

39



City of West Allis Matter Summary

7525 W. Greenfield Ave.
West Allis, WI 53214

File Number	Title	Status
-------------	-------	--------

R-2011-0145 Resolution Introduced

Resolution relative to the City of West Allis approval of the Amended and Restated Wisconsin CLASS Intergovernmental Agreement for continued participation in the Wisconsin CLASS Investment Group.

Introduced: 6/7/2011

Controlling Body: Administration & Finance Committee

Sponsor(s): Administration & Finance Committee

COMMITTEE RECOMMENDATION *adopt*

ACTION DATE:	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED
<u>JUN 07 2011</u>			Barczak				
			Czaplewski				
			Kopplin	✓			
			Lajsic				✓
			Narlock	✓			
		X	Reinke	✓			
			Roadt				
			Sengstock				
			Vitale	✓			
		Weigel					
		TOTAL		4	1		1

SIGNATURE OF COMMITTEE MEMBER

Kurt Kopplin
 Chair Vice-Chair Member

COMMON COUNCIL ACTION

ADOPT

ACTION DATE:	MOVER	SECONDER		AYE	NO	PRESENT	EXCUSED
<u>JUN 07 2011</u>		✓	Barczak	✓			
			Czaplewski	✓			
		✓	Kopplin	✓			
			Lajsic				✓
			Narlock	✓			
			Reinke	✓			
			Roadt	✓			
			Sengstock	✓			
			Vitale	✓			
		Weigel	✓				
		TOTAL		9			1

P2
Gary
Rosemary

STANDING COMMITTEES OF THE CITY OF WEST ALLIS COMMON COUNCIL

ADMINISTRATION & FINANCE

Chair: Kurt E. Kopplin
Vice-Chair: Vincent Vitale
Thomas G. Lajsic
Richard F. Narlock
Rosalie L. Reinke

PUBLIC WORKS

Chair: Gary T. Barczak
Vice-Chair: Martin J. Weigel
Michael J. Czaplewski
Daniel J. Roadt
James W. Sengstock

SAFETY & DEVELOPMENT

Chair: Thomas G. Lajsic
Vice-Chair: Richard F. Narlock
Kurt E. Kopplin
Rosalie L. Reinke
Vincent Vitale

LICENSE & HEALTH

Chair: Michael J. Czaplewski
Vice-Chair: James W. Sengstock
Gary T. Barczak
Daniel J. Roadt
Martin J. Weigel

ADVISORY

Chair: Rosalie L. Reinke
Vice-Chair: Daniel J. Roadt
Kurt E. Kopplin
Richard F. Narlock
Vincent Vitale



City of West Allis

7525 W. Greenfield Ave.
West Allis, WI 53214

Resolution

*Per Jeanette
per PZ
neither document
needs to be
signed*

File Number: R-2011-0145

Final Action:
JUN 07 2011

Resolution relative to the City of West Allis approval of the Amended and Restated Wisconsin CLASS Intergovernmental Agreement for continued participation in the Wisconsin CLASS Investment Group.

WHEREAS, the Common Council of the City of West Allis in 1996 had authorized the City's participation in the Wisconsin CLASS Municipal Investment Pool; and,

WHEREAS, the original organizational documents consisted of three (3) agreements: an Intergovernmental Agreement, a Program Administration Agreement, and a Custodial Agreement; and,

WHEREAS, those original documents are being consolidated into one new, amended and restated intergovernmental agreement; and,

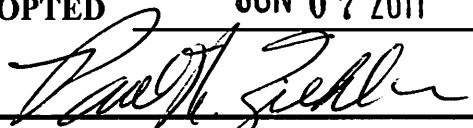
WHEREAS, the new agreement has been created in order to have a simplified, more easily understood, unified, and streamlined document to assist in marketing, increased participation, and improved financial results; and,

WHEREAS, it is in the best interest of the City of West Allis to continue to participate in this intergovernmental investment pool as one of many options for the investment of City funds.

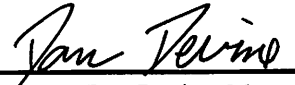
NOW, THEREFORE, BE IT RESOLVED by the Common Council of the City of West Allis that the attached Amended and Restated Wisconsin CLASS intergovernmental Agreement be approved.

BE IT FURTHER RESOLVED that the proper City officials are hereby authorized and directed to take such appropriate actions to execute the applicable documents on behalf of the City providing for continued participation in the Wisconsin CLASS Investment Pool.

ADM\ORDRES\ADMR411

ADOPTED JUN 07 2011


Paul M. Ziehler, City Admin. Officer, Clerk/Treas.

APPROVED 6/14/11


Dan Devine, Mayor



BRIEFING PAPER ON INTERGOVERNMENTAL AGREEMENT AMENDMENT

ISSUE: The Wisconsin CLASS Executive Committee is recommending to all Participants that the Intergovernmental Agreement which governs the operation of Wisconsin CLASS be amended and restated in its entirety. Pursuant to Section 8.1(a) of the Intergovernmental Agreement, any amendment must be approved by the Program Administrator, the Custodian and a majority of the Participants.

BACKGROUND: Wisconsin Statutes allow certain local government and other entities to enter into cooperative agreements and delegate their investment authority over funds not immediately needed to certain qualifying institutions. Wis. Stat. § 66.0301(2) and 66.0603(2). The Wisconsin CLASS Intergovernmental Agreement is such a cooperative agreement which vests each Participant's investment authority in the Custodian. The initial Intergovernmental Agreement was dated March 1, 1996, amended on January 1, 2005 ("2005 Amendment") and was further amended on March 17, 2010. Under the March 1, 1996 Agreement, the Lead Participant (City of West Allis) entered into two agreements. The first was a Custodial Agreement pursuant to which the Custodian is obligated to be the custodian for securities and other investments purchased on behalf of the Participants. The current custodian for the Program is Wells Fargo. The second agreement was a Program Administration Agreement pursuant to which a Program Administrator was hired to administer the Program. The initial Program Administrator was MBIA Municipal Investors, which after extensive corporate reorganization is today known as Cutwater Investor Services Corp. ("CISC").

The original Intergovernmental Agreement established a Board of Representatives consisting of one board member designated by each Participant. As the number of Participants grew the board structure and functioning became unwieldy making it difficult to obtain necessary quorums and efficiently run the Program. To address these issues, the Participants passed the 2005 Amendment which substantially lowered the Board of Representatives quorum requirements and created an Executive Committee to act on behalf of the Board of Representatives when not in session.

NEW AGREEMENT: Over a year ago the Executive Committee began a review of the Intergovernmental, Custodial and Program Administration Agreements. There remained lingering concerns about the unwieldy nature of the Board of Representatives. The existing Agreements, in places, were unclear about the relationships between the Board of Representatives, Executive Committee, Program Administrator and Custodian. Similar questions arose concerning the obligations and duties of each group or party in Wisconsin CLASS. In short, these governance agreements were found to be confusing, unwieldy and unclear about various parties' roles, duties and obligations. The Executive Committee decided to streamline the Wisconsin CLASS governance agreements for the following reasons:

- To create a single simplified agreement
- Easier for Participants and potential Participants to understand
- Unified document will be helpful for marketing purposes
- Streamlined governance decreases costs
- To help increase participation in Wisconsin CLASS
- Increased participation leads to better financial results

The new document is entitled "Amended and Restated Wisconsin CLASS Intergovernmental Agreement." Because the new document is an amendment of the existing Intergovernmental Agreement, a vote by a majority of Participants pursuant to Section 8.1(a) of the existing Intergovernmental Agreement is necessary to approve the Amended and Restated Intergovernmental Agreement. **This vote will take place at a Participants' Meeting, scheduled for Friday, May 13, 2011 in Madison.** Following are the major provisions or changes embodied in the Amended and Restated Intergovernmental Agreement:

1. Combines Intergovernmental, Custodial and Program Administration Agreements into one document;
2. Eliminates the Lead Participant;
3. Eliminates the Executive Committee;
4. Creates a Board of Directors which is elected annually by the Board of Representatives;
5. The existing Executive Committee becomes the initial Board of Directors;
6. The Board of Directors will be made up of up to 15 Representatives with staggered three year terms;
7. Creates a new class of participant called the Zero Balance Participant. Zero Balance Participants are not eligible to vote on any matter before the Board of Representatives and are not included for purposes of calculating a quorum;
8. The quorum requirement for the Board of Representatives is significantly reduced;
9. Adds a requirement that each Participant identify an alternative Representative in addition to the principle Representative;
10. CISC is appointed as the Program Administrator;
11. Wells Fargo N.A. is appointed as Custodian;
12. Clarifies Program Administrator's role concerning investment strategy as one of advisor to the Custodian;
13. Amendments of the new agreement require approval of the Board of Directors, Custodian and Program Administrator; and
14. A Participant is now required to take all necessary actions and get all necessary approvals before a Representative votes to authorize continuation of the Agreement at the annual meeting.

**AMENDED AND RESTATED
WISCONSIN CLASS
INTERGOVERNMENTAL AGREEMENT**

Dated as of _____, 2011
by and among

The Wisconsin Participants that have
entered into this Intergovernmental Agreement,
the Program Administrator and Custodian

TABLE OF CONTENTS

	<u>Page</u>
Article I. DEFINITIONS	2
1.1 Definitions	2
Article II. PARTICIPANTS.....	4
2.1 Investments	4
2.2 Payments.....	4
2.3 Additional Participants After Initial Execution	5
2.4 Termination of Participation; Suspension of Voting Rights	6
2.5 Statements and Reports; Requests	6
Article III. BOARD OF REPRESENTATIVES; BOARD OF DIRECTORS; OFFICERS	7
3.1 Designation of Representative; Qualification; Board of Representatives	7
3.2 Board of Directors	8
Article IV. PROGRAM ADMINISTRATOR	9
4.1 Appointment; General Provisions	9
4.2 Monthly Statements	10
4.3 Reports	10
4.4 Investment Activities and Powers.....	10
4.5 Daily Calculation of Program Value and Rate of Return.....	11
4.6 Administration of Program.....	11
4.7 Resignation and Removal	12
4.8 Liability and Indemnification	12
4.9 Power to Receive Investment Advice	13
4.10 Advice to Other Clients	13
4.11 Special Sub-accounts	13
4.12 Program Name	14
4.13 Program Costs and Expenses.....	14
4.14 Expenses	14
Article V. THE CUSTODIAN.....	14
5.1 Appointment and Acceptance; Sub-Custodians	14
5.2 Resignation and Removal; Successors.....	15
5.3 Powers.....	15
5.4 Custodial Relationship; Custodial Records.....	17
5.5 Reliance on Instructions.....	18
5.6 Degree of Care; Indemnification.....	18

5.7	Subrogation	19
5.8	Insurance.....	19
5.9	Setoff	20
5.10	Power to Invest.....	20
5.11	Advice to Other Clients	20
5.12	Expenses.....	20
5.13	Payment of Program Administrator's Fee.....	20
Article VI.	REPRESENTATIONS AND WARRANTIES.....	20
6.1	Representation and Warranties of Each Participant.....	21
6.2	Representation and Warranties of the Program Administrator	21
6.3	Representation and Warranties of the Program Custodian	22
Article VII.	COVENANTS	22
7.1	Source of Investments	22
7.2	Truth of Representations and Warranties.....	22
7.3	Annual Reauthorization.....	22
Article VIII.	AMENDMENT AND TERMINATION.....	22
8.1	Amendment	22
8.2	Termination.....	23
Article IX.	MISCELLANEOUS	24
9.1	Governing Law.....	24
9.2	Counterparts.....	24
9.3	Severability	24
9.4	Gender; Section Headings and Table of Contents	24
9.5	No Assignment	24
9.6	No Partnership.....	24
9.7	Notice	24
9.8	Entire Agreement.....	25
9.9	Confidentiality	25
9.10	Disputes.....	25
9.11	Majority of Participants, the Board of Representatives or Board of Directors	25
9.12	Writings.....	26
9.13	Effective Date	26

This Intergovernmental Agreement dated as of _____, 2011 (the "Agreement") is by and among the Wisconsin governmental and public entities that have executed this Agreement or that have or will execute counterparts of this Agreement, Participation Certificates or the Prior Intergovernmental Agreement (collectively, the "Participants"), the Program Administrator and the Custodian.

WHEREAS, each Participant is permitted and has the power pursuant to Wis. Stat. § 66.0603 and its own local laws to invest certain of its funds; and

WHEREAS, Wis. Stat. § 66.0301 authorizes the Participants to exercise a power jointly pursuant to a written agreement authorized by ordinance or resolution of the Participants; and

WHEREAS, each Participant will receive a substantial benefit by agreeing to exercise such investment power jointly and invest such funds in concert with the other Participants pursuant to an agreement as authorized by Wis. Stat. § 66.0301 because of economies of scale; and

WHEREAS, the Participants desire to enter into an intergovernmental agreement to create a joint investment program and this Agreement shall set forth the terms for such joint investment program (the "Program"); and

WHEREAS, it is in the best interests of the Participants for each Participant to appoint a Representative to the Board of Representatives, which Board of Representatives shall annually elect the Board of Directors; and

WHEREAS, the Program will be benefited and made more efficient if the funds to be invested in concert are held by one entity, the Custodian, which will hold such securities for the benefit of the Program; and

WHEREAS, the Program will be benefited and made more efficient if the investment strategy and the process of selecting investments are coordinated by the Program Administrator, who shall advise the Custodian regarding investments for the Participants; and

WHEREAS, the Program will be benefited and made more efficient if the record-keeping and other administrative functions are performed by the Program Administrator; and

WHEREAS, the Program will be benefited and made more efficient if the Custodian and the Program Administrator are selected and supervised by the Board of Directors.

WHEREAS, the Program will be benefited by the Custodian and Program Administrator entering into an investment advisory agreement whereby the Program Administrator will provide advice to the Custodian on investment transactions consistent with Investment Criteria ("Investment Advisory Agreement").

WHEREAS, this Agreement is intended to amend and restate in full the Prior Intergovernmental Agreement, Custodial Agreement and Program Administration Agreement into one document.

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

ARTICLE I.
DEFINITIONS

1.1 Definitions. Except as otherwise expressly provided or unless the context otherwise requires, capitalized terms in this Agreement shall have the following meanings:

"Account" shall have the meaning set forth in Section 5.3(a)(i) hereof.

"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.

"Balance" for each Participant means an amount initially equal to zero that is adjusted pursuant to Article II hereof to reflect, among other things, cash investment by such Participant, cash payments to such participant, investment results and expenses and fees incurred pursuant to this Agreement.

"Board of Representatives" means collectively the Representatives appointed by each of the Participants pursuant to Section 3.1(a) hereof.

"Board of Directors" means the board of directors elected by the Board of Representatives pursuant to Section 3.1(c) hereof.

"Business Day" means a day on which banks are not required or authorized by law to close in Wisconsin.

"Conflicting Provisions" shall have the meaning set forth in Section 9.3 hereof.

"Custodial Agreement" means the Custodial Agreement dated as of March 1, 1996 as amended.

"Custodian" means Well Fargo Bank, N.A., or any subsequent Person or subsequent Persons appointed, employed or contracted with by the Board of Directors pursuant to Section 3.2(c) hereof.

"Effective Date" means the date on which this Agreement is approved as an amendment to the Prior Intergovernmental Agreement pursuant to Section 8.1 thereof.

"For Cause" shall mean any of the following, as determined in the good faith discretion of the Board of Directors: (i) Custodian or Program Administrator has committed negligence, willful misconduct or any violation of law in the performance of Custodian's or Program Administrator's duties under this Agreement; (ii) Custodian or Program Administrator has taken action likely to result in material discredit to or material loss of business, reputation or goodwill of the Program; (iii) Custodian or Program Administrator has willfully failed to follow reasonable instructions from the Board of Directors; (iv) Custodian or Program Administrator has committed a felony deemed by the Board of Directors to be adverse to the Program's best interests or reputation; (v) Custodian or Program Administrator has misappropriated funds or property of the Program; (vi) Custodian or Program Administrator has attempted to obtain a personal profit from any transaction in which the Program has an interest, and which represents the opportunity of the Program or is adverse to the interests of the Program, unless the transaction was approved in writing by the Board of Directors after full disclosure of all details relating to the transaction; (vii) Custodian or Program Administrator has breached a material provision of this Agreement;

(viii) the repeated failure by the Custodian or Program Administrator to substantially perform its duties hereunder.

"Investment Criteria" shall mean the investment criteria set forth on Exhibit A attached hereto as amended from time to time by the Board of Directors.

"Investment Funds" means immediately available funds delivered by a Participant to the Custodian pursuant to Section 2.1 of this Agreement.

"Investment Procedures" means the procedures for making investments in the Investment Property set forth in Exhibit B attached hereto.

"Investment Property" means any and all securities, cash and other personal property, tangible or intangible, which is transferred, conveyed or paid to the Program pursuant to Section 2.1 hereof or otherwise and all proceeds, income, profits and gains therefrom that have not been distributed to a Participant pursuant to Section 2.2 hereof, used to discharge an Investment Property Liability or offset by losses and expenses. Notwithstanding anything to the contrary, the Participants shall not attempt to transfer interests in real estate to the Program. Investment Property shall not include securities purchased in anticipation of the delivery of funds when such funds are not actually received by the Program by the anticipated delivery date, and any such securities may be immediately sold and the proceeds used to pay any Person that did in fact provide monies to purchase such securities.

"Investment Property Liability" means any liability (whether known, unknown, actual, contingent or otherwise) incurred in connection with the Investment Property pursuant to this Agreement being paid by the Program Administrator or specified in this Agreement as being paid directly by a Participant.

"Investment Property Value" means the value of the Investment Property net of the amount of the Investment Property Liabilities as determined pursuant to this Agreement and the Valuation Procedures.

"Participants" means a county, city, village, town, school district, drainage district, technical college district or other governing board as defined in Wis. Stat. § 34.01(1) and any other entity authorized under the Wisconsin statutes that has entered into this Agreement

"Participation Certificate" means a certificate entered into pursuant to Section 2.3 hereof substantially in the form of Exhibit C attached hereto.

"Payment Procedures" means the procedures for requesting payment out of the Investment Property set forth in Exhibit D attached hereto.

"Person" means any municipal corporation, district, corporation, national association, natural person, firm, joint venture, partnership, trust, unincorporated organization, group, government, or any political subdivision, department, board, commission, instrumentality or agency of any governmental entity.

"Prior Intergovernmental Agreement" means the Intergovernmental Agreement dated as of March 1, 1996 as amended pursuant to the First Amendment to Intergovernmental Agreement dated January 1, 2005, as further amended pursuant to the Second Amendment to Intergovernmental Agreement dated March 17, 2010 by and among certain Wisconsin governmental entities.

"Program" means the joint investment program created by this Agreement.

"Program Administrator" means Cutwater Investor Services Corp. ("CISC") or any subsequent Person or subsequent Persons appointed, employed or contracted with by the Board of Directors.

"Representative" means those persons who have been designated as Representatives by the Participants pursuant to Section 3.1(a) hereof.

"Valuation Procedures" means the procedures for determining the value of the Investment Property set forth in Exhibit E attached hereto.

"Wisconsin Open Meetings Law" shall have the meaning set forth in Section 3.1 (f) hereof.

"Zero Balance Participant" means a Participant (i) with a zero Balance on the thirtieth day before any vote by the Board of Representatives pursuant to this Agreement and (ii) that has not provided a notice of withdrawal pursuant to Section 2.4 (a) hereof.

ARTICLE II. PARTICIPANTS

2.1 Investments.

(a) Each Participant shall have the right from time to time to invest Investment Funds for credit to such Participant's Balance. A Participant that wishes to make such an investment shall notify the Program Administrator and follow the Investment Procedures. Upon such investment in accordance with the Investment Procedures, the Participant shall have an undivided beneficial interest in the Investment Property to the extent of such Participant's Balance.

(b) The Program Administrator shall adjust the Balance of a Participant to reflect an investment of Investment Funds by such Participant by an amount equal to the amount of funds invested.

(c) No later than the end of the next Business Day after a Participant has made an investment of Investment Funds through the Program, the Custodian shall deliver a confirmation to the Program Administrator and the Program Administrator shall retain the confirmation in its records.

(d) Any funds that do not meet the conditions set forth in Section 7.1(f) hereof shall be returned to the Participant investing such funds. Such Participant shall bear all of the costs and liabilities associated with the return of such funds.

(e) There is no maximum or minimum amount that must be invested pursuant to this Agreement nor is there any maximum or minimum limitation on the aggregate amount of Investment Funds that any Participant may have invested at any one time. Except as provided in the Investment Criteria, there shall be no limitation on the period of time the Investment Funds must be invested pursuant to this Agreement.

2.2 Payments.

(a) Each Participant shall have the right from time to time to request, in accordance with the Payment Procedures, that the Program Administrator notify the Custodian to pay to the Participant and upon such notice Custodian shall pay the Participant (by the transfer of the proceeds received upon the sale or maturity of securities of the Program held by the Custodian), or on its behalf, any amount (rounded to the nearest whole cent) that is less than or equal to the Participant's Balance at the time that payment is made pursuant to such request.

(b) Whenever any payment is made to, or on behalf of, any Participant pursuant to this Section, the Program Administrator shall adjust such Participant's Balance to reflect the amount of such payment.

(c) Each Participant agrees that, without prior notice, the right to payments may be temporarily suspended or postponed for the whole or any part of any period (i) during which trading in fixed income securities generally in any national trading market shall have been suspended or minimum prices or maximum daily charges shall have been established on such market, (ii) a general banking moratorium shall have been declared by federal or Wisconsin 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 impracticable (x) to dispose of the Investment Property because of the substantial losses which might be incurred or (y) to determine the Investment Property Value in accordance with the Valuation Procedures from time to time. The Custodian and each Participant shall be notified as soon as practicable, orally or in writing, by the Program Administrator 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's Balance. Such a suspension or postponement shall take effect at such time as is determined by the Program Administrator, and thereafter there shall be no right to request or receive payment until the first to occur of; (aa) in the case of (i) or (ii) above, the time at which the Program Administrator declares the suspension or postponement at an end, which declaration shall occur on the first day on which the period specified in clause (i) or (ii) above shall have expired; and (bb) in the case of (iii) above, the end of the first day on which the period specified in clause (iii) above is no longer continuing as determined by the Program Administrator. 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. Notwithstanding anything contained in this Section 2.2(c) to the contrary, if during a suspension or postponement period, a Participant demands in writing the right to receive a payment and it is not impossible to accommodate such demand, the Program Administrator shall make all reasonable efforts to effectuate such payment demand.

(d) If the right to request payments is temporarily suspended or postponed pursuant to Section 2.2(c), and a payment request is withdrawn, the Custodian agrees to effectuate the withdrawal of the payment request pursuant to the instructions of the Program Administrator.

2.3 Additional Participants After Initial Execution. Any governmental or public entity of the State of Wisconsin specified in the definition of "Participant" herein that has the authority to enter into this Agreement pursuant to Wisconsin law that wishes to become a party to this Agreement after the Effective Date may do so by executing a Participation Certificate and delivering the original executed Participation Certificate to the Program Administrator. Any entity that becomes a Participant pursuant to this Section 2.3 shall have the same rights and obligations hereunder as the other Participants.

2.4 Termination of Participation; Suspension of Voting Rights.

(a) Any Participant may withdraw from this Agreement at any time upon written notice to the Program Administrator. Upon its withdrawal from this Agreement, a Participant shall cease to have any rights or obligations under this Agreement except for any obligation, arising on or before the date of withdrawal. A notice of withdrawal shall be deemed to constitute a request under the Payment Procedures that an amount equal to the requesting Participant's entire Balance as of the date of such notice be paid to such Participant. No withdrawal from this Agreement shall become effective until such Participant's Balance is equal to zero, and until such time, except as specified in Section 2.4 (c), such Participant shall continue to possess all the rights, and be subject to all the obligations, arising from this Agreement.

(b) Any Participant that breaches any material covenant contained in Article VII hereof or for which any of the representations contained in Article VI hereof ceases to be true shall be deemed to have given a notice of withdrawal pursuant to Section 2.4(a) hereof immediately upon such breach or cessation, but shall not be deemed to have requested the payment of its Balance unless and until it either makes an actual payment request pursuant to the Payment Procedures or the Program Administrator, after consulting with the Board of Directors, determines that such a breach or cessation has occurred and directs that the Participant's Balance be paid to the Participant.

(c) A Zero Balance Participant shall have no right to participate in any vote of the Board of Representatives pursuant to this Agreement.

2.5 Statements and Reports; Requests.

(a) The Program Administrator shall provide to each Participant a copy of the statements prepared pursuant to Section 4.2 hereof on a monthly basis and the reports prepared pursuant to Section 4.3 hereof applicable to such Participant on an annual basis.

(b) Each Participant may direct and the Program Administrator shall provide a statement of the Participant's Balance as of the date of the request. The Program Administrator shall provide such statement, subject only to account activity as of such date.

(c) The Program Administrator shall maintain records relating to each Participant in a manner that records the Participant's Balance as one or more accounts or sub-accounts to accommodate the desire of such Participant to segregate a portion of its Investment Funds. The Program Administrator shall maintain a separate record for each Participant and shall record the individual transactions involving each such Participant and allocate the Participant's Balance by sub-account if requested by the Participant.

(d) No later than the end of each Business Day, the Custodian shall deliver a confirmation of transaction activity for the Program for the prior Business Day to the Program Administrator. At the end of each month, the Custodian shall deliver to the Program Administrator (i) a summary of the transaction history for the Program for such month and (ii) a statement of the Investment Property as of the end of such month.

(e) No Participant shall be entitled to any reports or statements applicable solely to another Participant.

ARTICLE III.
BOARD OF REPRESENTATIVES; BOARD OF DIRECTORS; OFFICERS

3.1 Designation of Representative; Qualification; Board of Representatives.

(a) Each Participant shall designate a Representative and an alternative Representative ("Alternative Representative") to act for the Participant hereunder for all purposes, including, without limitation, to give consent on behalf of the Participant and to receive notices on behalf of the Participant. Such Representative or Alternative Representative shall be a person that is empowered by the statutes of the State of Wisconsin or the charter, ordinances or other rules or regulations of the Participant to direct the investment of such Participant's Investment Funds. The Representatives, in their capacity as Representatives, shall not be required to devote their entire time to their duties under this Agreement.

(b) Each Representative shall be a member of the Board of Representatives.

(c) Meetings of the Board of Representatives may be called at any time by the Program Administrator or the chairperson of the Board of Directors and all meetings shall be chaired by the chairperson of the Board of Directors. Meetings of the Board of Representatives shall be called by the Program Administrator upon the request of at least two Representatives, as applicable, on at least 48 hours' notice to each Representative and shall be held at the time and place and for the purposes stated in the call of the meeting. There shall be one meeting of the Board of Representatives annually ("Annual Meeting") at which meeting the Board of Representatives shall (i) elect the Board of Directors, and (ii) taking into account the recommendation of the Board of Directors made pursuant to Section 3.2 (d) hereof, determine whether this Agreement should be renewed and kept in effect. A Representative may participate telephonically in a meeting of the Board of Representatives provided that each Representative is able to hear the deliberations of the other Representatives and such other Representatives are able to hear such Representative simultaneously and the meeting otherwise meets all requirements of the Wisconsin Open Meetings Law. A quorum for the transaction of business at a Board of Representatives meeting shall be ten percent (10%) of the Representatives eligible to vote. If a quorum is present the act of the majority shall be the act of the Board of Representatives. Any Representative that is unable to attend the Annual Meeting may provide a written proxy on the matters to be voted on at the meeting to the chairperson of the Board of Directors. Proxies may be counted for purposes of determining a quorum.

(d) Each Representative shall remain on the Board of Representatives until the first to occur of: (i) the Representative's resignation, (ii) the Representative being removed by the Representative's Participant, (iii) the Representative's death, (iv) the Representative's being adjudicated incompetent or otherwise losing the capacity to discharge the duties of the office of a Representative or (v) the Representative's ceasing to satisfy the criteria set forth in the second sentence of Section 3.1(a) hereof.

(e) If any Representative resigns or is removed or otherwise ceases to serve, the Alternative Representative shall act as the Representative until the Participant designates a successor Representative who satisfies the criteria set forth in the second sentence of Section 3.1(a) hereof. The designation by a Participant of a new individual as a Representative shall be deemed to remove any incumbent Representative appointed by such Participant. The new Representative shall communicate contact information to the Program Administrator for the purposes of the list required under Section 4.6 (f) hereof.

(f) Notwithstanding anything contained in this Agreement, the Board of Representatives shall comply with any applicable provisions of Subchapter V of Chapter 19 of the Wisconsin Statutes (the "Wisconsin Open Meetings Law").

(g) The expenses of each Representative attending a meeting of the Board of Representatives shall be borne by its Participant.

3.2 Board of Directors.

(a) The Board of Directors shall provide overall supervision of the Program created by this Agreement and shall act as the liaison between the Participants, the Program Administrator and the Custodian. The Board of Directors shall have all necessary powers to administer the affairs of the Program.

(b) The Board of Directors shall have the power to enter into contracts to effectuate the terms of this Agreement.

(c) The Board of Directors shall have the power to select and remove all of the consultants to the Program, including without limitation, the Program Administrator and the Custodian, and any other contractual arrangements for the provision of services with such consultants containing such terms as the Board of Directors believes are necessary or appropriate to enhance the Program.

(d) The Board of Directors shall review the performance of the Program Administrator and the Custodian annually and make a recommendation to the Board of Representatives at the Annual Meeting whether to renew and keep in effect this Agreement.

(e) (i) The Board of Directors shall be made up of no more than fifteen (15) Representatives of the Participants. The term of office for each director shall be three (3) years and directors shall serve staggered terms so that one-third (1/3) of directors are elected each year at the Annual Meeting.

(ii) The Board of Directors shall be composed as follows:

(x) five (5) directors, consisting of one (1) Representative from each district shown on Exhibit H attached hereto; and

(y) the remaining directors shall be at large members.

(iii) On the Effective Date of this Agreement the existing Executive Committee under the Prior Intergovernmental Agreement shall become the Board of Directors under this Agreement. The terms for each of the initial board members shall be as set forth on Exhibit I attached hereto. At the next annual meeting after the Effective Date the Board of Representatives shall elect new directors to fill expiring directors terms and new directors to increase the overall number of directors to fifteen (15).

(f) The Board of Directors shall select by majority vote a chairperson and such other officers of the Board of Directors, including, without limitation, a vice chairperson and a secretary, as the Board of Directors deem appropriate. The chairperson of the Board of Directors shall have all of the powers specifically set forth for such office in this Agreement. In the absence of the chairperson, the vice chairperson, if any, shall have the power to act in the place of the chairperson. In addition to any delegation of authority to the chairperson of the

Board of Directors as provided herein, the Board of Directors may also delegate any authority granted to it hereunder to a subcommittee made up of other directors.

(g) Meetings of the Board of Directors may be called by the Program Administrator or the chairperson of the Board of Directors at any time. Meetings of the Board of Directors shall be called by the Program Administrator upon the request of at least two directors on at least 48 hours' notice to each director and shall be held at the time and place and for the purposes stated in the call of the meeting. A director may participate in a meeting of the Board of Directors telephonically provided that such director is able to hear the deliberations of the other directors and such directors are able to hear such director, simultaneously.

(h) If any director resigns or is removed or otherwise ceases to serve, the Participant associated with that director shall designate a successor director for the remainder of the departing director's term provided, however, if the Participant has not designated a successor within thirty (30) days of the applicable director's departure, the Chairperson of the Board of Directors shall appoint the new director consistent with the requirements of subsection (e)(ii) above.

(i) Notwithstanding anything contained in this Agreement, the Board of Directors shall comply with any applicable provisions of the Wisconsin Open Meetings Law.

(j) The expenses of each director attending a meeting of the Board of Directors shall be reimbursed by the Program.

ARTICLE IV. PROGRAM ADMINISTRATOR

4.1 Appointment: General Provisions.

(a) CISC shall be the Program Administrator under this Agreement, subject to the overall supervision of the Board of Directors, and, with respect to implementing investment transactions, subject to the supervision of the Custodian, for the period and on the terms set forth in this Agreement.

(b) CISC accepts such appointment and agrees to render the services and to assume the obligations set forth herein, for the compensation herein provided.

(c) Subject to Section 4.4(b) hereof, it is understood that the Participants, the Board of Representatives, the Board of Directors and the Custodian delegate no investment discretion to the Program Administrator and the Program Administrator expressly refuses to accept any delegation of such discretion. Decisions concerning the scope of the Investment Criteria shall remain at all times with the Board of Directors and the daily supervision of the implementation of such Investment Criteria shall remain at all times with the Custodian pursuant to the terms of this Agreement.

(d) Except with respect to the implementation of the Investment Criteria, the Custodian shall act in accordance with the instructions of the Program Administrator who shall act in a manner consistent with this Agreement. The Program Administrator shall implement the Investment Criteria as directed by the Custodian which shall act in accordance with this Agreement. The Program Administrator shall at no time have custody of, or physical control over, any of the Investment Property. If a Participant in error delivers Investment Funds for investment in the Program to the Program Administrator instead of the Custodian, the Program

Administrator shall immediately transfer such Investment Funds to the Custodian. The Program Administrator shall not be liable for any act or omission of the Custodian, but shall be liable for the Program Administrator's acts and omissions as provided herein.

4.2 Monthly Statements.

(a) Within fifteen (15) days of the end of each month, the Program Administrator shall prepare and submit to each Participant a statement disclosing all investment activity and a closing Balance in each of the Participants' accounts and sub-accounts for such month.

(b) The Program Administrator, upon the request of a Participant, shall furnish to the Participant a statement of such Participant's Balance as of the date of such request, subject only to account activity occurring on such date after the provision of such statement.

4.3 Reports. The Program Administrator shall prepare or cause to be prepared at least annually (i) a report of operations containing a statement of the Investment Property and the Investment Property Liabilities and statements of operations and of net changes in net assets prepared in conformity with generally accepted accounting principles consistently applied and (ii) an opinion of an independent certified public accountant on such financial statements based on an examination of the books and records of the Program Administrator with respect to the Investment Property, performed in accordance with generally accepted auditing standards. A copy of such signed report of operations and accountant's opinion shall be delivered to the Board of Directors within ninety (90) days after the close of the period covered thereby.

4.4 Investment Activities and Powers. All investment decisions shall be made by the Custodian. Subject to the foregoing, the Program Administrator shall perform the following services:

(a) advise the Board of Directors and the Custodian generally concerning investments which appear to the Program Administrator to be advantageous to the Program consistent with the Investment Criteria and all applicable law;

(b) provide advice to the Custodian pursuant to processes and procedures to be agreed upon in the Investment Advisory Agreement between the Custodian and the Program Administrator which shall be consistent with the provisions of this Agreement;

(c) from time to time, review the Investment Criteria and, if circumstances and applicable law permit, recommend changes in such Investment Criteria to the Board of Directors;

(d) provide such advice and information to the Board of Directors and the Custodian on matters related to investments as the Board of Directors or the Custodian may reasonably request, including, without limitation, research and statistical data concerning the Investment Property and other matters within the scope of the Investment Criteria;

(e) advise whether and in what manner all rights conferred by the Investment Property shall be exercised;

(f) prepare such information and material as may be required in the implementation of the Valuation Procedures or the computation of the Balances and the preparation of any and all records and reports required by this Agreement or applicable laws;

(g) employ, consult with, obtain advice from, and exercise any of the Program Administrator's rights or powers under this Agreement, through the use of agents, including investment advisers, brokers, dealers, auditors and legal counsel (who may be counsel to the Program Administrator or the Custodian) or other advisors. Notwithstanding Section 9.9 hereof, the Program Administrator may transmit information concerning the Investment Property and the Participants to such agents; and

(h) issue instructions to the Custodian consistent with the Program Administrator's authority and duties under the Agreement, provided, however, nothing herein shall be construed to grant to the Program Administrator power to provide investment instructions to the Custodian.

4.5 Daily Calculation of Program Value and Rate of Return.

(a) The Program Administrator shall calculate the Investment Property Value once on each Business Day at the time and in the manner provided in the Valuation Procedures.

(b) Upon performing the valuation specified in Section 4.5(a) hereof, the Program Administrator shall calculate (rounding off to the nearest whole cent) the Balance of each Participant and each Balance of each of the Participants shall be adjusted proportionately so that the total Balances of all the Participants equals the Investment Property Value.

(c) For purposes of calculating the Investment Property Value, if the value of any part of the Investment Property is uncertain or contingent, the value of such part of the Investment Property shall be deemed to be equal to the amount determined from time to time by the Program Administrator.

(d) The Program Administrator shall calculate daily the rate of return earned on the Investment Property.

4.6 Administration of Program. The Program Administrator shall perform the following administrative functions:

(a) collect and maintain for such period as may be required under any applicable federal or Wisconsin law written records of all transactions affecting the Investment Property or the Balance, including, but not limited to (i) investments by and payments to or on behalf of each Participant; (ii) acquisitions and dispositions of Investment Property; (iii) pledges and releases of collateral securing the Investment Property; (iv) determinations of the Investment Property Value; (v) adjustments to the Participants' Balances; and (vi) the current Balance at the end of each month for each Participant. There shall be a rebuttable presumption that any such records are complete and accurate. The Program Administrator shall maintain the records relating to each Participant in a manner that subdivides the Participant's Balance into sub-accounts or other special accounts to accommodate the desire of such Participant to segregate a portion of its Investment Funds. Each Participant has an undivided beneficial interest in the Investment Property to the extent of such Participant's Balance. Accordingly, the beneficial interests of the Participants regarding the Investment Property shall be noted in the

records kept by the Program Administrator, and such records shall be conclusively determinative of such beneficial interests.

(b) assist in the organization of meetings of the Board of Representatives, the Board of Directors and any subcommittee of the Board of Directors, including preparation and distribution of the notices and agendas therefore;

(c) respond to all inquiries and other communications of Participants, if any, which are directed to the Program Administrator, or, if any such inquiry or communication is more properly addressed by the Custodian, referring such inquiry or communication to a responsible officer of the Custodian and coordinating the Custodian's response thereto;

(d) pay all Investment Property Liabilities from the Investment Property;

(e) engage in marketing activities to attract additional Participants under this Agreement: and

(f) maintain a current list of each Representative and Alternative Representative designated by each Participant pursuant to Section 3.1 (a) hereof.

4.7 Resignation and Removal.

(a) The Program Administrator can resign as Program Administrator upon the giving of at least sixty (60) days' prior written notice of such resignation to the Board of Directors.

(b) The Board of Directors may remove the Program Administrator immediately For Cause and, if not For Cause, upon the giving of at least thirty (30) days prior written notice to the Program Administrator.

(c) In the event the Program Administrator shall give notice of its resignation or if the Board of Directors shall give notice of the removal of the Program Administrator, the Board of Directors shall appoint a successor.

4.8 Liability and Indemnification.

(a) The Program Administrator and its officers, directors, agents and employees shall not be liable for any action performed or omitted to be performed or for any errors of judgment made in good faith in connection with any matters to which this Agreement relates, provided that such disclaimer shall not relieve the Program Administrator from liability arising from negligence, willful misconduct, or material breach of this Agreement by the Program Administrator or violation of applicable law by the Program Administrator ("Program Administrator Liabilities"). Nothing herein shall constitute a waiver or limitation of any rights under any federal and state securities laws.

(b) The Board of Directors agrees to defend, indemnify and hold harmless the Program Administrator, any permitted subcontractors, their respective Affiliates (including any controlling person) and the respective directors, officers, agents and employees of any of the foregoing from and against any and all claims, liabilities, damages or expenses, whether or not they proceed to judgment or are settled or otherwise brought to a conclusion, arising out of or related to (i) any breach of a representation, warranty or covenant hereunder by a Participant, (ii) any services performed, or to be performed hereunder by the Program Administrator

(including, but not limited to, investment advice or the failure to give investment advice at any time), except for any Program Administrator Liabilities and provided that no indemnification hereunder shall apply to any liability of the Program Administrator arising under federal or state securities laws.

(c) Subject to Section 4.8(a) above, the indemnification rights set forth in Section 4.8(b) above shall be in addition to any other rights that any indemnified party may have at common law or otherwise, including, but not limited to, any right to contribution.

(d) The Program Administrator will be acting upon the instructions of the Custodian when effecting investments under this Agreement and will be implementing the investment strategy of the Custodian. Accordingly, the Program Administrator shall not be responsible for any investments made pursuant to the investment strategy and the Program Administrator shall be held harmless from any claims, damages or liabilities associated with such investments.

4.9 Power to Receive Investment Advice. The Program Administrator shall have the right, at its own cost, to receive investment advice concerning the Investment Property from any other third party. In connection with its duties under Section 4.4, the Program Administrator has retained Cutwater Asset Management Corp. at the Program Administrator's cost to provide investment advice concerning the Investment Property. Notwithstanding the provisions of Section 9.9 hereof, the Program Administrator can transmit information concerning the Investment Property and the Participants to Cutwater Asset Management Corp. and to such other third parties in order to obtain such investment advice. The Program Administrator shall notify the Board of Directors if any third parties are retained in addition to Cutwater Asset Management Corp. pursuant to this Section 4.9 within 45 days of such retention.

4.10 Advice to Other Clients. It is understood that the Program Administrator performs investment advisory services for various clients other than the Program. The Program Administrator may give advice and take action with respect to any of its other clients which may differ from the advice given to, or the timing or nature of action taken with respect to, the Investment Property; provided that the policy and practice of the Program Administrator are not to favor or disfavor consistently or consciously any client or class of clients in the allocation of investment opportunities and that, to the extent practical such opportunities are allocated among clients over a period of time on a fair and equitable basis. Nothing contained herein shall be construed so as to prevent the Program Administrator or any of its directors, officers, employees, shareholders or affiliates in any way from purchasing or selling any securities for its or their own accounts prior to, simultaneously with or subsequent to any recommendation or actions taken with respect to the Investment Property or impose upon the Program Administrator any obligation to purchase or sell or to recommend for purchase or sale for the Investment Property any security which the Program Administrator or any of its shareholders, directors, officers, employees or affiliates may purchase or sell for its or their own accounts or for the account of any other client, advisory or otherwise; provided always, however, that the Program Administrator shall use its best efforts to maximize the gains for the Investment Property in a manner consistent with the Investment Criteria.

4.11 Special Sub-accounts. The Program Administrator from time to time may propose to the Participants that the Participants establish specially designated sub-accounts with investment, payment procedures, fees or other characteristics different from those set forth in this Agreement. Such characteristics may include, without limitation, certain restrictions on amounts to be invested, holding periods prior to payments or certain other conditions to be met for payments, such as possible payment penalties. The establishment of such special sub-

accounts shall not be deemed an amendment to this Agreement. Any special sub-account that is created pursuant to this Section 4.11 shall be subject to the terms set forth in the proposal of the Program Administrator until the terms governing such special sub-account are amended pursuant to this Agreement. The Program Administrator may calculate the return realized by such special sub-accounts separate and apart from the returns realized by other sub-accounts maintained for each Participant.

4.12 Program Name. CISC hereby agrees that, for so long as it is the Program Administrator pursuant to this Agreement, the Program may use the names "Wisconsin Cooperative Liquid Assets Securities System" or "Wisconsin CLASS". If CISC ceases to be the Program Administrator hereunder, CISC shall be deemed to have immediately revoked the consent to use the foregoing names for the Program at the moment of such cessation.

4.13 Program Costs and Expenses. In consideration of the performance of its obligations hereunder, the Program Administrator shall receive a fee from the Program as set forth on Exhibit F, which fee shall be paid from the earnings of the Program. The Program Administrator's fee shall be an Investment Property Liability. The Program Administrator shall submit a monthly bill to the chairperson of the Board of Directors for approval stating the amount of the fee for the previous month and providing sufficient information to demonstrate that the fee was calculated in accordance with Exhibit F. After receiving the approval of the chairperson of the Board of Directors of such bills, the Program Administrator shall submit such bills to the Custodian for payment and the Custodian shall pay such bills from the earnings of the Program. From its fee, the Program Administrator shall pay the following costs and expenses: the Custodian's fee set forth in Exhibit G, the costs of third parties retained by the Program Administrator to render investment advice pursuant to Section 4.9, all custodial securities clearance transaction charges, the cost of valuing the Investment Property, all Investment Property record-keeping expenses, the costs of preparing monthly and annual reports, the expenses of the outside auditors required pursuant to Section 4.3 hereof (but only if the Program Administrator selects such auditors), the fees of the Program Administrator's legal counsel, the cost of meetings of the Board of Representatives and Board of Directors (but not including the attendance costs of the Representatives), and the costs of marketing. The fees and expenses of any letter of credit or other credit or liquidity enhancement obtained for the benefit of the Participants and the costs of obtaining a rating, if any, on the Program from a nationally recognized statistical rating organization shall be Investment Property Liabilities.

4.14 Expenses. The Participants hereby agree that the Program Administrator may pay all Investment Property Liabilities from the Investment Property. The chairperson of the Board of Directors or his/her designee is hereby given the authority to approve or disapprove the bills submitted by the Program Administrator.

ARTICLE V. THE CUSTODIAN

5.1 Appointment and Acceptance; Sub-Custodians.

(a) Custodian is hereby appointed to be Custodian for the Program for the period and on the terms set forth herein. Custodian accepts such appointment and agrees to render the services and to assume the obligations set forth herein, for the compensation herein provided.

(b) The Custodian may employ other banks and trust companies as sub-custodians or employ sub-advisors, including affiliates of the Custodian and the Program

Administrator, provided, however, the Custodian shall not improperly delegate the performance of the services set forth in Section 5.10 hereof in contravention of Wisconsin law. The appointment of a sub-custodian or a sub-advisor under this Section shall not relieve the Custodian of any of its obligations under this Agreement.

(c) No Investment Funds or Investment Property received or held by the Custodian pursuant to this Agreement shall be accounted for in any manner which might cause such Investment Funds or Investment Property to become assets or liabilities of the Custodian.

5.2 Resignation and Removal; Successors.

(a) The Custodian may resign upon the giving of at least sixty (60) days prior written notice to the Board of Directors and the Program Administrator. The Board of Directors may remove the Custodian immediately For Cause and, if not For Cause upon the giving of at least thirty (30) days prior written notice to the Custodian and the Program Administrator. Notwithstanding the foregoing, the resignation or removal of the Custodian shall not be deemed effective unless a successor shall have been chosen pursuant to Section 5.2(b) hereof. In the event that assets remain in the possession of the Custodian due to a failure to appoint a successor custodian, the Custodian shall be entitled to compensation for its services during such period, and the provisions of this Agreement relating to the duties and obligations of Custodian shall remain in full force and effect. Alternatively, the Custodian shall have the right to commence an action in the nature of an interpleader and seek to deposit the assets in a court of competent jurisdiction.

(b) In the event that the Custodian shall give notice of its resignation or if the Board of Directors removes the Custodian, the Board of Directors shall appoint a successor, provided, however, that such successor shall meet all requirements under the Wisconsin Statutes and, provided further, that so long as the Program Administrator is required to pay the fees of the Custodian pursuant to this Agreement, the appointment of such successor Custodian shall require the prior written consent of the Program Administrator.

5.3 Powers.

(a) (i) The Custodian is authorized and directed to open and maintain, and the Custodian shall open and maintain, one custody account (the "Account") in the name of "[Name of Custodian] as Custodian for the Benefit of Wisconsin CLASS" and will accept for safekeeping and for credit to the Account, in accordance with the terms hereof, all securities representing the investment of Investment Funds pursuant to Section 5.10 hereof, and the income or earnings derived therefrom. The Custodian may accept funds hereunder for the purchase of securities to be held by the Custodian and shall not be required to make an independent determination whether such funds are Investment Funds.

(ii) Except as provided in Section 5.3(c)(iii), all securities held in the Account shall be physically segregated from other securities in the possession of the Custodian and shall be identified as subject to this Agreement.

(b) In accordance with the advice of the Program Administrator, the Custodian shall, for the account and benefit and burden of the Program:

(i) receive and deliver Investment Funds and all other Investment Property in accordance with this Agreement, the Investment Procedures and Payment Procedures;

(ii) make, execute, acknowledge and deliver as Custodian, any and all documents or instruments (including but not limited to all declarations, affidavits and certificates of ownership) that may be necessary or appropriate to carry out the powers granted herein;

(iii) make any payments incidental to or in connection with this Section 5.3(b);

(iv) with respect to enforcing rights in connection with the Investment Property: (aa) collect, sue for, and receive all sums of money or other personal property due; (bb) consent to extensions of the time for payment, or to the renewal of any securities, investments or obligations; (cc) 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 Investment Property; (dd) foreclose on any personal property, security or instrument securing any investments, notes, bills, bonds, obligations or contracts that are part of or relate to the Investment Property; (ee) 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 personal property; (ff) 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 Investment Property, for the purpose of such reorganizations or otherwise; (gg) participate in any arrangement for enforcing or protecting the interests of the holders of such securities, investments or obligations and to pay any assessment levied in connection with such reorganization or arrangement; (hh) extend the time (with or without security) for the payment or delivery of any debts or personal property and to execute and enter into releases, agreements and other instruments; (ii) pay or satisfy any debt or claims; and (jj) file any financing statements concerning the Investment Property with the appropriate authorities to protect the Investment Property from any potential claim of any creditors of the Program; and

(v) exercise all other rights and powers and to take any action in carrying out the purpose of this Agreement, including, without limitation, actions incidental to securities transactions executed for the Program.

(c) (i) with respect to Investment Property held by the Custodian hereunder, the Custodian shall collect all income or other payments, release and deliver such Investment Property, and take any other action as directed by the Program Administrator, with respect to dividends, splits, distributions, spinoffs, puts, calls, conversions, redemption, tenders, exchanges, mergers, reorganizations, rights, warrants or any other similar activity relating to the Investment Property held in the Account. The Custodian shall request direction of the Program Administrator upon receipt of the actual notice of any such activity. For purposes of this paragraph, the Custodian shall be deemed to have actual notice if the Program Administrator informs the Custodian of such activity or if information concerning any such activity is published in one or more of the following publications: J.J. Kenny's Munibase System, Financial Card Service, Xcitek, Inc., Standard & Poors' Called Bond Listing, Depository Trust Reorganization Notices, and The Wall Street Journal. If the Custodian does not have actual notice of such activity, any such activity will be handled by the Custodian on a "best efforts" basis. The Custodian shall not be under any obligation or duty to take action to effect collection of any amount, if the assets on which such amount is payable are in default and payment is refused after due demand or presentation. The Custodian will, however, promptly notify the Program Administrator in writing of such default and refusal to pay. The Custodian is not authorized and shall not disclose the name, address or security positions of the Participants in response to

requests concerning shareholder communications under Section 14 of the Securities Exchange Act of 1934, the rules and regulations thereunder, and any similar statute, regulation, or rule in effect from time to time;

(ii) the Custodian shall promptly deliver or mail to the Program Administrator all forms of proxies and all notices of meeting received by the Custodian relating to Investment Property held under this Agreement and, upon receipt of instructions from the Program Administrator, shall execute and deliver such proxies or other authorizations as may be required. Neither the Custodian nor its nominee shall vote any Investment Property or execute any proxy to vote the same or give any consent to take any other action with respect thereto (except as otherwise herein provided) unless directed to do so by the Program Administrator upon receipt of instructions;

(iii) the Custodian shall hold the Investment Property (aa) in its vaults physically segregated and held separate and apart from other property of the Custodian; (bb) in its account at the Depository Trust Company or other depository, sub-custodian or clearing corporation; or (cc) in a book entry account with the Federal Reserve Bank, in which case a separate accounting of the Investment Property shall be maintained by the Custodian at all times. The Investment Property held by any such depository, sub-custodian, clearing corporation or Federal Reserve Bank may be held in the name of their respective nominees, provided, however, that the custodial relationship and the interests of the Participants regarding Investment Property shall be noted on the records kept by the Program Administrator and the custodial relationship on behalf of the Program shall be noted on the records of the Custodian and, to the extent possible, the Custodian shall cause the custodial relationship on behalf of the Program to be noted on the records of such depository, sub-custodian, clearing corporation or Federal Reserve Bank. The Custodian shall not be obligated or liable for costs, expenses, damages, liabilities or claims (including attorneys' or accountants' fees) which are sustained or incurred by reason of any action or inaction of the Federal Reserve Bank book-entry system, The Depository Trust Company or any other central depository or clearing agency which it is or may become standard market practice to use for the comparison and settlement of securities trades, provided, however that nothing in this sentence shall relieve the Custodian of its obligations set forth in Section 5.1(b) hereof regarding banks or trust companies selected as sub-custodians; and

(iv) the Custodian shall hold and physically segregate all Investment Property other than Investment Property held pursuant to Sections 5.3(c)(iii)(aa) and (cc) above. Investment Property physically held by the Custodian (other than bearer securities) may be registered in the name of any nominee of Custodian, provided that the records of the Custodian provide that such Investment Property is held in a custodial capacity and that such Investment Property is not an asset of the Custodian or such nominee. All Investment Property accepted by the Custodian under the terms of this Agreement shall be in negotiable form.

5.4 Custodial Relationship; Custodial Records.

(a) The Custodian shall hold the Investment Property in its capacity as custodian for the benefit of the Program. The Investment Property shall be custodial property of the Custodian and shall not be, or be deemed to be, an asset of the Custodian.

(b) The Custodian shall maintain its own internal records concerning the Account and the transactions contemplated by this Agreement, and the Custodian shall cause all of such records to reflect the custodial relationship created by this Agreement. Notwithstanding the foregoing, the Program Administrator shall maintain all records regarding

each Participant's beneficial interest in such Investment Property, and such records shall conclusively determine the beneficial interests of each Participant in the Investment Property. The records maintained by such Program Administrator shall be conclusively determinative of the beneficial interests of the Participants; it being understood that the Custodian shall not be obligated to maintain records concerning the beneficial interest of individual Participants in the Investment Property.

5.5 Reliance on Instructions.

(a) The Custodian is authorized to accept and shall be fully protected if it relies upon the instructions given by any authorized officer, employee or agent of the Program Administrator including any oral instructions which the individual receiving such instructions on behalf of the Custodian believes in good faith to have been given by an authorized officer, employee or agent of the Program Administrator, and all authorizations shall remain in full force and effect until cancelled or superseded by subsequent instructions received by the appropriate account officer of the Custodian. The authorized officer, employees or agents of the Program Administrator shall be only such persons as are designated by the Program Administrator in writing to the Custodian. The Custodian may rely on instructions received by telephone, facsimile transmission or by bank wire which the Custodian believes in good faith to have been given by an authorized person. The Custodian may also rely on instructions transmitted electronically. Any instructions delivered to the Custodian by telephone shall promptly thereafter be confirmed in writing by an authorized person, but the Custodian will incur no liability for the Program Administrator's failure to send such confirmation in writing. Instructions are deemed given when actually received by the Custodian. This paragraph shall not apply to advice provided by the Program Administrator pursuant to Sections 4.4(b) and 5.10 hereof.

(b) In the absence of bad faith or negligence on its part, the Custodian may conclusively rely, as to the truth and correctness of the statements expressed in notices, certificates or documents submitted to it, and the Custodian need not investigate any fact or matter stated in any such notice, certificate or document submitted to it or verify the accuracy of the contents thereof.

(c) The Custodian shall not be liable for any actions taken or omitted in accordance with any advice from the Program Administrator or for failing to take any action in the absence of advice from the Program Administrator. Notwithstanding the foregoing, the Program Administrator's daily investment advice provided pursuant to Sections 4.4(b) and 5.10 hereof and the Investment Advisory Agreement shall not be construed as the Program Administrator making investment decisions in violation of Wis. Stat. § 66.0603(2), and the Custodian shall not raise as a defense to any liability to the Board of Directors permitted by Section 5.6 hereof that the Custodian has relied upon the investment advice provided by the Program Administrator pursuant to Sections 4.4(b) and 5.10 hereof, it being understood that the Custodian has the responsibility to select investments under this Agreement.

5.6 Degree of Care; Indemnification.

(a) The Custodian shall hold the Investment Property in the Account with the same degree of care and protection with which it holds its own property. The Custodian agrees that it shall be responsible if the Investment Property is lost or destroyed solely as a result of the negligence or willful misconduct of the Custodian or its agents or any material breach of this Agreement by the Custodian. In the event of any such loss or destruction of Investment Property, the Custodian shall promptly replace the Investment Property or the value thereof and the value of any such lost rights or privileges resulting from such loss or destruction. The

Custodian shall not be responsible for the acts or omissions or solvency of any broker or agent selected by the Program Administrator to effect any transactions for the Account.

(b) The Custodian shall not be liable for any error of judgment made in good faith by an employee, officer or agent of the Custodian, unless due to the negligence or willful misconduct of such employee, officer or agent.

(c) Except as provided in Section 5.6(a), the Custodian shall not be required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers unless it receives indemnity satisfactory to it for repayment of such funds or against such risk of liability.

(d) The Board of Directors agrees to defend, indemnify and hold harmless the Custodian, any permitted subcontractors, their respective Affiliates (including any controlling person) and the respective directors, officers, agents and employees of any of the foregoing from and against any and all claims, liabilities, damages or expense, whether or not they proceed to judgment or are settled or otherwise brought to a conclusion, arising out of or related to any services performed, or to be performed, hereunder by the Custodian (including, but not limited to, investment advice or the failure to give investment advice at any time), except for any loss or liability incurred by any of them arising from negligence, willful misconduct, a material breach of this Agreement by the Custodian or violation of applicable law by any of them and provided that no indemnification hereunder shall apply to any liability of the Custodian arising under federal or state securities laws.

(e) The indemnification rights set forth in Section 5.6(d) above shall be in addition to any other rights that any indemnified party may have at common law or otherwise, including, but not limited to, any right to contribution.

(f) During the term of this Agreement, the Custodian may, with respect to questions of law and construction of this Agreement, apply for and obtain, at the cost of the Custodian, the advice and opinion of counsel of its choice and shall be fully protected with respect to anything done or omitted by it in good faith in conformity with such advice or opinion. The Custodian shall have no duties except those that are specifically set forth in this Agreement. The Custodian shall only be responsible for custody hereunder of the Investment Property delivered to it and then only while such Investment Property is held in the Account.

5.7 Subrogation. The Board of Directors shall be entitled to be subrogated to the rights of the Custodian, with respect to any claim against any other Person or institution which the Custodian may have, as a consequence of any loss or damage to the Investment Property. In such event, the Program Administrator at the direction of the Board of Directors shall consult with the Custodian concerning selection of counsel and management of any litigation to recover for such loss.

5.8 Insurance. The Custodian shall maintain during the term of this Agreement, adequate surety-bonds and insurance coverage comparable to the types, amounts and limits which are customary for financial institutions acting in a fiduciary capacity, but in no event below the following minimum amounts provided that such coverage may be obtained through one aggregate policy:

(a) Financial Institutions Bond - \$100,000,000 per occurrence and in the aggregate

(b) Professional Liability: \$100,000,000 per occurrence and in the aggregate

Notwithstanding the foregoing or any other provision of this Agreement to the contrary, the Custodian may self-insure for risks usually covered by a standard fiduciary and trust errors and omissions insurance policy customary for financial institutions acting in a fiduciary capacity and shall be liable to the Board of Directors for any losses if any such risks occur.

5.9 Setoff. The Custodian shall not have, and shall not seek to enforce, any right of setoff, recoupment or similar rights against the Investment Property for any amounts owed to the Custodian pursuant to this Agreement.

5.10 Power to Invest. The Custodian shall determine on a daily basis an investment transaction regarding the mix of investments held in the Account in a manner that is consistent with the Investment Criteria. The Program Administrator shall advise the Custodian concerning a proposed investment transaction consistent with the Investment Criteria, pursuant to Section 4.4(b) hereof. The Custodian shall review the advice to determine if it is consistent with the Investment Criteria and make such modifications as the Custodian deems appropriate. Upon completion of such review, the Custodian shall transmit its instructions to the Program Administrator. Notwithstanding the foregoing, the Custodian shall not be responsible for or incur liability in connection with providing investment transactions advice for individual Participants, it being understood that the Custodian is only providing investment advice to the Program as a whole.

5.11 Advice to Other Clients. It is understood that the Custodian performs investment advisory services for various clients. The Custodian may give advice and take action with respect to any of its other clients which may differ from the advice given to, or the timing or nature of action taken with respect to, the Investment Property; provided that the policy and practice of the Custodian are not to favor or disfavor consistently or consciously any client or class of clients in the allocation of investment opportunities and that, to the extent practical, such opportunities are allocated among clients over a period of time on a fair and equitable basis. Nothing contained herein shall be construed so as to prevent the Custodian or any of its directors, officers, employees, shareholders or affiliates in any way from purchasing or selling any securities for its or their own accounts prior to, simultaneously with or subsequent to any recommendation or actions taken with respect to the Investment Property or impose upon the Custodian any obligation to purchase or sell or to recommend for purchase or sale for the Investment Property any security which the Custodian or any of its shareholders, directors, officers, employees or affiliates may purchase or sell for its or their own accounts or for the account of any other client, advisory or otherwise; provided always, however, that the Custodian shall use its best efforts to maximize the gains for the Investment Property in a manner consistent with the Investment Criteria.

5.12 Expenses. In consideration of the performance of its obligations hereunder, the Custodian shall receive a fee as set forth on Exhibit G, which fee shall be paid by the Program Administrator.

5.13 Payment of Program Administrator's Fee. The Custodian shall pay from the earnings of the Program the monthly bills submitted by the Program Administrator that have been approved by the chairperson of the Board of Directors.

ARTICLE VI.
REPRESENTATIONS AND WARRANTIES

6.1 Representation and Warranties of Each Participant. Each Participant hereby represents and warrants that:

(a) the Participant has taken all necessary actions and has received all necessary approvals and consents and adopted all necessary resolutions in order to execute and deliver this Agreement and to perform its obligations hereunder, including, without limitation, the appointment of its Representative; and

(b) the execution, delivery and performance of this Agreement by the Participant are within the power and authority of the Participant and do not violate any laws of the State of Wisconsin applicable to the Participant or the Participant's charter or its organizational statute, instrument or documents or any other applicable local ordinance, resolution, rule or regulation; and

(c) the execution, delivery and performance of this Agreement has been duly authorized and this Agreement is the legal, valid and binding obligation of the Participant enforceable against the Participant in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and similar laws now or hereafter in effect relating to creditors' rights generally, and subject to general principles of equity (whether applied in a proceeding at law or in equity); and

(d) the certificates delivered heretofore or hereafter by the Participant pursuant to this Agreement, as of the date specified therein, are true and complete and contain no material misstatements of fact or omissions that render them misleading; and

(e) the execution, delivery and performance of this Agreement or the Participation Certificate do not conflict with or result in the breach or termination of, or otherwise give any other person the right to terminate, or constitute a default, event of default or an event with notice of lapse of time, or both that would constitute a default or an event of default under the terms of any contract or permit to which the Participant is a party or by which the Participant or its properties are bound.

(f) Investment Funds delivered to the Custodian are (i) being invested by the Participant's Representative who is legally authorized to invest such funds and (ii) the Participant has taken all actions necessary pursuant to the laws of the State of Wisconsin or other applicable local law to authorize the delivery and investment of such funds.

6.2 Representation and Warranties of the Program Administrator. The Program Administrator hereby represents and warrants that:

(a) the Program Administrator is a duly organized and validly existing Delaware corporation and is a duly registered investment adviser under the Investment Advisers Act of 1940; and

(b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of the Program Administrator and this Agreement is the legal, valid and binding obligation of the Program Administrator, enforceable against the Program Administrator in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and similar laws now or hereafter in effect relating to creditors' rights generally, and subject to general principles of equity (whether applied in a proceeding at law or in equity); and

(c) the performance by the Program Administrator of its obligations under this Agreement does not violate any laws, rules or regulations of the State of Wisconsin, applicable to the Program Administrator.

6.3 Representation and Warranties of the Program Custodian. The Custodian hereby represents and warrants that:

(a) the Custodian is a duly organized and validly existing banking organization, organized under the laws of the United States and is duly qualified to conduct business in the State of Wisconsin and is authorized to exercise trust powers under Wis. Stat. § 221.0316 or Chapter 223 of the Wisconsin Statutes; and

(b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of the Custodian and this Agreement is the legal, valid and binding obligation of the Custodian, enforceable against the Custodian in accordance with its terms, subject to applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and similar laws now or hereafter in effect relating to creditors' rights generally or the rights of creditors of banks, and subject to general principles of equity (whether applied in a proceeding at law or in equity); and

(c) the performance by the Custodian of its obligations under this Agreement does not violate any laws, rules or regulations of the State of Wisconsin, applicable to the Custodian.

ARTICLE VII. COVENANTS

7.1 Source of Investments. Each Participant hereby covenants that it will invest pursuant to Section 2.1 only Investment Funds that are permitted to be invested by it pursuant to the laws of the State of Wisconsin and any charter, instrument, organizational document or organizational status applicable to such Participant and any state or local rule, ordinance, resolution or regulation applicable to such Participant, and that it will perform all actions required by the laws of the State of Wisconsin and any charter, instrument, organizational document or organizational statute applicable to such Participant and any state or local rule, ordinance, resolution or regulation applicable to such Participant to be done prior to such investment.

7.2 Truth of Representations and Warranties. Each party hereby covenants that it shall withdraw from this Agreement prior to the time any of the representations and warranties made by it in Article VI hereof ceases to be true.

7.3 Annual Reauthorization. Prior to the Participant's Representative voting to authorize continuation of this Agreement at any Annual Meeting, the Participant will have taken all necessary actions and have received all necessary approvals and consents and adopted all necessary resolutions authorizing the Participant to continue as a Participant under this Agreement.

ARTICLE VIII. AMENDMENT AND TERMINATION

8.1 Amendment.

(a) Unless explicitly set forth otherwise herein, this Agreement, including exhibits, may be amended only by a writing consented to by the Program Administrator, the Custodian and the Board of Directors.

(b) Any amendment executed pursuant to Section 8.1(a) hereof will be effective thirty (30) days after notice is provided to all Participants setting forth such amendment.

(c) Notwithstanding the foregoing, the Investment Criteria may be amended by a writing consented to by a majority of the Board of Directors. Any such amendment of the Investment Criteria shall become effective thirty (30) days after notice thereof is sent to the Program Administrator, the Participants and the Custodian setting forth such amendment and stating that such amendment has been consented to by a majority of the Board of Directors.

(d) All Participants that do not provide a notice of withdrawal pursuant to Section 2.4(a) hereof within ten (10) Business Days of the effective date of an amendment hereof shall be deemed to have consented to the amendment.

8.2 Termination.

(a) This Agreement shall continue in full force and effect unless terminated as set forth in this Section 8.2. This Agreement may be terminated at any time pursuant to a duly adopted amendment hereto.

(b) Upon the termination of this Agreement pursuant to this Section 8.2:

(i) The Board of Directors shall carry on no business in connection with the Investment Property except for the purpose of satisfying the Investment Property Liabilities and winding up their affairs in connection with the Investment Property;

(ii) The Board of Directors shall proceed to wind up their affairs in connection with the Investment Property, and all of the powers of the Board of Directors under this Agreement shall continue until the affairs of the Board of Directors in connection with the Investment Property shall have been wound up and do all other acts appropriate to liquidate their affairs in connection with the Investment Property; and

(iii) After paying or adequately providing for the payment of all Investment Property Liabilities, and upon receipt of such releases, indemnities and refunding agreements as each of the Board of Directors, the Custodian, and the Program Administrator deem necessary for their protection, the Program Administrator shall direct the Custodian to distribute the remaining Investment Property, in cash or in kind or partly in each, among the Participants according to their respective proportionate Balances.

(c) Upon termination of this Agreement and distribution to the Participants as herein provided, the Program Administrator 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 Board of Directors, the Custodian, the Program Administrator and the Participants shall thereupon be discharged from all further liabilities and duties hereunder, and the rights and benefits of all Participants hereunder shall cease and be cancelled and discharged; provided that Sections 4.8 (b) and 5.6(d) hereof shall survive any resignation or termination of the Custodian or the Program Administrator or any termination of this Agreement.

ARTICLE IX.
MISCELLANEOUS

9.1 Governing Law. This Agreement is executed by the Participants and delivered in the State of Wisconsin 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 of Wisconsin.

9.2 Counterparts. This Agreement and Participation Certificates may be executed in multiple counterparts, each of which when so executed shall be deemed to be an original, and such counterparts, together, shall constitute but one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

9.3 Severability. 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 8.1 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 prior to the discovery or removal of the Conflicting Provisions.

9.4 Gender; Section Headings and Table of Contents.

(a) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words representing a singular number shall mean and include the plural number and vice versa.

(b) Any headings preceding the texts of the several Articles and Sections of this 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.

9.5 No Assignment. No party hereto may sell, assign, pledge or otherwise transfer any of its rights or benefits under this Agreement to any other person, and any purported sale, assignment, pledge or other transfer shall be null and void.

9.6 No Partnership. Other than the creation of a cooperative investment program pursuant to Wis. Stat. §66.0301, this Agreement does not constitute an association of two or more Persons to carry on as co-owners a business for profit, and none of the parties intends this Agreement to constitute a partnership or any other joint venture or association.

9.7 Notice. Unless oral notice is otherwise allowed in this Agreement, all notices required to be sent under this Agreement;

(a) shall be in writing:

(b) shall be deemed to be sufficient if given by (i) depositing the same in the United States mail, postage prepaid, or (ii) transmitting such notice electronically by any means such as by facsimile transmission, or e-mail, or (iii) by depositing the same with a courier delivery service, addressed to the person entitled thereto at the person's address or phone number as it appears on the records maintained by the Program Administrator;

(c) shall be deemed to have been given on the day of such mailing, transmission or deposit; and

(d) any of the methods specified in Section 9.7(b) shall be sufficient to deliver any notice required hereunder, notwithstanding that one or more of such methods may not be specifically listed in the sections hereunder requiring such notice.

9.8 Entire Agreement. This Agreement shall constitute the entire agreement of the parties with respect to the subject matter and shall supersede all prior oral and written agreements in regard thereto.

9.9 Confidentiality.

(a) All information and recommendations furnished by the Program Administrator to the Participants or the Board of Directors that is marked confidential shall be regarded as confidential to the extent permitted by law. The Program Administrator and the Custodian, respectively, shall regard as confidential all information concerning the Investment Property and the affairs of the Program. Nothing in this paragraph shall prevent any Participant, the Board of Directors, the Program Administrator or the Custodian from divulging information as required by law or from divulging information to civil, criminal, bank or securities regulatory authorities where such party may be exposed to civil or criminal proceedings or penalties for failure to comply or to prevent the Program Administrator from distributing copies of this Agreement, or the aggregate value of the Program to third parties or from divulging information to agents or consultants of the Program Administrator, provided however, confidential information shall not include (i) information that is independently developed or obtained by a party without the use of information provided by any other party; or (ii) information that is otherwise available to the public.

(b) In the event that on-line computer terminal, hand-held devices or similar electronic devices are used for communication by the Participants, the Board of Directors, the Program Administrator or the Custodian, all parties agree to safeguard and maintain the confidentiality of all passwords or numbers and to disclose them only to such of their employees and agents as reasonably require access to the information concerning the Investment Property. The Participants acknowledge that the Custodian and the Program Administrator may electronically record any instructions given by telephone, and any other telephone discussions with respect to the Program or transactions pursuant to this Agreement.

9.10 Disputes. In the event of any dispute between the parties, the parties agree to attempt to resolve the dispute through negotiation or a method of alternative dispute resolution. No litigation shall be commenced without a certification by an authorized officer, employee, or agent of any party that the dispute cannot be resolved by negotiation or alternative dispute resolution provided in writing at least ten (10) days before commencing legal action.

9.11 Majority of Participants, the Board of Representatives or Board of Directors. Whenever any provision hereof refers to a majority of the Participants, Board of Representatives or Board of Directors such majority shall be determined based upon the number of Participants, Representatives, or directors, respectively, and shall not be determined by a reference to the Balance of each Participant. Zero Balance Participants shall not be counted for the purposes of determining a majority or quorum for any actions taken pursuant to this Agreement.

9.12 Writings. Whenever this Agreement requires a notice, instruction or confirmation to be in writing or a written report to be made or written records to be maintained, it shall be sufficient if such writing is produced or maintained in hard copy or by electronic means.

9.13 Effective Date. This Agreement shall become effective on the Effective Date.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in their names and on their behalf as of the date first written above.

By: _____
Name:
Title: Chairperson of the Board of Directors

PARTICIPANT EXECUTION DATE

Program Administrator
Cutwater Investor Services Corp.

By: _____
Name:
Title:

Custodian
Wells Fargo Bank, N.A.

By: _____
Name:
Title:

EXHIBIT A
Wisconsin CLASS Investment Policies

This Investment Policy (the "Policy") is adopted by the Board of Directors of the Wisconsin Cooperative Liquid Assets Securities System ("CLASS") a public funds short term investment pool established and created pursuant to Wis. Stat. § 66.0301(2) and that certain Amended and Restated Intergovernmental Agreement Dated _____, 2011 (the "Intergovernmental Agreement").

SECTION 1 - Purpose

This Policy has been established to create the principles and procedures by which the Wisconsin CLASS funds (the "Pool") will be invested and secured and to comply with the provisions of Wisconsin law relating to the investment of public funds.

SECTION 2 – Procedures For Investment of Pool Monies

(a) Qualified Broker/Dealers

The list of qualified broker/dealers that may engage in investment transactions with respect to the Pool is listed in the Qualified Broker/Dealer List attached to this Policy as Schedule 1. The Qualified Broker/Dealer List may be amended and updated by the Board of Directors, from time to time, separate from or as a part of this Policy.

(b) Solicitation of Bids for Certificates of Deposit.

Bids for certificates of deposit may be solicited orally, in writing, electronically or in any combination of those methods. A record of such bids shall be maintained by the Program Administrator.

(c) Settlement Basis.

All purchases of investments, except investments in mutual funds or bank deposits, shall be made on a delivery versus payment basis. The safekeeping entity for all Pool investments and for all collateral pledged to secure funds of the Pool shall be the Custodian.

SECTION 3 – General Provisions

(a) Provisions Applicable to All Funds.

(i) All funds of the Pool shall be invested only in accordance with this Policy and Wisconsin law.

(ii) The funds of the Pool shall be invested not for speculation, but for investment, with all investment decisions to be governed by the following objectives in order of priority:

- a. Legality: invest only in investments legally permissible under Wisconsin law.
- b. Safety: minimize risk by managing portfolio investments so as to preserve principal and maintain a stable asset value.
- c. Liquidity: manage portfolio investments to ensure that cash will be available as and when required to finance Participants' operations.

d. Yield: maximize current income to the degree consistent with legality, safety and liquidity.

(iii) The Pool shall at all times maintain a prudent diversification of its investment portfolio among eligible asset classes.

(b) Policy Applicable to All Deposited Funds of the Pool.

All monies shall be invested to meet the cash flow requirements of the Pool as determined by the needs of the Participants. The Pool shall be managed in a SEC Rule 2a7-like manner and public fund deposits shall be insured by the Federal Deposit Insurance Corporation.

Maximum maturity of any bank deposit product shall be sixty days. There shall be no restrictions on the number of withdrawals or contributions, nor shall there be any fees associated with such withdrawals of or contributions to the Pool's funds.

SECTION 4 - Authorized Investments.

(a) Monies in the Pool may be invested and reinvested only in investments authorized by this Policy and Wisconsin law. Pool funds may be invested in any investment authorized under Wis. Stat. § 66.0603(1m) including the following permitted investments subject to the specified restrictions:

(i) Securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by:

- a. The United States Treasury.
- b. A federal agency.
- c. A federal instrumentality.
- d. A federal government sponsored enterprise.

(ii) Commercial paper rated in the two highest ratings category for short-term debt assigned by S&P, Moody's, Fitch or other Nationally Recognized Statistical Rating Organization ("NRSRO") or is senior to, or on a parity with, a security of the same issuer which has such a rating with the stated final maturity of no greater than 270 days and which is an approved form of commercial paper by the Board of Directors. No more than 10% of the Pool's assets may be in commercial paper issued by a single issuer and no more than 25% of the Pool's assets may be in commercial paper representing a single industry.

(iii) Repurchase agreements which are 102% collateralized by obligations of the U.S. Treasury or U.S. government agencies and instrumentalities with a stated final maturity no greater than 60 days. Repurchase agreements can only be executed with Wisconsin banks with a PSA Master Agreement on file.

(iv) Certificates of deposit which are 102% collateralized by obligations of the U.S. Treasury or U.S. government agencies and instrumentalities in or issued by any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in the State of Wisconsin with a maximum stated maturity of 60 days. No more than 10% of the Pool's assets may be in certificates of deposit issued by a single issuer.

(v) Time deposits which are 102% collateralized by obligations of the U.S. Treasury or U.S. government agencies and instrumentalities in or issued by any credit union, bank, savings bank, trust company or savings and loan association which is authorized to transact business in the State of Wisconsin with a maximum final maturity of 60 days. No more than 10% of the Pool's assets may be in timed deposits issued by a single issuer.

(vi) Corporate bonds and bank notes with a maximum final maturity of 397 days with ratings in the two highest ratings categories assigned by S&P, Moody's, Fitch or other NRSRO's or is senior to, or on a parity with, a security of the same issuer which has such a rating. No more than 10% of the Pool's assets may be in corporate bonds or bank notes issued by a single issuer and no more than 25% of the Pool's assets may be in corporate bonds or bank notes representing a single industry.

(vii) Money market funds which are restricted to investments in securities of the U.S. Treasury or of U.S. government agencies and instrumentalities and which do not charge a sales load. In addition, the fund must be registered under the Investment Company Act of 1940.

(viii) Variable rate instruments if the rate resets at least annually off a single, established money market index and can reasonably be expected to reset or maintain its par value at all reset dates. The reset date of these eligible variable rate securities, rather than their final maturity date, will be used to calculate the portfolio's weighted average maturity.

(ix) If there are any conflicts between the investments authorized in this Section 4 and the provisions of Wis. Stat. § 66.0603(1m) the statutory provisions shall control.

SECTION 5 – Prohibited Investments.

Pool funds may not be invested in the following:

- (a) Reverse repurchase agreements;
- (b) Investments made with funds borrowed through the use of the Investment Property as collateral.
- (c) Investments made in securities denominated in a currency other than dollars of the United States of America.
- (d) Securities with capped coupons.

SECTION 6 – Other Restrictions

The Pool shall meet the following restrictions:

- (a) The weighted average maturity of the Investment Property will not exceed 60 days.
- (b) Portfolio exposure to any one issuer other than the U.S. Government or U.S. government agencies or instrumentalities will not exceed 10% per issuer.

(c) Maximum portfolio exposure to U.S. Dollar denominated securities issued in the U.S. by U.S. branches and/or subsidiaries of foreign entities shall be no greater than 25% of the Pool's assets.

SECTION 7 – Securities Lending.

Securities may be lent only if the agreement under which the securities are lent is collateralized by:

1. cash; or
2. interest bearing obligations that are issued by, fully insured by, or guaranteed by the United States, an agency of the United State government, a federal instrumentality, or a federal government sponsored enterprise in excess of the total market value of the loaned securities.

SECTION 8 – Definitions.

Capitalized terms not defined herein shall have the meaning set forth in the Intergovernmental Agreement.

SECTION 9 – Amendments.

This Policy may be amended from time to time pursuant to Section 9.1(a) of the Intergovernmental Agreement.

Adopted: _____, 2010

EXHIBIT B

INVESTMENT PROCEDURES

1. The Participant shall call or send written notice to the Program Administrator indicating the amount to be invested (there is no minimum investment). The Participant shall instruct its bank depository to wire or electronically transfer Investment Funds to the Account at the Custodian for the purchase of securities to be held by the Custodian.
2. Receipt by the Program Administrator prior to 11:00 A.M. Central Standard Time of notification for Investment Funds being invested will cause the value of the Investment Funds to be credited and earn income on the same Business Day.
3. Receipt by the Program Administrator after 11:00 A.M. Central Standard Time of notification for Investment Funds being invested will cause the value of the Investment Funds to be credited and earn income on the next Business Day.
4. If Investment Funds for which notification of investment has been given, are not received by the end of the Business Day on which such notification is given, the Program Administrator shall deduct the value of such Investment Funds from the Participant's Balance if previously credited.
5. The Participant is prohibited from requesting payments from amounts credited to its Balance pursuant to (2) or (3) above, until such Investment Funds are received by the Custodian for the purchase of securities to be held by the Custodian.
6. These Investment Procedures may be amended from time to time pursuant to Section 8.1(a) of the Agreement.

EXHIBIT C

PARTICIPATION CERTIFICATE

Pursuant to Section 2.3 of the Intergovernmental Agreement (the "Intergovernmental Agreement") dated as of _____, 2011, the undersigned _____ does hereby request that it be admitted as a Participant. By executing this Participation Certificate, the undersigned agrees that, upon the execution by the Program Administrator of this Certificate, it will become subject to the same obligations and shall have the same rights as if it had executed the Intergovernmental Agreement.

The undersigned hereby certifies that _____ and _____ are the duly designated Representative and Alternative Representative respectively of the undersigned as required by the Intergovernmental Agreement.

The undersigned hereby certifies that its governing body has taken all actions required by Wisconsin law in order for it to enter into and perform the Intergovernmental Agreement.

(Name of Participant)

PARTICIPANT EXECUTION DATE By: _____

Name: _____
Title: _____

Accepted:

Cutwater Investor
Services Cooperation

By: _____
Name:
Title:

EXHIBIT D

PAYMENT PROCEDURES

1. The Participant shall notify the Program Administrator in writing of the amount requested and the payee and include any wire, electronic transfer or other payment instructions. Such payee must be listed on the list of approved payees that has been provided by the Participant to the Program Administrator in advance of the payment.
2. Requests for withdrawals received by the Program Administrator prior to 11:00 A.M. Central Standard Time will be processed to permit payment on that Business Day.
3. Requests for withdrawals by the Program Administrator after 11:00 A.M. Central Standard Time will be processed to permit payment on the following Business Day.
4. The Participant may only request payment of that portion of its Balance that represents Investment Funds and its proportional share of the income from the Investment Property which in all cases have actually been received by the Custodian.
5. These Payment Procedures may be amended from time to time pursuant to Section 8.1(a) of the Agreement, provided, however, that the Program Administrator will only change the times set forth above after consulting with the Custodian.

EXHIBIT E
VALUATION PROCEDURES

1. Portfolio Valuation.

A. Amortized Cost Valuation

On a daily basis, normally at 3:00 P.M. Eastern Standard Time, the Investment Property Value shall be determined using amortized cost valuation method. The amortized cost valuation method involves initially valuing the security at its cost and thereafter amortizing to maturity any discount or premium, regardless of the impact of fluctuating interest rates on the market value of the instrument.

B. Mark to Market

At least monthly or more frequently if requested by the Board of Directors, the Investment Property Value shall be determined on a mark to market basis as follows:

The market value of the securities held in the Account will be determined from the bid and ask prices for such securities as quoted in The Wall Street Journal (Eastern Edition) or by Bloomberg L.P. or another independent, nationally recognized pricing service for the Business Day preceding the Business Day on which the determination of such market value is made (plus accrued interest to such preceding Business Day); if the securities are not so quoted on such preceding Business Day, their market value will be determined as of the next preceding Business Day on which they were so quoted. Securities not quoted in the Wall Street Journal or by Bloomberg L.P. or valued by an independent pricing service will be valued by taking the average of the bid quotes from two primary dealers or if there are less than two primary dealers in such securities by such other reasonable method as the Program Administrator shall determine.

As an alternative to determining the market value pursuant to the foregoing paragraph, the market value of all or a portion of the Account securities may be determined using the matrix method. Matrix pricing involves grouping securities into a matrix by type, maturity and short term credit rating. A primary dealer who makes markets in those securities will provide the bid side prices for the matrix.

2. Amendment. These Valuation Procedures may be amended from time to time pursuant to Section 8.1(a) of the Intergovernmental Agreement.

EXHIBIT F

PROGRAM ADMINISTRATOR'S FEE

For the performance of its obligation under this Agreement, the Program Administrator will charge up to a 50 basis points fee from the Investment Property Value (the "Daily Fee"). This Daily Fee will accrue on a daily basis and be paid monthly.

The Daily Fee shall be calculated as follows:

The Investment Property Value

Is multiplied by (x) .0050 (50 Basis Points)

And divided by (÷) 365 days

Equaling (=) The Daily Fee Accrual

Fees may be waived or abated at any time, or from time to time, at the sole discretion of the Program Administrator. Should such fees be waived or abated, during the period of the waiver or abatement, the Program Administrator must pay the costs as provided in Section 4.13 hereof even if not covered by the waived or abated fees.

EXHIBIT G

CUSTODIAN'S FEES

The Program Administrator shall pay the costs and fees specified in the letter dated as of August 17, 1999 from the Custodian to the Program Administrator, as amended from time to time by the Program Administrator and the Custodian pursuant to Section 9.1(a) of the Intergovernmental Agreement.

EXHIBIT H
WISCONSIN CLASS DISTRICTS

Appendix I

Regions

<u>District #1</u>	Dodge Jefferson Kewaunee Milwaukee Ozaukee Racine Walworth Washington Waukesha	<u>District #4</u>	Ashland Barren Bayfield Buffalo Burnett Chippewa Clark Douglas Dunn Eau Claire Iron Jackson Pepin Pierce Polk Price Rusk Saint Croix Sawyer Taylor Trempealeau Washburn
<u>District #2</u>	Adams Calumet Fond du Lac Green Lake Juno Manitowoc Marathon Marquette Portage Sheboygan Waushara Winnebago Wood	<u>District #5</u>	Columbia Crawford Dare Grant Green Iowa LaCrosse Lafayette Monroe Richland Rock Sauk Vernon
<u>District #3</u>	Brown Dor Florence Forest Kewaunee Langlade Lincoln Marinette Marquette Oconto Oneida Outagamie Shawano Vilas Waupaca		

EXHIBIT I

INITIAL BOARD MEMBERS AND TERMS

028280-0001\8661599.2