



RE: ENTERING INTO AN AGREEMENT TO PARTICIPATE IN MISSOURI SECURITIES INVESTMENT POOL (MOSIP).

Background:

Recently, we adopted an updated Investment Policy. Part of this policy allows us to structure our portfolio using the Missouri Securities Investment Pool, or MOSIP. This program allows us to invest assets, along with other Missouri governmental agencies, to gain a higher interest rate. It also allows us to invest in a 'liquid series' of instruments that afford the ability access cash in a short amount of time if needed, as opposed to locking up cash in a time deposit investment, such as a CD.

Analysis:

Approval of this Council Bill will allow us to participate in the MOSIP program. This segment of our investment portfolio would cover cash that is not needed on a monthly recurring basis, or for long-term investing, but rather one-time purchases, such as capital items and debt service payments.

Recommendation:

Staff recommends passage of this bill.

MEMO SUBMITTED BY:

Jennifer Evans | Director of Finance

jevans@nixa.com | 417-724-5625

1 AN ORDINANCE OF THE COUNCIL OF THE CITY OF NIXA AUTHORIZING THE CITY
2 ADMINISTRATOR TO EXECUTE AN “AMENDED AND RESTATED MISSOURI
3 SECURITIES INVESTMENT PROGRAM INTERGOVERNMENTAL AGREEMENT”
4 FOR THE PURPOSE OF PARTICIPATING IN THE “MISSOURI SECURITIES
5 INVESTMENT PROGRAM.”
6

7 **WHEREAS** City Council, by the passage and approval of Resolution No. 2024-52,
8 adopted an updated investment policy for the City; and
9

10 **WHEREAS** the new investment policy allows for the City to structure its investment
11 portfolio using the “Missouri Securities Investment Pool” (“MOSIP”); and
12

13 **WHEREAS** the MOSIP Program allows the City to invest assets along with other
14 Missouri governmental agencies to secure a higher interest rate on said assets; and
15

16 **WHEREAS** additionally, participating in the MOSIP program allows the City to
17 invest in a “liquid series” of instruments that allow for the ability to access funds in a short
18 amount of time if needed; and
19

20 **WHEREAS** the City Council desires to authorize the City Administrator to execute
21 an “Amended and Restated Missouri Securities Investment Program Intergovernmental
22 Agreement” to allow for the City’s participation in the MOSIP program.
23

24 **NOW, THEREFORE, BE IT ORDAINED BY THE COUNCIL OF THE CITY OF**
25 **NIXA, AS FOLLOWS, THAT:**
26

27 **SECTION 1:** The City Council hereby authorizes the City Administrator, or
28 authorized designee, to execute an “Amended and Restated Missouri Securities
29 Investment Program Intergovernmental Agreement” (“Agreement”) to allow for the City’s
30 participation in the MOSIP program. Said Agreement shall be in substantially similar form
31 as the document attached hereto, and incorporated herein by this reference as “Council
32 Bill Exhibit A.”
33

34 **SECTION 2:** The City Administrator and the officers of the City are hereby
35 authorized to do all things necessary or convenient to carry out the terms and intent of
36 this Ordinance.
37

38 **SECTION 3:** The City Council hereby authorizes the investment and withdrawal of
39 available funds from time to time in accordance with the terms of the Agreement. The City
40 Administrator, or authorized designee, is hereby designated as having full power and
41 authority to invest and withdraw invested funds of the City as provided in the Agreement.
42

43 **SECTION 4:** The members of the City Council, the Mayor, and the officers of the
44 City are hereby authorized to serve as members of the Board of Directors of the Missouri
45 Securities Investment Program if elected or appointed under the provisions of the
46 Agreement.

47
48
49
50
51
52
53
54
55
56
57
58
59
60
61
62
63
64
65
66
67
68
69
70
71
72
73

SECTION 5: This Ordinance shall be in full force and effect from and after its final passage by the City Council and after its approval by the Mayor, subject to the provisions of section 3.11(g) of the City Charter.

ADOPTED BY THE COUNCIL THIS 11th DAY OF February 2025.

ATTEST:

PRESIDING OFFICER

CITY CLERK

APPROVED BY THE MAYOR THIS _____ DAY OF February 2025.

ATTEST:

MAYOR

CITY CLERK

APPROVED AS TO FORM:

CITY ATTORNEY

AMENDED AND RESTATED
MISSOURI SECURITIES INVESTMENT PROGRAM
INTERGOVERNMENTAL COOPERATION AGREEMENT

TABLE OF CONTENTS

	<u>Page</u>
RECITALS	1
ARTICLE 1 The Program	
1.1 <u>Name</u>	2
1.2 <u>Purpose: Only School Districts and Certain Other Political Subdivisions to be Participants</u>	2
1.3 <u>Location</u>	2
1.4 <u>Nature of Program</u>	2
1.5 <u>Definitions</u>	3
ARTICLE 2 Powers of the Directors	
2.1 <u>General</u>	4
2.2 <u>Power to Invest in Permitted Investments</u>	5
2.3 <u>Legal Title</u>	6
2.4 <u>Disposition of Assets</u>	6
2.5 <u>Taxes</u>	6
2.6 <u>Delegation, Committees</u>	6
2.7 <u>Collection</u>	7
2.8 <u>Payment of Expenses</u>	7
2.9 <u>Investment Program</u>	8
2.10 <u>Power to Contract, Appoint, Retain and Employ</u>	8
2.11 <u>Insurance</u>	9
2.12 <u>Indemnification</u>	9
2.13 <u>Further Powers</u>	9
2.14 <u>Series Directors</u>	10
ARTICLE 3 Limitations of Liability	
3.1 <u>Liability to Third Persons</u>	10
3.2 <u>Liability to the Program or to the Participants</u>	10
3.3 <u>Indemnification</u>	11
ARTICLE 4 Interests of Participants	
4.1 <u>General</u>	12
4.2 <u>Allocation of Shares</u>	17
4.3 <u>Evidence of Share Allocation</u>	18
4.4 <u>Reduction to Maintain Constant Net Asset Value</u>	18
4.5 <u>Redemptions</u>	18

4.6 Suspension of Redemption: Postponement of Payment.... 18
4.7 Separate Accounts..... 19

ARTICLE 5
Record and Transfer of Shares

5.1 Share Records..... 19
5.2 Notices..... 19

ARTICLE 6
Participants

6.1 Voting..... 20
6.2 Meetings of Participants..... 20
6.3 Quorum..... 20
6.4 Notice of Meetings..... 20
6.5 Participant Action by Written Consent..... 20
6.6 Voting Rights of Participants..... 21

ARTICLE 7
Directors and Officers

7.1 Number and Qualifications..... 21
7.2 Organizational Directors..... 22
7.3 Term of Office..... 23
7.4 Election of Directors..... 23
7.5 Resignation and Removal..... 24
7.6 Vacancies..... 24
7.7 Bylaws..... 24
7.8 Reports..... 24

ARTICLE 8
Determination of Net Asset Value and
Net Incomes Distributions to Participants

8.1 Net Asset Value..... 25
8.2 Constant Net Asset Value Reduction of Allocated
Shares..... 25

ARTICLE 9
Custodian

9.1 Duties..... 26
9.2 Agents of Custodian..... 26
9.3 Successors..... 26

ARTICLE 10
Recording of Agreement

10.1 Recording..... 27

ARTICLE 11
Amendment or Termination of Program;
Duration of Program

11.1 Amendment or Termination..... 27
11.2 Power to Effect Reorganization..... 29
11.3 Duration..... 29

ARTICLE 12
Nature of the Agreement

12.1 Parties to the Agreement..... 29
12.2 Entry Into or Resignation From Agreement as Not
Constituting Amendment..... 29

ARTICLE 13
Miscellaneous

13.1 Governing Law..... 30
13.2 Counterparts..... 30
13.3 Section Headings..... 30

THIS AGREEMENT is entered this _____ day of _____, 19____, by and between each "school district or other eligible political subdivisions" now or hereafter electing to participate in the program created pursuant to this agreement by the adoption of a "resolution, order or ordinance" approving such participation.

WITNESSETH:

WHEREAS, Article 6, section 16 of the Constitution of Missouri provides that political subdivisions may cooperate under contract to provide a common service as provided by law; and

WHEREAS, sections 70.210 to 70.320, RSMo. provide that political subdivisions, including school districts, may jointly exercise their authority to provide a common service so long as the subject and purposes of such contract are within the scope of the powers of each participating political subdivision; and

WHEREAS, section 165.051 authorizes school districts to invest their surplus revenues in certain instruments if not needed for a reasonable period of time for the purposes for which such monies were received; and

WHEREAS, other political subdivisions of the state are also authorized to invest their surplus revenues as contemplated by this agreement; and

WHEREAS, this agreement represents an intergovernmental cooperation agreement between school districts and other eligible political subdivisions established for the purpose of providing a program for the investment of surplus revenues as provided by law; and

WHEREAS, the interest of each participating school district or other eligible political subdivision in such program shall be evidenced by records maintained by the program or its agent, and a board of directors established as further provided by this agreement is authorized by each participant to hold such title as may be necessary to enable such board of directors to execute investment transactions on its behalf,

NOW THEREFORE, all monies, assets, securities, funds and property now or hereafter acquired by the directors, their successors and assigns under this agreement shall be held and managed for the benefit of each school district or other eligible political subdivision that has elected to participate in such program by adopting a resolution implementing this agreement, subject to all of its terms, covenants, conditions, purposes and provisions.

ARTICLE 1

The Program

1.1 Name. The name of the entity created by this Agreement shall be the "Missouri Securities Investment Program" (the "Program") and, so far as may be practicable, the Directors shall conduct the Program's activities, execute all documents and sue or be sued, subject to all applicable immunities, under that name, which name (and the word "Program" wherever used in this Agreement except where the context otherwise requires) shall refer to the Directors in their capacity as Directors, and not individually or personally, and shall not refer to the officers, agents, employees, counsel, advisors, consultants, accountants, or Participants of the Program. Should the Directors determine that the use of such name is not practicable, legal or convenient, they may use such other designation or they may adopt such other name for the Program as they deem proper, and the Program may hold property and conduct its activities under such designation or name.

1.2 Purpose: Only School Districts and Certain Other Political Subdivisions to be Participants. The purpose of the Program is to provide a legal entity through which school districts and other political subdivisions authorized to invest in certain instruments and organized under the laws of the state of Missouri may jointly exercise in accordance with law their authority to invest available funds so as to enhance their investment opportunities. A school district or other eligible political subdivision may place funds in the Program as a Participant and have an interest hereunder only after its Board has duly adopted a resolution authorizing it to become a Participant in the Program by accepting this Agreement.

1.3 Location. The Program shall maintain an office of record in the State of Missouri, and may maintain such other offices or places of business as the Directors may from time to time determine. The initial office of record of the Program shall be: c/o Missouri School Boards Association, 2100 I-70 Drive S.W., Columbia, Missouri 65203. The office of record may be changed from time to time by resolution of the Directors, and notice of such change of the office of record shall be given to each Participant.

1.4 Nature of Program. The Program shall be a separate, legal and administrative entity organized and existing pursuant to sections 70.210 to 70.320, RSMo. The Program is not intended to be, shall not operate as, shall not be deemed to be, and shall not

be treated as, a general partnership, limited partnership, corporation, investment company, joint stock company, trust company, or credit union. The Program is an instrumentality of the participating political subdivisions. The Participants shall have such rights as are conferred upon them by this Agreement.

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

"Agreement" shall mean this contract as amended, restated or modified from time to time, and as adopted and incorporated by reference by resolution of participants.

"Board" shall mean the school board or governing body of each Participant school district or eligible political subdivision.

"Board of Directors" shall mean the governing body of the Program as provided in Article 7 of this Agreement.

"Certificate of Designation" shall mean a Certificate of Designation adopted by the Directors pursuant to Paragraph (b) of Section 4.1 hereof with respect to a Series of Shares.

"Custodian" shall mean the financial institution required under Article 9 of this Agreement to hold Fund Property on behalf of the Directors.

"Eligible Political Subdivisions" shall include any political subdivision approved by the Board of Directors and authorized by law to invest its funds in all of the permitted investments available to the Directors under this Agreement for the investment of Program Property.

"Program" shall mean the Missouri Securities Investment Program created by this Agreement.

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

"Laws" shall mean common law and all ordinances, statutes, rules, regulations, orders, injunctions, decisions or decrees of any government or political subdivision or agency thereof, or any court or similar entity. Any references to statutes include references to them as they may be amended from time to time.

"Participants" shall mean school districts and other eligible political subdivisions which enter into this Agreement.

"Permitted Investments" shall mean the investments referred to in Section 2.2 of this Agreement.

"Person" shall mean and include individuals, corporations, limited partnerships, general partnerships, joint stock companies or associations, joint ventures, associations, companies, trusts, banks, trust companies, land trusts, business trusts, other entities, (whether or not legal entities) governments and agencies and political subdivisions thereof.

"School District" shall mean a Missouri public school district.

"Series" shall mean a category of the Shares authorized by the Directors pursuant to Article 4 hereof.

"Shares" shall mean the shares of interest in the Program (or any Series thereof) as described in Article 4 of this Agreement.

"Directors" shall mean the Board of Directors of the Program.

ARTICLE 2

Powers of the Directors

2.1 General. Subject to the rights of the Participants as provided herein, the Directors shall have, without other or further authorization, full, exclusive and absolute power, control and authority over the Program Property and over the affairs of the Program to the same extent as if the Directors were the sole and absolute owners of the Program Property in their own right, and with such powers of delegation as may be permitted by this Agreement. The Directors may do and perform such acts and things as in their sole judgment and discretion are necessary and proper for conducting the affairs of the Program or promoting the interests of the Program and the Participants. The enumeration of any specific power or authority herein shall not be construed as limiting the general power or authority or any specific power or authority. The Directors may exercise any power authorized and granted to them by this Agreement. Such powers of the Directors may be exercised without the necessity of any order of, or resort to, any court.

2.2 Power to Invest in Permitted Investments. The Directors shall establish a written investment policy, and have full and complete power:

(a) to conduct, operate and provide an investment program for the Participants and to represent the interests of such Participants by Shares; and

(b) to separately invest funds of any individual Participant on behalf of and at the request of such Participant and to maintain separate accounts and records for such purpose; and

(c) With respect to (a) and (b) above, for such consideration as they may deem proper, to subscribe for, invest in, reinvest in, purchase or otherwise acquire, hold, pledge, sell, assign, transfer, exchange, distribute or otherwise deal in or dispose of investment instruments as permitted by law. Permitted Investments shall include the following:

(i) Bonds, redeemable at maturity at par, of the state of Missouri, of the United States, or of any wholly owned corporation of the United States;

(ii) Other short-term obligations of the United States; or

(iii) Any other type of investment permitted by law.

In the exercise of their powers, the Directors shall not be limited, except as otherwise provided hereunder, to investing in Permitted Investments maturing before the possible termination of the Program. The Directors shall have full authority and power to make any and all Permitted Investments within the limitations of this Agreement, that they, in their prudent discretion, shall determine to be advisable and appropriate. The Directors shall have no liability for loss with respect to Permitted Investments made within the terms of this Agreement, even though such investments shall be of a character or in an amount not considered proper for the investment of trust funds by trustees and other fiduciaries.

In furtherance, and not in limitation, of the provisions of Section 2.13 hereof, it is hereby expressly declared that the Directors may, but need not, for the purposes of any Series, delegate the investment powers set forth in this Section 2.2 to the Directors assigned to such Series.

2.3 Legal Title.

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

(b) The right, title and interest of the Program in and to the Program Property shall not be affected by changes in the membership of the Board of Directors.

2.4 Disposition of Assets. Subject in all respects to this Agreement, the Directors shall have full and complete power to sell, exchange or otherwise dispose of any and all Program Property free and clear of any and all restrictions, at public or private sale, for cash or on terms, with or without advertisement, and subject to such restrictions, stipulations, agreements and reservations as they shall deem proper, and to execute and deliver any deed, power, assignment, bill of sale, or other instrument in connection with the foregoing. The Directors shall also have full and complete power, subject in all respects to this Agreement and in furtherance of the affairs and purposes of the Program, to give consents and make contracts relating to Program Property or its use.

2.5 Taxes. The Directors shall have full and complete power: (i) to pay all taxes or assessments, of whatever kind or nature, validly and lawfully imposed upon or against the Program or the Directors in connection with the Program Property or upon or against the Program Property or income or any part thereof, (ii) to settle and compromise disputed tax liabilities; and (iii) for the foregoing purposes to make such returns and do all such other acts and things as may be deemed by the Directors to be necessary or desirable.

2.6 Delegation, Committees. The Directors shall have full and complete power, consistent with their continuing exclusive authority over the management of the Program, the conduct of its affairs, their duties and obligations as Directors, and the management and disposition of Program Property, to delegate from time to time to a Committee of one or more of the Directors, or to officers, employees or agents of the Program the doing of such acts and things and the execution of such instruments either in

the name of the Program, or the names of the Directors or as their attorney or attorneys, or otherwise as the Directors may from time to time deem expedient and appropriate in the furtherance of the business affairs and purposes of the Program.

2.7 Collection. The Directors shall have full and complete power: (i) to collect, sue for, receive and receipt for all sums of money or other property due to the Program; (ii) to consent to extensions of the time for payment, or to the renewal of any securities, investments or obligations; (iii) to engage or intervene in, prosecute, defend, compromise, abandon or adjust by arbitration or otherwise any actions, suits, proceedings, disputes, claims, demands or things relating to the Program Property; (iv) to foreclose any collateral, security or instrument securing any investments, notes, bills, bonds, obligations or contracts by virtue of which any sums of money are owed to the Program; (v) to exercise any power of sale held by them, and to convey good title thereunder free of any and all trusts, and in connection with any such foreclosure or sale, to purchase or otherwise acquire title to any property; (vi) to be parties to reorganization and to transfer to and deposit with any corporation, committee, voting Director or other Person any securities, investments or obligations of any person which form a part of the Program Property for the purpose of such reorganization or otherwise; (vii) to participate in any arrangement for enforcing or protecting the interests of the Directors as the owners or holders of such securities, investments or obligations and to pay any assessment levied in connection with such reorganization or arrangement; (viii) to extend the time (with or without security) for the payment or delivery of any debts or property and to execute and enter into releases, agreements and other instruments; and (ix) to pay or satisfy any debts or claims as the Directors shall deem sufficient.

2.8 Payment of Expenses. The Directors shall have full and complete power: (i) to incur and pay any charges or expenses which in the opinion of the Directors are necessary or incidental to or proper for carrying out any of the purposes of this Agreement; (ii) to reimburse others for the payment therefor; and (iii) to pay appropriate compensation or fees from the Program to Persons with whom the Program has contracted or transacted business. The Directors shall fix the compensation, if any, of all officers and employees of the Program. The Directors shall not be paid compensation for their general services as Directors hereunder. The Directors may pay themselves expenses reasonably incurred on behalf of the Program. The Directors may allocate such expenses among various Series in such manner and proportion as appropriate in the discretion of the Directors.

2.9 Investment Program. The Directors shall use their best efforts to obtain a continuing and suitable investment program, consistent with the investment policies and objectives of the Program set forth in this Agreement and the Directors shall be responsible for reviewing and approving or rejecting the investment program. Subject to the provisions of Section 2.6 hereof, the Directors may delegate functions arising under this Section 2.9 to one or more of their number. The Directors shall also have full and complete power to contract or otherwise obtain from or through other qualified Persons for the benefit of, and to make available to, the Participants of the Program from time to time, additional investment and non-investment programs and services distinct from the Program's program of investments measured by Shares, but consistent with the investment goals and objectives of the Program and the general purposes of this Agreement. The Directors shall have the power to review and approve or reject, in their sole discretion, such additional investment and non-investment programs as may be presented to the Directors by any other qualified Persons.

2.10 Power to Contract, Appoint, Retain and Employ.

(a) Subject to the provisions of Section 2.6 hereof with respect to delegation of authority by the Directors, the Directors shall have full and complete power to appoint, employ, retain, or contract with any Person of suitable qualifications and high repute as the Directors may deem necessary, or desirable for the transaction of the affairs of the Program, or the transaction of the affairs of any additional investment programs or services of any nature affiliated with the Program or otherwise contracted for or by the Program, including any Person or Persons who, under the supervision of the Directors, may, among other things: (i) serve as the Program's investment adviser and consultant in connection with policy decisions made by the Directors; (ii) serve as the Program's administrator or co-administrators; (iii) furnish reports to the Directors and provide research, economic and statistical data in connection with the Program's investment; (iv) act as consultants, accountants, technical advisers, attorneys, brokers, underwriters, corporate fiduciaries, escrow agents, depositaries, custodians or agents for collection, insurers or insurance agents, registrars for Shares or in any other capacity deemed by the Directors to be necessary or desirable; (v) investigate, select, and, on behalf of the Program, conduct relations with Persons acting in such capacities and pay appropriate fees to, and enter into appropriate contracts with, or employ, or retain services performed or to be performed by, any of them in connection with the investments acquired, sold, or otherwise disposed of, or committed, negotiated, or contemplated to be acquired, sold or otherwise disposed of; (vi) substitute any

other Person for any such Person; (vii) act as attorney-in-fact or agent in the purchase or sale or other disposition of investments, and in the handling, prosecuting or other enforcement of any lien or security securing investments; (viii) assist in the performance of such ministerial functions necessary in the management of the Program as may be agreed upon with the Directors; and (ix) any of the foregoing as may be agreed upon by the Directors with regard to any additional investment and non-investment programs and services for the benefit of the Participants.

(b) The manner of employing, engaging, compensating, transferring or discharging any person as an employee of the Program shall be subject to Missouri law. For purposes of the preceding sentence, "employee of the Program" shall not include independent contractors such as the Custodian, counsel or independent accounts and their respective employees.

2.11 Insurance. The Directors shall have full and complete power to purchase and pay for, entirely out of Program Property, insurance policies insuring the Program and the Directors, officers, employees and agents, of the Program individually against all claims and liabilities of every nature arising by reason of holding or having held any such office or position, or by reason of any action alleged to have been taken or omitted by the Program or any such Person as Directors, officer, employee and agent, including any action taken or omitted that may be determined to constitute negligence, whether or not the Program would have the power to indemnify such Person against such liability.

2.12 Indemnification. In addition to the mandatory indemnification provided for in Section 3.3 hereof, the Directors shall have full and complete power, to the extent permitted by applicable laws, to indemnify or enter into indemnification agreements with any Person with whom the Program has dealings, including, without limitation, the Directors, the Marketing Agent, the Adviser, the Administrator, and the Custodian, to such extent as the Directors shall determine.

2.13 Further Powers. The Directors, subject to the limitation that the Program cannot exercise powers beyond the scope of the powers of its Participants, shall have full and complete power to take all such actions, do all such matters and things and execute all such instruments as they deem necessary, proper or desirable in order to carry out, promote or advance the interests and purposes of the Program although such actions, matters or things are not specifically mentioned. Any determination as to what is in the best interests of the Program made by the Directors in good faith shall be conclusive. In

construing the provisions of this Agreement, the presumption shall be in favor of a grant of power to the Directors. The Directors shall not be required to obtain any court order to deal with Program Property.

2.14 Series Directors. The Directors shall have full and complete power (consistent with their continuing exclusive authority over the management of the Program, the conduct of its affairs, their duties and obligations as Directors, and the management and disposition of Program Property) to designate one or more of their number to serve as Directors assigned to (i) the official custodianship of the Program Property allocated to a particular Series and (ii) the supervision of the activities of the Program related to a particular Series, all as more fully set forth in Article 4 hereof.

ARTICLE 3

Limitations of Liability

3.1 Liability to Third Persons. No Participant shall be subject to any personal liability whatsoever, in tort, contract or otherwise to any other Person or Persons in connection with Program Property or the affairs of the Program; and no Directors, officer, employee or agent (including, without limitation, the Marketing Manager, Program Coordinator, the Adviser, the Administrator and the Custodian) of the Program shall be subject to any personal liability whatsoever in tort, contract or otherwise, to any other Person in connection with Program Property or the affairs of the Program, except that each shall be liable for his bad faith, willful misconduct, gross negligence or reckless disregard of his duties, for his failure to act in good faith in the reasonable belief that his action was in the best interests of the Program for his willful or negligent failure to take reasonable measures to restrict investments of the Program Property to those permitted by law and this Agreement; and all such other Persons shall otherwise look solely to the Program Property for satisfaction of claims of any nature arising in connection with the affairs of the Program.

3.2 Liability to the Program or to the Participants. No Director, officer, employee or agent (including, without limitation, the Marketing Manager, Program Coordinator, the Adviser, the Administrator and the Custodian) of the Program shall be liable to the Program or to any Participant, Director, officer, employee or agent (including, without limitation, the Adviser, the Administrator and the Custodian) of the Program for any action or failure to act (including, without limitation, the failure to compel in any way any former or acting Director to redress any

breach of trust) except for his own bad faith, willful misfeasance, gross negligence or reckless disregard of his duties or, for his willful or negligent action or failure to act or to take reasonable measures to restrict investments of the Program Property to those permitted by law; provided, however, that the provisions of this Section shall not limit the liability of any agent of the Program with respect to breaches by it of a contract between it and the Program.

3.3 Indemnification.

(a) The Program shall indemnify each of its Directors and officers, and employees against all liabilities and expenses including, without limitation, amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees reasonably incurred by him in connection with the defense or disposition of any action, suit or other proceeding by the Program, or any other Person, in which he may be involved or with which he may be threatened, while in office or thereafter, by reason of his being or having been such a Director, officer, or employee, except as to any matter as to which he shall have been adjudicated to have acted in bad faith or with willful misfeasance or reckless disregard of his duties or gross negligence and further provided, however, that as to any matter disposed of by a compromise payment by such Director, officer, or employee pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expenses shall be provided unless the Program shall have received a written opinion from independent counsel approved by the Directors to the effect that if the foregoing matters had been adjudicated, the defenses that could have been presented on behalf of such Director, officer, or employee were meritorious. The rights accruing to any Director, officer, or employee under the provisions of this Section shall not exclude any other right to which he may be lawfully entitled; provided, however, that no Director, officer, or employee may satisfy any right of indemnity or reimbursement granted herein or to which he may be otherwise entitled except out of the Program Property, and no Participant shall be personally liable to any Person with respect to any claim for indemnity or reimbursement or otherwise. The Directors may make advance payments in connection with indemnification under this Section, provided that the indemnified Director, officer, or employee shall have given a written undertaking to reimburse the Program in the event that it is subsequently determined that he is not entitled to such indemnification.

(b) Any action taken by, or conduct on the part of, an Adviser, Administrator, Director, officer, or employee of the Program, in conformity with this Agreement, or in good faith

reliance upon this Agreement shall not constitute bad faith, willful misfeasance, gross negligence or reckless disregard of his duties.

ARTICLE 4

Interests of Participants

4.1 General. (a) The interest each of the Participants in the Program Property and the earnings thereon, except for the interests of Participants in Program Property separately invested under Section 2.2(b), shall, for convenience of reference, be divided into Shares, which shall be used as units to measure the proportionate allocation of the Program Property to the respective Participants. The number of Shares that may be used to measure and represent the proportionate allocation of Program Property among the Participants is unlimited. Title to the Program Property of every description and the right to conduct any affairs are vested in the Directors on behalf, and for the interest, of the Participants, and the Participants shall have no interest therein other than the interest conferred hereby and measured by their Shares, or other accounts established pursuant to Section 2.2(b), and they shall have no right to call for any partition or division of any property, profits, rights or interests of the Program nor can they be called upon to share or assume any losses of the Program or suffer an assessment of any kind by virtue of the allocation of Shares or other accounts to them, except as provided in Section 8.2 hereof.

The Directors, in their discretion, from time to time, may authorize the division of Shares into two or more Series, or the establishment of two or more Series of Shares, each Series relating to a separate portfolio of investments. All references to Shares in this Agreement shall be deemed to be Shares of any one Series, any one or more Series, or all Series as the context may require.

(b) If the Directors shall divide the Shares into two or more Series, the following provisions shall be applicable:

(i) Pursuant to Section 2.13 hereof, the Directors shall designate one or more of their number to serve as the Directors assigned to each particular Series.

(ii) The number of Shares of each Series that may be used to measure the respective beneficial interests of the Participants in the portfolio of investments to which such Series related shall be unlimited.

(iii) All Shares of a Series shall be of one class representing equal distribution, liquidation and other rights.

(iv) The Directors (or, if so provided in the Certificate of Designation of Series, the Directors assigned to such Series) shall have the power to invest and reinvest the Program Property applicable to each Series in accordance with the investment policies and restrictions set forth in this Agreement, the Bylaws, or otherwise. The Directors may establish more restrictive investment policies and restrictions for any particular Series.

(v) All funds received by the Program from a Participant with respect to a particular Series, together with all assets in which such funds are invested or reinvested, all income, earnings, profits and proceeds thereof, including any proceeds derived from the sale, exchange or liquidation of such assets, and any funds or payments derived from any reinvestment of such proceeds in whatever form the same may be, shall irrevocably belong to that Series for all purposes, subject only to the rights of creditors, and shall be so recorded upon the books of account of the Program. In the event that there are any assets, income, earnings, profits, and proceeds thereof, funds, or payments which are not readily identifiable as belonging to any particular Series, the Directors shall allocate them among any one or more of the Series established and designated from time to time in such manner and on such basis as they, in their sole discretion, deem fair and equitable. Each such allocation by the Directors shall be conclusive and binding upon the Participants of all Series for all purposes.

(vi) The assets belonging to each particular Series shall be charged with the liabilities of the Program in respect of that Series and all expenses, costs, charges and reserves attributable to that Series in such manner and on such basis as the Directors in their sole discretion deem fair and equitable. Any general liabilities, expenses, costs, charges or reserves of the Program which are not readily identifiable as attributable to any particular Series shall be allocated and charged by the Directors to and among any one or more of the Series established and designated from time to time in such manner and on such basis as the Directors in their sole discretion deem fair and equitable. Each allocation of liabilities, expenses, costs, charges and reserves by the Directors shall be conclusive and binding upon the Participants of all Series for all purposes. The Directors shall have full discretion to determine which

assets' items will be treated as income and which as funds placed in the Program by Participants and each such determination and allocation shall be conclusive and binding upon the Participants of all Series.

(vii) The net income of the Program shall be determined separately for each Series and shall be credited to the respective Share account of the Participants in each Series in the manner and at the times provided in Article 8 hereof.

(viii) The terms designated by the Directors with respect to a Series may provide that the Shares of such Series shall only relate to a particular Participant or shall relate to all Participants or otherwise provide for a limitation on the number and identity of the Participants to which the Shares of such Series shall relate.

(ix) The terms designated by the Directors with respect to a Series may provide that such Series shall be established on a particular date and be terminated on a particular date.

(x) The terms designated by the Directors with respect to a Series may provide for limitations of time or otherwise with respect to the ability of the Participants participating in such Series to withdraw funds relating to Shares of such Series from the Program.

(xi) To effect the division of the Shares into one or more Series or to establish a Series, the Directors shall authorize and adopt a Certificate of Designation for each such Series. Such Certificate of Designation shall become effective when (a) executed (i) by any two of the Chairman, the Vice Chairman and the Secretary/Treasurer of the Program or (ii) by such other Directors or officers of the Program as shall be determined by the Directors and (b) lodged in the records of the Program. Any such Certificate of Designation may be filed or recorded pursuant to Article 10 of this Agreement, but no such recordation or filing shall be a condition precedent to the effectiveness of such Certificate of Designation. No Certificate of Designation shall be, or shall be deemed to be, an amendment of this Agreement within the meaning of Article 11 of this Agreement. It shall not be necessary for each Participant to be advised of the adoption of any Certificate of Designation prior to its effectiveness, but the Directors shall take, or shall cause to be taken, such measures as are reasonably intended to notify the Participants on at least a quarterly basis of the

authorization and adoption by the Directors of any Certificate or Certificates of Designation during the preceding quarter.

(xii) A copy of the Certificate of Designation relating to a Series shall be provided to each Participant participating in such Series and to each Director assigned to such Series pursuant to Section 2.13 and Section 6.1(b)(i) hereof. A copy of the Certificate of Designation relating to any Series shall be provided, upon written request therefor, to any Participant whether or not such Participant is participating in such Series.

(xiii) A Certificate of Designation authorized and adopted by the Directors pursuant to this Article 4 shall be in substantially the following form, with the Directors being hereby authorized to make such changes in the form set forth in this subsection xiii as may be necessary from time to time to conform to, or accommodate, changes in law or regulation or the circumstances applicable or pertaining to a particular Series:

MISSOURI SCHOOL SECURITIES
INVESTMENT PROGRAM _____ FUND

Certificate of Designation

The Directors of the Missouri Securities Investment Program _____ Fund (the "Fund") by action taken by them on the ___ day of _____, 19__, pursuant to the authority vested in them by the Participants of the Program in accordance with the Agreement of the Program do hereby adopt this Certificate of Designation authorizing and establishing a Series of Shares of the Program.

The terms of such Series (the "Series") shall be as follows:

1. Nomenclature. The Series shall be known and referred to as _____.
2. Date of Establishment. The Series shall be established as of _____.
3. Duration. The duration of the Series shall be _____.

4. Participant or Participants. The Participant or Participants that may participate (the "Series Participants") in the Series are _____.

5. Investments. The nature of the investments in which funds of the Series Participant or Participants placed in the Program with respect to the Series may be invested is _____.

6. Directors and Custodians. The Directors of the Program designated as the Directors assigned to the Series are _____. Such designated Directors are hereby appointed by each of the Series Participants as the official custodians (within the meaning of Section 564.8 of Title 12 of the Code of Federal Regulations) of the assets of the Series Participants placed in the Program with respect to the Series.

7. Net Asset Value. The method of determining the net asset value of the Series is _____.

8. Other Terms. (Insert a description of any other terms applicable to the Series).

9. Agreement. To the extent not specifically set forth in this Certificate of Designation, the terms of the Series and the rights of the Series Participants shall be governed by the Agreement of the Program of which this Certificate of Designation is deemed to be an integral part.

10. Definitions. Terms and phrases not otherwise defined in this Certificate of Designation shall have the definitions given to them in the Agreement.

IN WITNESS WHEREOF, the Directors of the Program have caused this Certificate of Designation to be executed by the undersigned officers of the Program, such officers having been thereunto duly authorized.

The Directors of the Missouri
Securities Investment Program

Attest
[Program Seal]

Authorized Signatory

Authorized Signatory

(xiv) The Directors assigned to a Series shall be deemed to have been conclusively and fully appointed by the Participants participating in such Series as the official custodians (within the meaning of Section 564.8 of Title 12 of the Code of Federal Regulations) or any similar law or regulation of the assets of said Participants.

(xv) The Directors shall have the power to designate one or more Series in which all Participants shall be deemed to be participants.

(xvi) The provisions of the Certificate of Designation of a Series may be amended by action of the Directors for the purposes of curing any ambiguity or supplying any omission or curing or correcting any defect or inconsistent provision in the Certificate of Designation as are necessary or desirable and are not contrary to or inconsistent with the Certificate of Designation theretofore in effect. The Participants participating in the Series to which the amendment relates shall be given notice thereof.

4.2 Allocation of Shares.

(a) The Directors shall credit a Participant with additional Shares upon receipt of funds, including, without limitation, income from the investment of Program Property for the account of such Participant, based on the net asset value per Share as determined pursuant to Section 8.1 hereof (including, without limitation, if so determined by the Directors with respect to a Series, each business day in accordance with the maintenance of a constant net asset value per Share as set forth in Section 8.1 hereof). In connection with any allocation of Shares, the Directors may allocate fractional Shares. The Directors may from time to time adjust the total number of Shares allocated without thereby changing the proportionate interests in the Program. Changes in the number of allocated Shares may be made in order to maintain a constant net asset value per Share as set forth in Section 8.2 hereof. Shares shall be allocated and redeemed as whole Shares and/or one-hundredths (1/100ths) of a Share or multiples thereof. Each Participant may divide its Shares administratively among more than one account within the Program or Series for such Participant's convenience in accordance with such procedures as the Directors may establish.

4.3 Evidence of Share Allocation. Evidence of Share Allocation shall be reflected in the books and records maintained by or on behalf of the Program pursuant to Section 5.1 hereof, and the Program shall not be required to issue certificates as evidence of Share Allocation.

4.4 Reduction to Maintain Constant Net Asset Value. The Shares of one or more Series of the Program shall be subject to reduction in number pursuant to the procedure for reduction of Shares set forth in Section 8.2 in order to maintain a constant net asset value per Share.

4.5 Redemptions. Payments by the Program to Participants, and the reduction of Shares resulting therefrom, are referred to in this Agreement as "redemptions". Any and all allocated Shares may be redeemed at the option of the Participant whose interest is measured by such Shares, upon and subject to the terms and conditions provided in this Agreement. The Program shall, upon application of any Participant, promptly pay to such Participant all or a portion of the Shares of such Participant in the Program, and reduce the allocation of Shares to such Participant accordingly; provided, however, that the Directors shall have the power to provide for redemption procedures relating to any particular Series which are consistent with the purpose and intent of this Agreement and consistent with the terms of the Certificate of Designation of such Series and such procedures may, inter alia, establish periods during which funds relating to Shares of such Series may not be withdrawn from the Program.

4.6 Suspension of Redemption: Postponement of Payment. Each Participant, by its adoption of this Agreement, agrees that the Directors may, without the necessity of a formal meeting of the Directors, temporarily suspend the right of redemption or postpone the date of payment for redeemed Shares for all Series or any one or more Series of the Program for the whole or any part of any period (i) during which there shall have occurred any state of war, national emergency, banking moratorium or suspension of payments by banks in the state of Missouri or (ii) during which any financial emergency situation exists as a result of which disposal by the Program of Program Property is not reasonably practicable because of the substantial losses which might be incurred or it is not reasonably practicable for the Program fairly to determine the value of its net assets. Such suspension or postponement shall not alter or affect a Participant's interest as measured by its Shares or the accrued interest and earnings thereon. Such suspension or postponement shall take effect at such time as the Directors shall specify but not later than the close of business on the business day next following the declaration of suspension, and thereafter there shall be no right

of redemption or payment until the Directors shall declare the suspension or postponement at an end, except that the suspension or postponement shall terminate in any event on the first day on which the period specified in clause (i) or (ii) above shall have expired (as to which, the determination of the Directors shall be conclusive).

4.7 Separate Accounts. The interests of Participants in separately maintained investments under Section 2.2 (b) shall be represented in any manner deemed sufficient by the Board to identify such Participants' interests in such accounts, and no other provision of this Article or Articles 5 or 8 relating to share allocation shall be applicable to such accounts, the Directors shall have the same immunities, rights of indemnity, and other rights regarding title and control with respect to such property as for any other Program Property. Participants shall have the right to receive payment of their interests in such accounts in accordance with their Agreements with the Program. The Program may combine the interests of Participants in such separately maintained investments in any manner which they deem necessary to preserve, protect or promote their interests.

ARTICLE 5

Record and Transfer of Shares

5.1 Share Records. The Share Records shall be kept by or on behalf of the Directors, under the direction of the Directors, and shall contain (i) the names and addresses of the Participants, (ii) the number of Shares representing their respective interests and (iii) a record of all allocations and redemptions. Such Share Records shall be conclusive as to the identity of the Participants to which the Shares are allocated. Only Participants whose allocation of Shares is recorded in such Share Records shall be entitled to receive distributions with respect to Shares or otherwise to exercise or enjoy the rights and benefits related to the interest represented by the Shares. No Participant shall be entitled to receive any distribution, nor to have notices given to it as herein provided, until it was given its appropriate address to such officer or agent of the Program as shall keep the Share Records.

5.2 Notices. Any and all notices to which Participants hereunder may be entitled and any and all communications shall be deemed duly served or given if mailed, postage prepaid, addressed to Participants of record at their last known addresses as recorded on the Share Records provided for in this Article.

ARTICLE 6

Participants

6.1 Voting. Each Participant shall be entitled to one vote with respect to each matter regarding which Participants have voting rights as provided in this Article or as the Directors may determine, notwithstanding the number of Shares held by such Participant in relation to the other Participants or the number of Series in which a Participant participates. It shall not be necessary for a Participant to hold any minimum number of Shares on the record date of any meeting in order to be entitled to vote at such meeting. Participants shall not be entitled to vote on a Series by Series basis.

6.2 Meetings of Participants.

(a) Annual Meetings. Annual meetings of the Participants shall be held at such time within 120 days following the end of the fiscal year of the Program and at such place within the state of Missouri as the Directors shall designate. The business transacted at such meeting shall include the election of Directors by ballot, in person or by proxy, and may include the transaction of such other business as Participants may be entitled to vote upon as hereinafter provided in this Article, in person or by proxy.

(b) Special Meetings. Special meetings of the Participants may be called at any time by a majority of the Directors and shall be called by any Director upon written request of not less than twenty-five percent (25%) of the Participants, such request specifying the purpose or purposes for which such meeting is to be called. Any such meeting shall be held within the state of Missouri at such place, day and time as the Directors shall designate.

6.3 Quorum. The number of Participants present in person at a meeting (including participation by conference telephone or similar communications equipment by means of which all Persons participating in the meeting can hear each other) or by proxy shall constitute a quorum at any annual or special meeting.

6.4 Notice of Meetings. Notice of annual meetings or special meetings of the Participants, stating the time, place, and purposes of the meeting shall be mailed to the Participants at least ten (10) days prior to the meeting.

6.5 Participant Action by Written Consent. Any action taken by Participants may be taken without a meeting if permitted by applicable law and if a majority of Participants entitled to

vote on the matter (or such larger proportion thereof as shall be required by any express provision of this Agreement) consent to the action in writing and the written consents are filed with the records of the meetings of Participants. Such consent shall be treated for all purposes as a vote taken at a meeting of Participants.

6.6 Voting Rights of Participants. The Participants shall be entitled to vote as a matter of right only upon the following matters: (a) election of Directors as provided in Section 7.1 and Section 7.3; (b) amendment of the Agreement or termination of this Program as provided in Article XI; and (c) reorganization of this Program as provided in Section 11.2. Except with respect to the foregoing matters specified in this Section, no action taken by the Participants at any meeting shall in any way bind the Directors.

ARTICLE 7

Directors and Officers

7.1 Number and Qualifications.

(a) The number of voting Directors shall initially be nine (9) and shall thereafter be fixed from time to time by resolution of a majority of the Directors then in office. The Missouri Schools Boards Association, the Missouri Association of School Administrators and the Missouri Association of School Business Officials each shall be represented by a permanent member of the Board, who shall be appointed by such association prior to each annual meeting, or at any time such position becomes vacant, and assume office at the same time as elected Directors or when necessary to fill a vacancy.

(b) Any vacancy created by an increase in the number of elected Directors may be filled by the appointment of an individual having the qualifications described in this Section made by a resolution of a majority of the Directors then in office. No reduction in the number of Directors shall have the effect of removing any Director from office prior to the expiration of his term.

(c) Whenever a vacancy in the number of Directors shall occur, until such vacancy is filled the Directors or Director continuing in office, regardless of their number, shall have all the powers granted to the Directors and shall discharge all the duties imposed upon the Directors by this Agreement.

(d) A Director shall be an individual who is not under legal disability and who is (i) a member of the Board of a Participant of the Program; or (ii) a superintendent, administrator, or a business official of a Participant in the Program; or (iii) the duly authorized representative of the Missouri School Boards Association, the Missouri Association of School Administrators or the Missouri Association of School Business Officials; provided, however, that if an organizational Director, other than the Director representing the Missouri School Boards Association, is not an officer or member of the Board, a superintendent or a business official of a Participant, such organizational Director shall resign if the school district or other political subdivision with which he is affiliated does not become a Participant within one hundred twenty (120) days of the date of this Agreement and the vacancy thereby resulting shall be filled in the manner provided in Section 7.6. With the exception of the organizational Directors referred to in Section 7.2 who shall serve until the first election of Directors pursuant to Section 7.4 (except as otherwise indicated in this Section 7.1) or any Directors who become such prior to the first election of Directors pursuant to Section 7.4, there shall be no more than one Director affiliated as a board member, superintendent, administrator or business official with any one Participant; provided, however, that no Director shall be disqualified from serving out an unexpired term by reason of such prohibition.

7.2 Organizational Directors. By the execution of this Agreement, the Participants appoint the following nine (9) individuals to serve as Directors until the first election of Directors pursuant to Section 7.4 and until their successors shall have been elected and qualified.

<u>Name</u>	<u>Address</u>	<u>Affiliation</u>
Dr. Allan B. Crader	518 North Hampton Republic, MO 65738	Superintendent Republic R-III Schools
Mr. Mark Hedrick	Route 2, 22 Russell Drive Bismarck, MO 63624	Board Member Bismarck R-V Schools
Dr. Thomas Hightower	7837 Natural Bridge Road St. Louis, MO 63121	Assistant Superintendent Normandy Schools
Mr. Ed. L Payton	P. O. Box 4288 Springfield, MO 65808	Board Member Springfield R-XII Schools
Dr. J. Dean Phillips	8888 Clifton Jennings, MO 63136	Assistant Superintendent Jennings Schools
Mr. R.T. Porterfield	Route 2 Hopkins, MO 64461	Board Member North Nodaway R-VI Schools
Mr. Troy Smith	1800 Little Woods Drive	Board Member

Trenton, MO 64683

Trenton R-IX Schools

Dr. Carter D. Ward 2100 I-70 Drive Southwest
Columbia, MO 65203

Executive Director
MSBA

Dr. Michael Watkins 10500 E. 60th Terrace
Raytown, MO 64133

Assistant Superintendent
Raytown C-2 Schools

7.3 Term of Office.

(a) In connection with the first election of Directors pursuant to Section 7.4, the elected Directors shall be divided into three classes, as equal in number as practicable, so arranged that the term of one class shall expire on November 1st of each year for the years 1992, 1993 and 1994; provided, however, commencing with the class of Directors whose terms are scheduled to expire in the year 1997 and for each class thereafter, the terms of Directors shall expire, subject to election and qualification of their successors, at the annual election of their successors.

(b) Commencing with the annual election for the year 1997 and at all annual elections of Directors thereafter, the Directors to be elected shall be elected to serve for a term of three (3) years commencing with the first meeting of Directors following such annual election and until their successors shall be elected and qualify.

(c) Any addition made to the number of Directors, except by vote of the Participants, shall be made only for a term expiring at the next annual election of Directors by the Participants or until a successor shall be elected and qualify. At the annual election of Directors by the Participants next following any addition to the number of Directors, or, in the case of any addition to the number of Directors made at an annual election of Directors by the Participants, in connection with such election, the terms of the additional Directors shall be fixed so that, as nearly as shall be practicable, an equal number of terms shall expire each year. Directors may succeed themselves in office.

7.4 Election of Directors.

(a) The Board of Directors shall nominate candidates for membership on the Board of Directors. These nominations shall be announced to the Participants at the annual meeting or by proxy statement prior to the annual meeting. Participants may nominate additional candidates for membership on the Board of Directors at the annual meeting.

(b) Each Participant shall determine its selection upon the candidates nominated. The voting for membership on the Board of Directors may occur by ballot or by proxy. Candidates receiving the highest number of votes for the offices to be filled shall be elected.

(c) In the event of a tie, the results of the election will be determined by lot.

7.5 Resignation and Removal. Any Director may resign (without need for prior or subsequent accounting) by an instrument in writing signed by him and delivered to the Program and such resignation shall be effective upon such delivery, or at the later date according to the terms of the notice. Any of the Directors may be removed (provided that the aggregate number of Directors after such removal shall not be less than the minimum number required by Section 7.1) with cause, by the action of two-thirds (2/3) of the remaining Directors.

7.6 Vacancies.

(a) The term of office of a Director shall terminate and a vacancy shall occur in the event of the death, resignation, adjudicated incompetence or other incapacity to exercise the duties of the office, or removal of a Director. If a Director who is a board member, superintendent, administrator, or business official of a Participant shall no longer be a board member, a superintendent, administrator, or a business official of such or if the Participant with which he was affiliated shall no longer be a Participant, such Person shall, upon the expiration of a sixty (60) day period following the occurrence of such event, no longer be a Director and a vacancy will be deemed to have occurred, unless such Person shall have become a board member, a superintendent, administrator or business official of another Participant within such sixty (60) day period and shall have presented evidence in writing of the granting of an authorization by the Participant with which he is then affiliated as a board member, a superintendent, administrator or business official for him to serve as a Director.

7.7 Bylaws. The Directors shall adopt and, from time to time, amend or repeal Bylaws for the procedures of the Board of Directors, the selection of officers and the business of the Program. Following each annual election, the Board of Directors shall reorganize pursuant to such bylaws.

7.8 Reports. The Directors shall cause to be prepared with respect to any Series at least annually (i) a report of operations containing a statement of assets and liabilities and statements of

operations and of changes in net assets of such Series of the Program prepared in conformity with generally accepted accounting principles and (ii) an opinion of independent certified public accountant on such financial statements based on an examination of the books and records of the Program pertaining to such Series made in accordance with generally accepted auditing standards. A signed copy of such report and opinion shall be filed with the Directors as soon as it becomes available. Copies of such reports shall be made available to all Participants of record within a reasonable period preceding the annual election of Directors. The Directors shall, in addition, make available, at least quarterly an interim report containing an unaudited balance sheet of the Program as at the end of such quarterly period and statements of operations and changes in net assets for the period from the beginning of the then current fiscal year to the end of such quarterly period.

ARTICLE 8

Determination of Net Asset Value and Net Incomes Distributions to Participants

8.1 Net Asset Value. The net asset value per allocated Share of the Program shall be determined once on each business day at such time as the Directors may determine. The method of determining net asset value shall be established by the Directors and shall be set forth in information provided to Participants or in the applicable Certificate of Designation of a Series.. The duty to make the daily calculations may be delegated by the Directors to the Adviser, the Administrator, the Custodian or such other Person as the Directors may designate. The Directors may adopt different methods for the determination of the net asset value of different Series of Shares.

8.2 Constant Net Asset Value Reduction of Allocated Shares.

(a) In furtherance and not in limitation of the provisions of Section 8.1, the Directors may designate that one or more Series shall be governed by the provisions of this Section 8.2. The Directors shall have full and complete power to determine the net income (including unrealized gains and losses on the portfolio assets) of the Series and each Series thereof once on each business day as provided in Section 8.1, and upon each such determination such net income shall be credited proportionately to the accounts of the Participants in such a manner, and with the result, that the net asset value per Share of each Series of the Program shall remain at a constant dollar value. The accounting method used for the determination of the net income of the Program and each Series thereof, and the

crediting of net income proportionately to the respective Share accounts of the Participants shall be determined by the Directors. The duty to make the daily calculations may be delegated by the Directors to the Adviser, the Administrator, the Custodian or such other Person as the Directors may designate. If there is a net loss, the Directors shall first offset such amounts against income accrued to each Participant. To the extent that such a net loss exceeds such accrued income, the Directors shall reduce the aggregate number of the Series allocated shares in an amount equal to the amount required in order to permit the net asset value per Share of the Series to be maintained at a constant dollar value by having each Participant contribute to the Program its pro rata portion of such number of Shares. Each Participant will be deemed to have agreed to such reduction in such circumstances by its investment in the Program and the Series and its adoption of this Agreement. The purpose of the foregoing procedure is to permit the net asset value per Share of the Series to be maintained at a constant dollar value per Share.

(b) The Directors may discontinue or amend the practice of attempting to maintain the net asset value per Share at a constant dollar amount at any time, and such modifications shall be evidenced by information provided to the Participants and may be set forth in the applicable Certificate of Designation of a Series.

ARTICLE 9

Custodian

9.1 Duties. The Directors shall at all times employ a Custodian with authority as its agent, but subject to such restrictions, limitations and other requirements, if any, as may be contained in the Bylaws of the Program to perform the duties set forth in the Custodian Agreement to be entered into between the Program and the Custodian, or as may be imposed by law. The Participants authorize the Directors to enter into any contract(s) and/or agreement(s) on their respective behalf for the purpose of employing the Custodian. The Custodian shall hold all Program Property on behalf of the Directors.

9.2 Agents of Custodian. The Directors may also authorize the Custodian to employ one or more agents from time to time to perform such acts and services of the Custodian and upon such terms and conditions, as may be agreed upon between the Custodian and such agent and approved by the Directors.

9.3 Successors. In the event that, at any time, the Custodian shall resign or shall be terminated pursuant to the

provisions of the Custodian Agreement, the Director shall appoint a successor thereto.

ARTICLE 10

Recording of Agreement

10.1 Recording. This Agreement and any amendment hereto shall be filed by each participant as a document of public record in the office of the Secretary of State of the state of Missouri and with each county recorder of deeds of a county in which a Participant is located unless instructed otherwise by the Program. Each amendment so filed, recorded or lodged shall be accompanied by a certificate signed and acknowledged by the Directors, or a copy of the same, stating that such action was duly taken in the manner provided for herein; and unless such amendment or such certificate sets forth some earlier or later time for the effectiveness of such amendment, such amendment shall be effective upon its filing. An amended Agreement, containing or restating the original Agreement and all amendments theretofore made, may be executed any time or from time to time by a majority of the Directors and shall, upon filing, recording or lodging in the manner contemplated hereby, be conclusive evidence of all amendments contained therein and may thereafter be referred to in lieu of the original Agreement and the various amendments thereto. Notwithstanding the foregoing provisions of this Section, no filing or recording pursuant to the terms of this Section shall be a condition precedent to the effectiveness of this Agreement or any amendment hereto.

ARTICLE 11

Amendment or Termination of Program; Duration of Program

11.1 Amendment or Termination.

(a) The provisions of this Agreement may be amended or altered or the Program may be terminated, by the affirmative vote of a majority of the Participants entitled to vote, such vote being initiated and tabulated as provided in Article VI; provided, however, that the Directors may, from time to time by a two-thirds (2/3) vote of the Directors, and after fifteen (15) days prior written notice to the Participants, amend or alter the provisions of this Agreement, without the vote or assent of the Participants, to the extent deemed by the Directors in good faith to be necessary to conform this Agreement to changes in or to the requirements of applicable laws, but the Directors shall not be liable for failing so to do. Notwithstanding the foregoing, (i)

no amendment may be made pursuant to this Section which would change any rights with respect to any outstanding Shares of the Program by reducing the amount payable thereon upon liquidation of the Program or which would diminish or eliminate any voting rights of the Participants; and (ii) no amendment may be made which would cause any of the investment restrictions contained in Section 2.2 hereof to be less restrictive without the affirmative vote of a two thirds (2/3) of the Participants entitled to vote thereon.

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

(i) The Program shall carry on no business except for the purpose of winding up its affairs;

(ii) The Directors shall proceed to wind up the affairs of the Program and all of the powers of the Directors under this Agreement shall continue until the affairs of the Program shall have been wound up, including, without limitation, the power to fulfill or discharge the contracts of the Program, collect its assets, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining Program Property to one or more persons at public or private sale for consideration which may consist in whole or in part of cash, securities or other property of any kind, discharge or pay its liabilities, and do all other acts appropriate to liquidate its affairs; provided, however, that any sale, conveyance, assignment, exchange, transfer or other disposition of all or substantially all of the Program Property shall require approval of the principal terms of the transaction and the nature and amount of the consideration by affirmative vote of not less than a majority of the Participants entitled to vote thereon; and

(iii) After paying or adequately providing for the payment of all liabilities, and upon receipt of such releases, indemnities and refunding agreements, as they deem necessary for their protection, the Directors shall distribute the remaining Program Property, in cash or in kind or partly in each, among the Participants according to their respective proportionate allocation of Shares, and according to any interests of Participants in accounts established under Section 2.2 (b).

(c) Upon termination of the Program and distribution to the Participants as herein provided, a majority of the Directors shall execute and lodge among the records of the Program an instrument in writing setting forth the fact of such termination, and the Directors shall thereupon be discharged from

all further liabilities and duties hereunder, and the right, title and interest of all Participants shall cease and be cancelled and discharged.

(d) A certification in recordable form signed by a majority of the Directors setting forth an amendment and reciting that it was duly adopted by the Participants or by the Directors as aforesaid or a copy of the Agreement, as amended, in recordable form, and executed by a majority of the Directors and any others required by law, shall be conclusive evidence of such amendment.

11.2 Power to Effect Reorganization. If permitted by applicable law, the Directors, by vote or written approval of a majority of the Directors, may select, or direct the organization of a corporation, association, trust or other Person with which the Program may merge, or which shall take over the Program Property and carry on the affairs of the Program, and after receiving an affirmative vote of not less than a majority of the Participants entitled to vote, the notice for which includes a statement of such proposed action, the Directors may effect such merger or may sell, convey and transfer the Program Property to any such corporation, association, trust or other Person in exchange for cash or shares or securities thereof, or interest therein with the assumption by such transferee of the liabilities of the Program; and thereupon the Directors shall terminate the Program and deliver such cash, shares, securities or interest ratably among the Participants of this Program in redemption of their Shares, or other interests established under Section 2.2 (b).

11.3 Duration. The Program shall continue in existence in perpetuity, subject in all respects to the provisions of this Article.

ARTICLE 12

Nature of the Agreement

12.1 Parties to the Agreement. All Participants agree that this Agreement constitutes an Intergovernmental Cooperation Agreement among any and all school districts and other eligible political subdivisions which have or may become a party hereto.

12.2 Entry Into or Resignation From Agreement as Not Constituting Amendment. It is hereby agreed by and between all Participants that the entry or resignation of any Participant into or from this Agreement shall not constitute an amendment or termination of this Agreement. Each Participant agrees that all

Participants executing this Agreement by resolution at any time are equal parties to this Agreement.

ARTICLE 13

Miscellaneous

13.1 Governing Law. This Agreement is executed by the Participants and delivered in the state of Missouri 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 Missouri.

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

13.3 Section Headings. 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.

IN WITNESS WHEREOF, the undersigned on behalf of the named School District or eligible political subdivision as a Participant in the Missouri Securities Investment Program ("Program") and pursuant to the authority granted by law, have caused this Agreement to be duly executed, to become effective the date and year first above written, as of which date this Agreement shall take full force and effect.

Date of Approval: _____

President/Mayor

Attest:

Secretary/City Clerk

School District/Municipality