 11.1. SEAL.** The Program may adopt a corporate seal in a form approved by the Board of Directors. The Program shall not be required to use the corporate seal and the lack of the corporate seal shall not affect an otherwise valid contract or other instrument executed by the Program.

**Section 11.2. CHECKS, DRAFTS, ETC.** All checks, drafts, or other instruments for payment of money or notes of the Program shall be signed by an officer or officers or any other person or persons as shall be determined from time to time by resolution of the Board of Directors.

**Section 11.3. FISCAL YEAR.** The fiscal year of the Program shall be determined by the Board of Directors.

**Section 11.4. CONFLICT WITH APPLICABLE LAW.** These By-Laws are adopted subject to any applicable law. Whenever these By-Laws may conflict with any applicable law, such conflict shall be resolved in favor of such law.

**Section 11.5. INVALID PROVISIONS.** If any one or more of the provisions of these By-Laws, or the applicability of any provision to a specific situation, shall be held invalid or unenforceable, such provision shall be modified to the minimum extent necessary to make it or its application valid and enforceable, and the validity and enforceability of all other provisions of these By-Laws and all other applications of any provision shall not be affected thereby.

**Section 11.6. EMERGENCY BY-LAWS.** The Board of Directors may adopt emergency by-laws, subject to repeal or change by action of the Participants. Emergency by-laws shall be operative during any emergency in the conduct of the business of the Program resulting from an attack on the United States or any nuclear or atomic disaster. The emergency by-laws may contain such provisions as may be deemed practical and necessary for the circumstances of the emergency. To the extent not inconsistent with any emergency by-laws so adopted, these By-Laws shall remain in effect during any such emergency and upon its termination the emergency by-laws shall cease to be operative. No officer, director, or employee acting in accordance with any emergency by-laws shall be liable except for willful misconduct. No officer, director, or employee shall be liable for any action taken by him in good faith in such an emergency in furtherance of the ordinary business affairs of the Program even though not authorized by these By-Laws.

## **ARTICLE XII AMENDMENT OF BY-LAWS**

**Section 12.1. PARTICIPANTS.** The Participants shall have the power to adopt, amend, repeal, or otherwise alter these By-Laws by the affirmative vote of the holders of at least a majority of the aggregate number of outstanding Units. The Participants in adopting, amending, repealing, or otherwise altering a particular by-law may provide expressly that the Board of Directors may not amend, repeal, or otherwise alter that by-law.

**Section 12.2. BOARD OF DIRECTORS.** The Board of Directors shall also have the power to adopt, amend, repeal, or otherwise alter these By-Laws with or without Participant approval, subject to any by-law adopted by the Participants that reserves the power exclusively to the Participants or otherwise restricts the authority of the Board of Directors. By-Laws so made, amended, repealed, or otherwise altered by the Board of Directors may be further amended, repealed, or altered by the Participants.