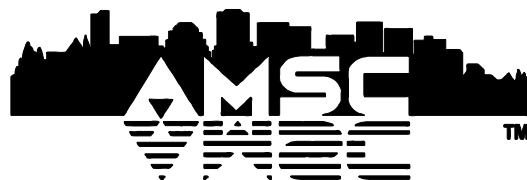




MuniFunds

INVESTMENT SOLUTIONS FOR ALBERTA MUNICIPALITIES

SUBSCRIPTION PACKAGE





CONTENTS

MuniFunds Subscription Agreement

To invest in MuniFunds this agreement needs to be executed by your Municipality or Organization.

SCHEDULE A – ISSUING INVESTMENT, WITHDRAWAL AND TRANSFER INSTRUCTIONS

This schedule provides details on issuing instructions on fund investments, withdrawals and transfers.

SCHEDULE B – AMSC MASTER DECLARATION OF TRUST

The AMSC Declaration of Trust was developed to create a Trust structure for MuniFunds and is included for information purposes.

SCHEDULE C – CERTIFICATE OF SIGNING AUTHORITY

The Certificate of Signing Authority will be used as a signature verification document for those individuals authorized to sign on behalf of your Municipality or Organization.

SCHEDULE D – VENDOR/SUPPLIER INFORMATION SHEET

This schedule provides information that is necessary to set-up MuniFunds as a vendor/supplier in your Municipality's payables system.

SCHEDULE E – INVESTOR ACCOUNT INFORMATION SHEET

The Investor Account Information Sheet is a document that will inform MuniFunds on your Municipality's (or Organization's), banking information.

SCHEDULE F – FUND REGULATION: MONEY MARKET FUND

The Money Market Fund Regulation presents information on Investment Objectives, Permitted Investment Categories, Quality of Investments, Portfolio constraints, along with other pertinent issues.

SCHEDULE G – FUND REGULATION: SHORT-TERM BOND FUND

The Short-term Bond Fund Regulation presents information on Investment Objectives, Permitted Investment Categories, Quality of Investments, Portfolio constraints, along with other pertinent issues.

SCHEDULE H – FUND REGULATION: MID-TERM BOND FUND

The Mid-term Bond Fund Regulation presents information on Investment Objectives, Permitted Investment Categories, Quality of Investments, Portfolio constraints, along with other pertinent issues.

MuniFunds Forms: Deposit, Redemption and Transfer

The MuniFunds Forms provide you with the necessary documents to deliver instructions to the Fund for Deposits, Redemptions and Transfers.



ALBERTA MUNICIPAL SERVICES CORPORATION

MUNIFUNDS

STANDING UNIT SUBSCRIPTION AGREEMENT



MUNIFUNDS STANDING UNIT SUBSCRIPTION AGREEMENT

WHEREAS:

- A. Alberta Municipal Services Corporation is the trustee and manager of pooled investment funds collectively referred to as the “MuniFunds”, units of which are made available for purchase by certain municipalities, public bodies, public commissions and other organizations in the Province of Alberta, and in particular, made available for purchase by certain members of the Alberta Urban Municipalities Association; and
- B. The undersigned wishes from time to time to purchase units in one or more of such funds;

NOW THEREFORE the undersigned hereby agrees to purchase units in the MuniFunds upon the following terms and conditions:

Section 1 – Definitions and Interpretation

1.1 **Definitions.** In this Agreement, including in this Section and the schedules attached hereto (if any), the following defined terms shall have the meanings indicated:

- (a) “**Accredited Investor**” means as set forth pursuant National Instrument 45-106, as amended or replaced from time to time;
- (b) “**Agreement**” means this agreement, including the schedules attached to this agreement as may be added, amended, deleted, supplemented, restated, renewed or replaced from time to time by the Trustee;
- (c) “**AMSC**” means Alberta Municipal Services Corporation, and its successors and assigns;
- (d) “**Business Day**” means any day other than a Saturday or Sunday, or other than a statutory holiday in the Province of Alberta or, in the event of any matter directly relating to or requiring the services of a Service Provider, a statutory holiday in the Province where the Service Provider provides its services;
- (e) “**Custodian**” means a financial institution, as determined and selected by the Trustee from time to time, who has been approved by the Trustee to provide custodial, fund accounting and other custody related services in connection with a Fund;
- (f) “**Effective Date**” means as set forth in Section 16.1;
- (g) “**Fund**” means the investment funds created pursuant to the Trust Agreement from time to time, referred to as the “MuniFunds”, with the particulars of each fund as described in a Fund Regulation;



- (h) **"Fund Regulation"** means the document pursuant to the terms of the Trust Agreement, as added, amended, deleted, supplemented, restated, renewed or replaced from time to time, creating and describing a particular Fund and that Fund's objectives, eligible investments and such other information as the Trustee considers necessary or desirable;
- (i) **"Investment Account"** means, with respect to the Subscriber, an account maintained in the records of the Recordkeeper evidencing the Subscriber's holding of Units;
- (j) **"Investment Manager"** means one or more professional investment management firms, as determined and selected by the Trustee from time to time, registered in the Province of Alberta as investment counsel and portfolio manager advisors, who has been approved by the Trustee to provide investment management services for a Fund;
- (k) **"Payment Servicer"** means a Canadian financial institution, as determined and selected by the Trustee from time to time, who has been approved by the Trustee to facilitate the transfer of assets of the Subscriber between the Subscriber's financial institution and the Subscriber's Investment Account;
- (l) **"Person"** means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;
- (m) **"Recordkeeper"** means an entity determined and selected by the Trustee from time to time to provide recordkeeping and registrar services to a Fund, including receiving and implementing Unitholder instructions, keeping records of investment holdings and providing monthly reporting to Unitholders;
- (n) **"Securities Authorities"** means the Alberta Securities Commission;
- (o) **"Securities Legislation"** means the *Securities Act* (Alberta) and its regulations, as amended or replaced from time to time;
- (p) **"Service Provider"** means the Custodian, the Payment Servicer, the Valuator, the Record Keeper, the Investment Manager and such other Persons as the Trustee has entered into an agreement with for the provision of services with respect to a Fund;
- (q) **"Subscriber"** means the undersigned, and his successors and assigns;
- (r) **"Tax Act"** means the *Income Tax Act* (Canada) and the regulations thereunder;
- (s) **"Trust Agreement"** means the master declaration of trust dated June 15, 2009 and



signed by the Trustee, a copy of which is attached hereto as Schedule “B”, as may be added, amended, deleted, supplemented, restated, renewed or replaced from time to time by the Trustee;

- (t) **“Trustee”** means AMSC in its capacity as trustee and manager of the Funds;
- (u) **“Unit”** means a unit of beneficial interest, in any Fund, and includes a fraction thereof;
- (v) **“Unitholder”** means a Person whose name appears on the Register as a holder of Units of a Fund; and
- (w) **“Valuator”** means an entity determined and selected by the Trustee from time to time to provide valuation services to a Fund.

- 1.2 **Governing Law and Jurisdiction.** This Agreement shall be governed and interpreted in accordance with the laws in force in the Province of Alberta. The parties hereby submit to the exclusive jurisdiction of the Courts of Alberta.
- 1.3 **Currency.** All references to dollar amounts in this Agreement shall be in the lawful currency of Canada, unless otherwise expressly stated.
- 1.4 **Number and Gender.** As the context of this Agreement so requires, words that import the singular shall include the plural, and vice versa, and words that import a particular gender shall include all other genders.
- 1.5 **Headings and Sections.** The division of this Agreement into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Agreement.
- 1.6 **Section References.** Unless otherwise expressly stated, all references to section numbers and schedules herein shall be deemed to mean the section numbers and schedules contained within this Agreement.
- 1.7 **Non-Business Day.** If the date for the performance of any obligation under this Agreement falls on a day that is not a Business Day, then such date shall be deemed to be extended to the next following Business Day.
- 1.8 **Severability.** If any provision of this Agreement is found to be invalid, illegal or unenforceable, such provision shall be conclusively deemed to be severable and to have been severed from this Agreement and the balance of this Agreement shall remain in full force and effect notwithstanding such severance. To the extent permitted by law, each of the parties hereto waives any law, rule or regulation that might otherwise render any provision of this Agreement invalid, illegal or unenforceable.
- 1.9 **Schedules.** The following schedules are incorporated into and form a part of this Agreement:



- Schedule "A" - Issuing Investment, Withdrawal and Transfer Instructions
- Schedule "B" - Master Declaration of Trust
- Schedule "C" - Certificate of Signing Authority
- Schedule "D" - Vendor/Supplier Information Sheet
- Schedule "E" - Investor Account Information Sheet
- Schedule "F" - Fund Regulation - Money Market Fund
- Schedule "G" - Fund Regulation - Short-term Bond Fund
- Schedule "H" - Fund Regulation - Mid-term (Universe) Bond Fund

Section 2 – Subscription for Units

- 2.1 **Purchase of Units.** The Subscriber may purchase Units in any Fund from time to time in accordance with the terms and conditions of this Agreement.
- 2.2 **Eligibility to Invest.** The Subscriber shall only become eligible to purchase Units in an Fund if:
- (a) The Subscriber is a member of the Alberta Urban Municipalities Association or its successors;
 - (b) The individuals authorized to execute this Agreement on behalf of the Subscriber has duly executed this Agreement, and this Agreement has been accepted by the Trustee;
 - (c) The individual authorized to execute this Agreement on behalf of the Subscriber has completed all of the other necessary documents required by the Trustee to invest in the Funds, including without limitation:
 - (i) an information sheet about the Subscriber in the form as set forth in Schedule "C"; and
 - (ii) a pre-authorized debit authorization letter from the Subscriber to its financial institution and others, in the form as required by the Trustee from time to time; and
 - (d) The Recordkeeper has notified the Unitholder of its account number(s) and authorization code(s).
- 2.3 **Investments and Withdrawals.** The Subscriber shall abide by, follow and be bound by the procedures and associated terms and conditions for issuing investment, withdrawal and transfer instructions as set out in a Fund's Fund Regulation and in Schedule "A", as may be amended from time to time by the Trustee in its discretion upon prior written notice to the Subscriber. Before the Subscriber provides investment instructions and arranges for any transfer from its account at its financial institution to a Fund, the Subscriber shall ensure that sufficient funds are then available to cover the amount of such investment.



- 2.4 **Additional Contribution of Net Income and Net Capital Gains.** The total net income and net capital gains of any Fund allocated to the Subscriber from time to time shall be automatically reinvested, with the exception of any withheld taxes, in additional Units or fractions of Units of the applicable Fund on behalf of the Subscriber, at the “Net Asset Value per Unit” of the Fund as determined by the terms and conditions of the Trust Agreement.
- 2.5 **No Obligation to Invest.** A Subscriber has no obligation to invest in any Fund.
- 2.6 **Limitation of Liability.** The Trustee and the Service Providers may, in their sole discretion, honour instructions purporting to be issued by the Subscriber given by telephone, facsimile, electronic mail or other means of communication, without the necessity of any verification or enquiry. None of the Trustee or the Service Providers shall incur any liability to the Subscriber or any Person claiming through the Subscriber:
- (a) by reason of acting or not acting on or any error in any instructions issued by the Subscriber; or
 - (b) otherwise as a result of any act by the Subscriber, including without limitation the execution of this Agreement or issuance of instructions by a Person purporting to have authority to act on behalf of the Subscriber;

and the Subscriber shall, and does hereby, indemnify and hold harmless each of the Trustee and the Service Providers from any loss, cost, damage or expense that any of them may suffer or incur by relying on such instructions, including any legal costs and disbursements on a solicitor and client basis.

- 2.7 **Default in Payment.** If the Subscriber requests that an investment in any Fund be made and:
- (a) there are insufficient funds in the Subscriber’s account at its financial institution to pay when due for the investment placed by the Subscriber in a Fund, or
 - (b) the Subscriber’s financial institution is insolvent or for any other reason the Subscriber provides no or insufficient funds to pay when due for the investment placed by the Subscriber in the Fund;

then the Subscriber, with respect to that investment, has no interest in the Units relating thereto or the proceeds thereof. The Subscriber agrees to indemnify the Trustee and the Service Providers and to hold the Trustee and the Service Providers harmless from all losses and expenses (including interest, charges and any loss in value of the investment) incurred by the Trustee or the Service Providers resulting from any default or delay in payment. The Trustee may assign its rights under this indemnity to any Person. In addition, the Subscriber agrees to pay the Trustee or any Service Provider a fee in an amount set by the Trustee from time to time as payable in respect of any delay or default in payment for an investment whether as a result of the events set forth in subparagraphs (a) or (b) above. The Trustee may authorize the debiting of the credit balance in a Subscriber’s



Investment Account for any Fund and apply the amounts so debited toward the payment of amounts (whether absolute, contingent, matured or not) payable by the Subscriber under this Section 2.7.

- 2.8 **Records.** The Trustee (or its delegate the Recordkeeper or any other Person authorized by the Trustee) will keep an up-to-date list of the names of Unitholders and may make the list available to other Unitholders and other Persons, and the Subscriber hereby consents to such disclosure. The Trustee shall ensure, to the best of its ability, the confidentiality of all other information pertaining to a Subscriber and the Subscriber's investments in any Fund whether the Subscriber continues to be a Unitholder or the Subscriber has ceased to be a Unitholder. The foregoing obligations of the Trustee shall not apply to any information which is otherwise available to the public or to information which the Trustee is required by law to disclose, including without limitation, any disclosures required to be made to the Alberta Securities Commission (or its successors) pursuant to law.
- 2.9 **Assistance.** Upon the request of the Trustee or any Service Provider, the Subscriber shall execute, deliver, file and otherwise assist the Trustee and any Service Provider in filing such reports, undertakings and other documents with respect to the issuance of the Units as may be required by the Securities Authorities.

Section 3 – Trust Agreement Terms And Conditions

- 3.1 **Trust Agreement Binding.** The Subscriber hereby acknowledges and agrees that any Units purchased by the Subscriber are Units issued under and pursuant to the terms and conditions of the Trust Agreement and the applicable Fund Regulations, and the Subscriber shall have the rights, and be bound by the obligations and other terms and conditions, of such Trust Agreement and the applicable Fund Regulations.
- 3.2 **Specific Terms and Conditions of Note.** Without limiting the generality of the foregoing, the Subscriber hereby acknowledges that it:
- (a) has read the Trust Agreement and the applicable Fund Regulations; and
 - (b) understands the provisions thereof which:
 - (i) prohibit the transfer of Units to any other Person (provided that the Subscriber may redeem Units in accordance with the terms and conditions of the Trust Agreement);
 - (ii) permits the Trustee to amend the Trust Agreement or any Fund Regulations, or execute new Fund Regulations, in its discretion, so long as any amendment does not adversely affect the pecuniary (financial) interests of the Unitholders, except that the Trustee may amend any provisions relating to the fees and expenses payable or reimbursable, as the case may be, to the Trustee; and



- (iii) permits the Trustee to require the Subscriber to redeem Units in the event that the Trustee is authorized to do so pursuant to Securities Legislation or if a Fund would be prejudiced by the continuing holding of Units by the Subscriber; and
- (c) understands that there may be minimum or maximum investment amounts with respect to the purchase of any Units of a Fund, as disclosed in the applicable Fund Regulation.

3.3 **Current Funds.** The current Funds in which the Subscriber may purchase Units are described and set forth in the Schedules attached to this Agreement, other than Schedules “A”, “B” and “C”. The Subscriber may purchase Units in future Funds created pursuant to the terms and conditions of the Trust Agreement as determined by the Trustee from time to time.

Section 4 – Representations and Warranties of Subscriber

- 4.1 The Subscriber hereby represents and warrants to the Trustee, and hereby acknowledges that the Trustee is relying upon such representations and warranties, that:
- (a) the Subscriber has the legal capacity to enter into this Agreement and has taken all actions necessary to authorize it to enter into this Agreement;
 - (b) the entering into of this Agreement and the transactions contemplated hereby have been duly authorized by the Subscriber and will not result in a violation of any of the terms or provisions of any law applicable to the Subscriber, or any of the Subscriber’s constating documents, or any agreement to which the Subscriber is a party or by which it is bound;
 - (c) the Subscriber is authorized to make investments through any of the Funds which it has designated to either the Trustee or the Recordkeeper as being Funds through which it is authorized to invest, including without limitation with respect to the individual securities or other assets held by such Funds as disclosed in the respective Fund Regulation;
 - (d) the Subscriber has adopted a statement of its investment policies and goals, in accordance with its constating documents, by-laws or resolutions and any applicable legislation, and such policies and goals permit the Subscriber to invest in the Funds;
 - (e) the Subscriber has obtained its own advice with respect to the any investments made in the Funds, including without limitation with respect to the allocation of investments and associated risks, tax issues and legal issues, and the Subscriber voluntarily assumes the risk of suffering any losses arising from any investments in the Funds;



- (f) the Subscriber has not sought or obtained any investment advice from the Trustee or any of the Service Providers;
- (g) the Subscriber is an “Accredited Investor” as defined pursuant to securities laws as set forth in National Instrument 45-106 (as amended or replaced from time to time), or is otherwise authorized under such laws to invest in the Funds without any requirement for Trustee or any other Person to issue a prospectus to the Subscriber with respect to the Funds or register as a dealer under Securities Legislation;
- (h) the Subscriber is purchasing Units, and owns and deal with Units, as principal, and not as the agent or trustee for any other Person;
- (i) the Subscriber meets the eligibility requirements set forth in Section 2.2, or otherwise will meet such eligibility requirements prior to issuing any instructions with respect to the purchase of Units; and
- (j) the Subscriber is a resident of Canada within the meaning of the Tax Act.

The Subscriber shall be deemed to have repeated the representations and warranties in this Section 4.1 each time it issues investment instructions relating to any Fund. The Trustee shall have no obligation to make any inquiry to confirm the truth or accuracy of any representation or warranty set forth above. In the event that any representation or warranty set forth above becomes untrue, the Subscriber shall immediately advise the Trustee in writing.

Section 5 – Acknowledgments of Subscriber

5.1 The Subscriber hereby acknowledges and agrees that:

- (a) No Person has made any written or oral representations or warranties to the Subscriber that:
 - (i) any Person will refund any subscription or purchase price payable in connection with the purchase of any Units; or
 - (ii) the future price or value of the Units will be of a particular amount or value or is otherwise foreseeable or guaranteed.
- (b) it has been furnished with any materials it has requested relating to any Fund;
- (c) no securities commission, agency, governmental authority, regulatory body, stock exchange or other regulatory body has reviewed or determined the merits of the Funds;
- (d) there is no government or other insurance covering the Units; and



- (e) the Fund is relying on an exemption from the requirement to provide the Subscriber with a prospectus under the applicable Securities Legislation and, as a consequence of acquiring the Units pursuant to such exemption, certain protections, rights and remedies provided by the applicable Securities Legislation, including statutory rights of rescission or damages, will not be available to the Subscriber.

Section 6 – Trustee and Service Provider Compensation and Expenses

- 6.1 For each Fund, the Trustee has established and disclosed in the applicable Fund Regulation the fees and expenses payable to the Trustee from the assets of the applicable Fund for the provision of services. The Trustee may change such fees and expenses stated in the applicable Fund Regulation upon providing such prior notice to all Unitholders as is set out in the Fund Regulation, and the Subscriber hereby acknowledges and agrees to the payment of such fees and expenses.

Section 7 – Indemnification

- 7.1 The representations, warranties and covenants of the Subscriber as set forth in this Agreement are made by the Subscriber with the knowledge and intent that they will be relied upon by the Fund, the Trustee and the Service Providers in determining the suitability of the Subscriber as an owner of Units. As such the Subscriber hereby indemnifies and holds harmless the Fund, the Trustee and the Service Providers against any and all losses, claims, costs, expenses and damages or liabilities which any of them may suffer or incur caused by or arising from their reliance upon such representations, warranties and covenants of the Subscriber.

Section 8 – Termination

- 8.1 At any time when the Subscriber has no investments outstanding in any Fund (and therefore holds no Units) and has given no investment instructions, either the Subscriber or the Trustee may by notice to the other party terminate this Agreement, such termination being effective upon the date of receipt of such notice by the other party.
- 8.2 The Trustee may, upon five (5) days prior written notice to the Subscriber, revoke the Subscriber's rights pursuant to this Agreement to purchase any more Units in any Fund. In such event, the terms and conditions of this Agreement shall continue to be of full force and effect, and shall continue to apply to the Subscriber, with respect to any Units then held by the Subscriber.

Section 9 – Entire Agreement

- 9.1 This Agreement, including the schedules attached hereto or referred to herein, constitutes the entire agreement of the parties with respect to the subject matter hereof, and there are no representations, warranties, covenants or other agreements relating to the subject matter hereof except as stated or referred to in this Agreement.



Section 10 – Notices

- 10.1 Any notices or other communications required or permitted to be given under this Agreement shall be given in accordance with the notice provisions of the Trust Agreement.

Section 11 – Assignment

- 11.1 The Subscriber shall not assign the whole or any part of its rights or obligations under this Agreement.
- 11.2 The Subscriber shall not transfer or assign any Units to any other Person.

Section 12 – Further Assurances

- 12.1 Each party shall at all times promptly execute and deliver and cause to be executed and delivered such documents and take and cause to be taken such actions as may be necessary or appropriate to give effect to the provisions of this Agreement.

Section 13 – Enurement

- 13.1 This Agreement shall enure to the benefit of and be binding upon each party and their respective successors and permitted assigns.

Section 14 – Survival

- 14.1 All obligations (whether contingent or matured, absolute or not) existing immediately before the termination or expiry of this Agreement shall survive such termination or expiry.

Section 15 – Counterparts and Delivery

- 15.1 This Agreement may be executed in counterpart, and each counterpart when taken as a whole with the other executed counterparts shall constitute an original agreement. Delivery of an executed copy or counterpart of this Agreement by facsimile transmission or electronically in portable document format (PDF) shall constitute valid and effective delivery.

Section 16 – Date of the Agreement for Reference

- 16.1 This Agreement shall be dated for reference (the “Effective Date”) as of the date of signing by the Trustee as set forth below.

[Signature Page Follows]



WHEREFORE the undersigned hereby acknowledges and agrees to the provisions of this Agreement.

Name of Subscriber: _____

Authorized Signatory (signature): _____

Name of Signatory (print): _____

Title of Signatory: _____

Date of Signing: _____

ACKNOWLEDGED AND ACCEPTED by the Trustee:

ALBERTA MUNICIPAL SERVICES CORPORATION

Per: _____

Name: _____

Title: _____

Date of Signing: _____ *(being the Effective Date of this Agreement)*

[Signature page to Standing Unit Subscription Agreement between the above noted Subscriber and Alberta Municipal Services Corporation]



SCHEDULE A

ISSUING INVESTMENT, WITHDRAWAL AND TRANSFER INSTRUCTIONS TO THE RECORDKEEPER

Article 1 – Instructions

- 1.1 A Subscriber may issue investment, withdrawal and transfer instructions:
- (a) by fax to the Recordkeeper between the hours of 8:00 a.m. (Eastern Standard Time) and 4:00 p.m. (Eastern Standard Time); or
 - (b) by such other means as the Trustee (AMSC) may prescribe from time to time.
- 1.2 All investment, withdrawal and transfer instructions issued by a Subscriber to the Recordkeeper under Article 1.1(a) or (b) above are irrevocable and the Subscriber shall be responsible for the accuracy of any instructions issued. All investment instructions issued to the Recordkeeper in written or electronic form will be kept on file by the Recordkeeper.
- 1.3 Fax instructions issued to the Recordkeeper will be executed without prior confirmation by the Recordkeeper and the Subscriber accepts responsibility for all fax instructions which purport to have been given by the Subscriber whether or not such instructions were authorized. The Recordkeeper will not execute a transaction which does not include all the Subscriber Information (as defined below) and transaction information contained in Article 2 below.
- 1.4 All fax instructions from Subscribers received by the Recordkeeper involving investments or withdrawals will be communicated by the Recordkeeper to the Payment Servicer for proper execution as may be required by the Payment Servicer in order to transfer the funds in accordance with the investment or withdrawal instructions of the Subscribers.
- 1.5 All fax instructions issued to the Recordkeeper must include the following investor information (“Subscriber Information”):
- (a) the name of the individual issuing the fax instructions as registered by the Subscriber and accepted by the Trustee (AMSC);
 - (b) the name of the Subscriber’s organization as registered by the Subscriber and approved by the Trustee (AMSC);
 - (c) the signature(s) of the authorized officer(s) corresponding to the Subscriber’s signature card as registered by the Subscriber:

Failure by the representative of the Subscriber to provide via fax to the Recordkeeper with the correct Subscriber Information will render any instructions given to the Recordkeeper by the representative of the Subscriber null and void.



Forms containing “Subscriber Information” will be made available by the Trustee (AMSC) on its website.

Article 2 – Transaction Information

- 2.1 Where the Subscriber Information provided by the representative of the Subscriber to the Recordkeeper has been verified by the Recordkeeper as being correct, the Recordkeeper will identify from the fax the type of transaction (i.e. “an investment” or “a withdrawal” or “a transfer to another Fund”). If the fax instructions are for:
- (a) an investment, the Recordkeeper will require the following information to be provided:
 - (i) the dollar amount of the investment;
 - (ii) the investment account name into which the investment will be made; and
 - (iii) banking information;
 - (b) a withdrawal, the Recordkeeper will require the following information to be provided:
 - (i) the dollar amount of the withdrawal or “ALL” if the instruction pertains to all monies belonging to the Subscriber in the Fund including any accrued earnings; and
 - (ii) the investment account name from which the withdrawal is to be made;
 - (c) a transfer to another Fund by the same Subscriber, the Recordkeeper will require the following information to be provided:
 - (i) the dollar amount of the transfer or “ALL” if the instruction pertains to all monies belonging to the Subscriber in a Fund including any accrued earnings;
 - (ii) the investment account name from which the transfer is to be made; and
 - (iii) the investment account name to which the transfer will be made.

Article 3 – Deemed Receipt by Recordkeeper

- 3.1 Instructions issued by a Subscriber to the Recordkeeper shall be deemed to have been received by the Recordkeeper as soon as the Subscriber issuing the instructions has provided the Recordkeeper with all of the information set out in Article 2 above and they



are brought to the attention of the officers of the Recordkeeper to whom they are addressed.

Article 4 – Processing of Instructions

- 4.1 The Recordkeeper, and any other Service Provider, will use reasonable efforts to execute instructions from a Subscriber on the same day if such instructions have been deemed received by 4:00PM Eastern Standard Time of a Business Day, otherwise such instructions shall be executed the following Business Day.



SCHEDULE B

ALBERTA MUNICIPAL SERVICES CORPORATION

MUNIFUNDS

MASTER DECLARATION OF TRUST

Standard Terms and Conditions

MADE AS OF THE 15th DAY OF JUNE, 2009

MASTER DECLARATION OF TRUST

THIS MASTER DECLARATION OF TRUST is made as of the 15th day of June, 2009.

WHEREAS:

- A. Alberta Municipal Services Corporation ("AMSC") wishes to establish trusts from time to time for the purposes of investing in accordance with the respective investment objectives of such trusts;
- B. AMSC wishes to make this Declaration of Trust in order to establish standard terms and conditions for such trusts created by ASMC;

NOW THEREFORE AMSC hereby declares itself trustee and manager of any trust hereafter established under this Declaration of Trust in accordance with the terms and conditions set out as follows:

Section 1 – Definitions and Interpretation

1.1 **Definitions.** In this Declaration of Trust, including in this Section and the schedules attached hereto, the following defined terms shall have the meanings indicated:

- (a) "**Affiliate**", when used in relation to any Person, means an insider, an associate or an affiliated, controlled or subsidiary company of the Person, all such terms having the respective meanings in the Securities Legislation;
- (b) "**AMSC**" means Alberta Municipal Services Corporation, a corporation organized under the laws of the Province of Alberta, and its successors and assigns;
- (c) "**Business Day**" means any day, other than a Saturday, Sunday, any statutory holiday in the Province of Alberta, and any other day on which businesses are generally closed in the Province of Alberta;
- (d) "**Custodian**" means a financial institution, as determined and selected by the Trustee from time to time, who has been approved by the Trustee to provide custodial, fund accounting and other custody related services in connection with a Fund;
- (e) "**Declaration of Trust**" means this instrument in its entirety, as amended from time to time, and includes any and every instrument supplemental or ancillary hereto;
- (f) "**Fund**" means a pooled fund established pursuant to a Fund Regulation;
- (g) "**Fund Regulation**" means that instrument signed by the Trustee constituting or accepting a pooled fund as a Fund under this Declaration of Trust;



- (h) **"Investment Account"** means, with respect to an Unitholder, an account maintained in the records of the Recordkeeper evidencing the Unitholder's holding of Units;
- (i) **"Investment Manager"** means one or more professional investment management firms, as determined and selected by the Trustee from time to time, registered in the Province of Alberta as investment counsel and portfolio manager advisors, who has been approved by the Trustee to provide investment management services for a Fund;
- (j) **"Merger"** means as set forth in Section 14.1;
- (k) **"Net Asset Value"** means, in respect of a Fund, the amount determined from time to time in accordance with Section 8.2;
- (l) **"Payment Servicer"** means a Canadian financial institution, as determined and selected by the Trustee from time to time, who has been approved by the Trustee to facilitate the transfer of assets of a Unitholder between the Unitholder's financial institution and the Unitholder's Investment Account;
- (m) **"Person"** means any individual, partnership, limited partnership, joint venture, syndicate, sole proprietorship, company or corporation with or without share capital, unincorporated association, trust, trustee, executor, administrator or other legal personal representative, regulatory body or agency, government or governmental agency, authority or entity however designated or constituted;
- (n) **"Record Date for Distribution"** means the date as set forth in Section 6.3;
- (o) **"Recordkeeper"** means an entity determined and selected by the Trustee from time to time to provide recordkeeping and registrar services to a Fund, including receiving and implementing Unitholder instructions, keeping records of investment holdings and providing monthly reporting to Unitholders;
- (p) **"Register"** means the register or registers established and maintained pursuant to Section 4.4;
- (q) **"Securities Authorities"** means the Alberta Securities Commission;
- (r) **"Securities Legislation"** means the *Securities Act* (Alberta) and its regulations, as amended or replaced from time to time;
- (s) **"Service Provider"** means the Custodian, the Payment Servicer, the Valuator, the Record Keeper, the Investment Manager and such other persons as the Trustee has entered into an agreement with for the provision of services with respect to a Fund;
- (t) **"Tax Act"** means the *Income Tax Act* (Canada) and the regulations thereunder;
- (u) **"Taxation Year"** means the calendar year or such other fiscal period as the Trustee



is permitted to and does adopt as the taxation year of each Fund for the purposes of the Tax Act;

- (v) "**Trust Property**" means all property, real, personal or otherwise, tangible or intangible and all income, profits, proceeds and gains therefrom held by the Trustee from time to time for the benefit of Unitholders of a Fund;
- (w) "**Trustee**" means AMSC, and its successors or assigns, holding office as the trustee and manager of a Fund under this Declaration of Trust;
- (x) "**Unit**" means a unit of beneficial interest, in any Fund, as set out in Section 4, and includes a fraction thereof;
- (y) "**Unitholder**" means a Person whose name appears on the Register as a holder of Units of a Fund;
- (z) "**Valuation Date**" means any day on which the Net Asset Value of a Fund is to be determined, as determined by the Trustee from time to time;
- (aa) "**Valuation Time**" means the particular time on a Valuation Date as of which the Net Asset Value of a Fund is determined, as determined by the Trustee from time to time; and
- (ab) "**Valuator**" means an entity determined and selected by the Trustee from time to time to provide valuation services to a Fund.

- 1.2 **Governing Law and Jurisdiction.** This Declaration of Trust shall be governed and interpreted in accordance with the laws in force in the Province of Alberta. The parties hereby submit to the exclusive jurisdiction of the Courts of Alberta.
- 1.3 **Currency.** All references to dollar amounts in this Declaration of Trust shall be in the lawful currency of Canada, unless otherwise expressly stated.
- 1.4 **Number and Gender.** As the context of this Declaration of Trust so requires, words that import the singular shall include the plural, and vice versa, and words that import a particular gender shall include all other genders.
- 1.5 **Headings and Sections.** The division of this Declaration of Trust into sections and the insertion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Declaration of Trust.
- 1.6 **Section References.** Unless otherwise expressly stated, all references to section numbers and schedules herein shall be deemed to mean the Section numbers and schedules contained within this Declaration of Trust.
- 1.7 **Non-Business Day.** If the date for the performance of any obligation under this Declaration of Trust falls on a day that is not a Business Day, then such date shall be deemed to be



extended to the next following Business Day.

- 1.8 **Severability.** If any provision of this Declaration of Trust is found to be invalid, illegal or unenforceable, such provision shall be conclusively deemed to be severable and to have been severed from this Declaration of Trust and the balance of this Declaration of Trust shall remain in full force and effect notwithstanding such severance. To the extent permitted by law, each of the parties hereto waives any law, rule or regulation that might otherwise render any provision of this Declaration of Trust invalid, illegal or unenforceable.
- 1.9 **Inconsistency with Fund Regulation.** In the event that the terms, conditions and provisions of a Fund Regulation are inconsistent with or in conflict with the terms, conditions and provisions of this Declaration of Trust, the terms, conditions and provisions of such Fund Regulation shall prevail and take precedence in respect of the Fund created thereby. The Fund Regulation for a particular Fund may amend the terms, conditions and provisions of the this Declaration of Trust in such manner as may be set forth in such Fund Regulation provided that such amendments shall be effective only in respect of such Fund.

Section 2 – Funds

- 2.1 **Establishment of a Fund.** Each Fund shall be established by the Trustee executing a Fund Regulation and by the transfer of property in trust to the Trustee. The Fund Regulation in respect of a Fund shall set out all matters relating to the investments of such Fund, shall incorporate the provisions of this Declaration of Trust by reference, and shall designate for the purposes of such Fund any exclusion from or exception to the terms and conditions of this Declaration of Trust, and shall contain such other matters as the Trustee deems advisable.
- 2.2 **Name and Head Office.** The name of each Fund will be set forth in the applicable Fund Regulation and its head office shall be at the head office of the Trustee or such other address as the Trustee may determine from time to time. The Funds, collectively, shall be referred to as the “MuniFunds”.
- 2.3 **Business of Fund.** Notwithstanding any other provision of this Declaration of Trust, the only business of each Fund shall be the investment of its assets. Except as otherwise specifically set out in this Declaration of Trust or a Fund Regulation, the Trustee shall be responsible for all matters pertaining to each Fund.
- 2.4 **Nature of a Fund.** Each Fund shall be an open-end unincorporated trust. Each Fund is not and is not intended to be, shall not be deemed to be and shall not be treated as a general partnership, limited partnership, syndicate, association, joint venture, company, corporation or joint stock company nor shall the Trustee or the Unitholders or any of them in respect of any Person be, or be deemed to be, treated in any way whatsoever as liable or responsible hereunder as partners or joint venturers. The Trustee shall not be, nor be deemed to be, an agent of the Unitholders of each Fund. The relationship of the Unitholders of a Fund to the Trustee shall be solely that of beneficiaries of such Fund and their rights shall be limited to those conferred upon them by this Declaration of Trust and the relevant



Fund Regulation.

- 2.5 **Ownership of Fund Assets.** The Trustee shall have sole legal title to the Trust Property of each Fund according and subject to the provisions of this Declaration of Trust. All the Trust Property of a Fund shall at all times be considered as property held in trust by the Trustee as trustee of such Fund and the Trustee shall be entitled to exercise, in its discretion, all rights and powers of an owner of the property of such Fund including the power to enter into all agreements which it deems necessary on behalf of such Fund. No Unitholder shall have or be construed to have individual ownership of any asset of any Fund and the interest of a Unitholder shall consist only in the right to receive payment from the Trustee at the time, place, in the manner and subject to the conditions herein expressly provided. The Trustee shall register the Trust Property in its own name or in the names of the Custodian or subcustodians or their respective nominees, including any depository for securities, or may hold securities in bearer form. The Trustee is hereby expressly empowered to keep the same, at the offices of any Custodian or subcustodian appointed by or on behalf of the Trustee on behalf of the Fund on such terms as the Trustee authorizes so long as records are kept or required to be kept to identify the Trust Property as part of the Fund.
- 2.6 **Investment Objectives and Policies.** The investment objectives and policies of each Fund shall be set forth in the applicable Fund Regulation.
- 2.7 **Investment Restrictions.** The investment activities of each Fund shall not be in any way restricted by the provisions of the laws of any jurisdiction limiting or purporting to limit investments which may be made by trustees, including without limitation the provisions of the *Trustees Act* (Alberta), but shall be limited by any investment restrictions contained in the Fund Regulation and any other applicable legislation to which a Fund is subject.
- 2.8 **Unitholder Restrictions.** The Unitholders of each Fund shall be restricted to those Persons who may own Units in a Fund without triggering any requirements under Securities Legislation for the Fund, the Trustee or any Service Provider to register as a dealer or issue a prospectus under such Securities Legislation as a consequence of such ownership of Units by a Unitholder.
- 2.9 **Marketing and Sale of Units.** The Trustee may from time to time designate and authorize such Persons as it may determine and select to market and sell Units of any Fund.
- 2.10 **Binding Effect.** The terms and conditions of this Declaration of Trust and any Fund Regulation or supplement hereto shall be binding upon each Unitholder and all persons claiming through him as if he had been a party to this Declaration of Trust.

Section 3 – Service Providers

- 3.1 **Retention of Service Providers.** The Trustee shall retain an Investment Manager to administer each Fund. The Trustee shall also be entitled to retain such consultants, advisers and other Persons as it may determine and select to assist the Trustee with the management and operation of the Funds. Such consultants, contractors and other service



providers may include without limitation a Custodian, a Payment Servicer, a Valuator and a Record Keeper, and any Person may serve in one or more of such roles. The Trustee shall enter into such agreements as reasonably required to retain the services of each such Service Provider.

Section 4 - Units And Unitholder Matters

- 4.1 **Units.** Each Fund may issue an unlimited number of Units of a single class.
- 4.2 **Unit Attributes.** The Units of a Fund shall have the following rights, privileges and restrictions:
- (a) each Unit shall be without nominal or par value and shall be issued as fully paid and non-assessable at the applicable Net Asset Value per Unit;
 - (b) each Unit shall be redeemable for proceeds equal to the applicable Net Asset Value per Unit;
 - (c) except as provided in Section 17, a holder of a Unit shall not have any voting rights; and
 - (d) a Unit shall entitle the Unitholder thereof to participate ratably with each other Unit, in accordance with the provisions of this Declaration of Trust, in the distribution of net income and net realized capital gains of a Fund to such Unitholders and, on liquidation, in the distribution of the net assets of a Fund remaining, after satisfaction of all outstanding liabilities to such Unitholders.

In addition:

- (e) there shall be no pre-emptive rights attaching to Units;
- (f) there shall be no transfer, cancellation, surrender or redemption provisions attaching to Units except as expressly set out in this Declaration of Trust or the applicable Fund Regulation;
- (g) there shall be no liability for future calls or assessments attaching to Units;
- (h) Units may be issued for cash or for property determined by the Trustee to be of a value equivalent to the applicable Net Asset Value per Unit;
- (i) fractional Units may be issued and shall have attached thereto the rights, restrictions, conditions and limitations attaching to whole Units in the proportion that they bear to a whole Unit; provided that such fractional Units held by a Unitholder shall not, except to the extent that they represent in the aggregate one or more whole Units, entitle such Unitholder to notice of, or to attend or to vote at, applicable meetings of Unitholders; and



- (j) the Trustee may subdivide the Units outstanding at any time so that the number of Units may be increased, or consolidate the Units outstanding at any time so that the number of Units may be decreased.

4.3 **Unitholders' Interest.** Unitholders shall have no interest in the Trust Property of a Fund other than the beneficial interest in a Fund conferred by their Units and shall have no right to compel any partition, division, dividend or distribution of a Fund or any of the assets of a Fund. A Unit shall be personal property and shall confer upon the Unitholder thereof only the interest and rights specifically set forth in this Declaration of Trust or any applicable Fund Regulation. No Unitholder has or is deemed to have any right of ownership in any asset of a Fund.

4.4 **Unit Register to be Maintained.** The Recordkeeper shall establish and maintain, or cause to be established and maintained, a register (the "Register") for each Fund and shall record or cause to be recorded therein, as the case may be, the name and address of each Unitholder and the number of Units held by each such Unitholder. A Fund, the Trustee and the Service Providers shall for all purposes be entitled to treat the Unitholder in whose name any Unit is registered as the absolute owner thereof, any notice to the contrary notwithstanding, and such Persons shall not be charged with notice of or be bound to see to the execution of any trust in respect of any Unit whether express, implied or constructive and may deal with any Unit on the direction of the registered Unitholder thereof, whether named as trustee or otherwise. The receipt of the Unitholder in whose name a Unit is registered on the books of a Fund will be a valid and binding discharge to a Fund, the Trustee and the Service Providers for any payment made in respect of that Unit and if several Persons are registered as joint Unitholders, or in consequence of the death or bankruptcy of a Unitholder are entitled to be so registered, any one of them may give effectual receipt for any such payment. Only a Person whose Units are recorded on the Register in the name of that Person will be entitled to vote in the circumstances contemplated by this Declaration of Trust or to receive distributions or otherwise exercise or enjoy the rights of Unitholders of a Fund. The books and registers referred to in this Section 4 for each Fund may be entered or recorded by any system of mechanical or electronic data processing or any other information storage device.

4.5 **Entry on Register.** Upon any issue of Units of a Fund, the name and the address of the purchaser shall be promptly entered on the Register of such Fund as the Unitholder of the number of Units issued to the purchaser or, if the purchaser is already a Unitholder, the Register of such Fund will be amended to include the Unitholder's additional Units.

4.6 **No Transfer of Units.** Units of a Fund shall not be transferable by any Unitholder to any other Person.

4.7 **Consolidation and Subdivision of Units.** The Trustee may consolidate each Unit of a Fund into a fraction of a Unit or subdivide each Unit of a Fund into multiples of a Unit, The Trustee shall thereafter send to each Unitholder a written confirmation indicating the basis of the consolidation or subdivision, as the case may be, and the number of Units held by the Unitholder following such consolidation or subdivision.



- 4.8 **Closing of Register.** The Register of a Fund may be closed for a period of time not exceeding forty-eight (48) hours exclusive of non-Business Days immediately preceding any meeting of the Unitholders.
- 4.9 **Inspection.** The Custodian will not permit a Person not entitled by law to do so, to inspect any Register of a Fund, except that a Unitholder shall be entitled to see the entry of its name on the Register. The Trustee, the Service Providers and their respective duly authorized agents shall, at all reasonable times, be entitled to inspect the Register of a Fund.
- 4.10 **No Certificates.** No certificates evidencing ownership of Units shall be issued to a Unitholder. Evidence of the ownership of Units by a Unitholder shall be set forth in the Register.

Section 5 - Issuances and Redemptions

- 5.1 **Issuances of Units.** Issuances of Units of a Fund shall be made in the form and manner prescribed by the Trustee from time to time. A subscription request shall be implemented at the applicable Net Asset Value per Unit of a Fund. In connection with subscriptions, the Trustee, in its discretion, may prescribe, amongst others, any acquisition charges, redemption charges, minimum initial subscription amounts, minimum subsequent subscription amounts and minimum aggregate Net Asset Value balances to be maintained by Unitholders, any procedures in connection therewith and the maximum number of Units or maximum dollar amount of Units that may be sold in a Fund.
- 5.2 **No Right to Own.** No Person shall be entitled, as a matter of right, to purchase or hold any Units of a Fund.
- 5.3 **Redemption by Unitholder.** Each Unitholder shall be entitled at any time to make a redemption request in the form and manner prescribed by the Trustee from time to time, requesting the redemption of all or any part of the Units of a Fund held by such Unitholder. A redemption request shall be implemented at the applicable Net Asset Value per Unit of the relevant Fund, and the payment of the redemption proceeds shall be paid in the manner and at the time as determined by the Trustee. Notwithstanding the foregoing, the Trustee may allocate for tax purposes a portion of any distributions made by a Fund to Unitholders in respect of Units redeemed during a Taxation Year.
- 5.4 **Redemption at Demand of Trustee.** The Trustee may at any time require any Unitholders to redeem Units of a Fund if authorized to do so pursuant to Securities Legislation or if a Fund would be prejudiced by the continuing holding of Units by such Unitholder, including without limitation for the following reasons:
- (a) the Unitholder itself no longer qualifies to hold Units pursuant to the terms and conditions of this Declaration of Trust;
 - (b) amendments to Securities Legislation which disqualifies the Unitholder from



- holding Units pursuant to the terms and conditions of this Declaration of Trust;
- (c) a change the residency of the Unitholder which renders a Fund, as determined by the Trustee, at risk of being deemed not to be a "mutual fund trust" under the Tax Act; and
 - (d) the Unitholder:
 - (i) being in breach of the terms or conditions of this Declaration of Trust; or
 - (ii) being in breach of the terms or conditions of any associated subscription agreement with the Unitholder relating to its subscription for Units or being in breach of the covenants, representations or warranties of the Unitholder as set forth in such subscription agreement.

The Trustee shall mail a notice of redemption to all Unitholders whose Units of a Fund are to be so redeemed. The proceeds payable on redemption will be the Net Asset Value per Unit of the Units of a Fund redeemed determined on the Valuation Day of the mailing of the redemption notice by the Trustee. The payment of the redemption price will be made in accordance with this Section 5.

- 5.5 **Rights Cease Upon Payment.** Upon the payment of the proceeds of redemption for Units being redeemed, the Unitholder shall cease to have any further rights with respect to such Units and the Trustee and the Service Providers shall be discharged from all liability to the Unitholder with respect to the Units so redeemed and the amount so paid.
- 5.6 **Temporary Suspension of Redemption Right.** Notwithstanding anything herein contained or the giving of any notice provided for herein, the Trustee may suspend or postpone, or continue a suspension or postponement of, the right to redeem Units of any Fund and may postpone the date of payment upon redemption for any period, provided that such suspension or postponement complies with any applicable provisions of Securities Legislation (if applicable).
- 5.7 **Payment Where Redemption Suspended.** If the Trustee suspends a redemption of Units pursuant to Section 5.6, the Valuation Time for the implementation of any redemption requests not yet implemented shall be the next following Valuation Time after the suspension of redemptions has ceased. The suspension may at the discretion of the Trustee, apply to all requests for redemption received prior to the suspension but as to which payment has not been made, as well as to all requests received while the suspension is in effect.
- 5.8 **Joint Unitholders.** Where Units are registered in more than one name, a redemption may be requested by any one or more of the Unitholders thereof, and the redemption moneys will be deemed to be owed to the Unitholders of such Units of a Fund upon joint account and may be paid to one or more of such registered Unitholders and the payment to and/or receipt of any of such registered Unitholders will constitute a valid discharge to the Trustee and the Service Providers for the sum so paid.



- 5.9 **Partial Redemption Permitted.** Where Section 5.3 applies, the Trustee may redeem less than all the Units of a Fund for which redemption has been requested by Unitholders and delay or suspend the redemption of the remaining Units of such Unitholders in accordance with the provisions of Section 5.6 and subject to the limitations therein contained. Any such partial redemption will be *pro rata* among all Unitholders requesting redemption.
- 5.10 **Redemption in Kind.** The Trustee may, subject to the prior written consent of the redeeming Unitholders and in compliance with any applicable provisions of Securities Legislation, pay for all or any of such redeemed Units by making good delivery to such Unitholders of portfolio securities (of the Trust Property), provided that such portfolio securities are valued for purposes of determining the redemption price at an amount equal to the amount at which such portfolio securities were valued for the purpose of determining the Net Asset Value of a Fund on the date of redemption.

Section 6 - Distributions

- 6.1 **Computation of Income and Gains.** The net income of a Fund for any year for distribution purposes shall be determined in accordance with the provisions of the Tax Act regarding the calculation of income for the purposes of determining the "taxable income" of a Fund thereunder, provided, however, that capital gains and capital losses shall be excluded. The net realized capital gains of a Fund for any year shall equal the amount, if any, by which the aggregate of the capital gains of such Fund in the year exceeds the aggregate of the capital losses of such Fund in the year and such fraction or multiple as is determined appropriate based on the provisions of the Tax Act of the amount of any net capital losses (as defined in the Tax Act) for prior years which such Fund is permitted by the Tax Act to deduct in computing its taxable income for such year.
- 6.2 **Distributions.** The Trustee may distribution such amounts of the net income and net realized capital gains of a Fund (as determined in accordance with Section 6.1), or make such other distribution of the Trust Property of a Fund including without limitation on account of a return of capital, in such amounts per Unit of such Fund as may be declared payable by the Trustee on such day or days and to Unitholders of record as at the close of business on such day or days as the Trustee from time to time determines. The Trustee may establish for a Fund any regular distributions during a year by including in a Fund Regulation a requirement to that effect.
- 6.3 **Annual Distributions of Income and Gains of a Fund.** In addition and subject to the distributions set forth in Section 6.2, the net income and the net realized capital gains of a Fund (as determined in accordance with Section 6.1 and deducting any applicable amounts previously paid pursuant to Section 6.2) for each year, if any, shall be due and payable by December 31 in each Taxation Year to Unitholders of record immediately after the Valuation Time on the last Business Day of that Taxation Year or on such other day as is permitted under the Tax Act and selected by the Trustee preceding the date of distribution in such year (the "**Record Date for Distribution**"). The total amount of such distribution



shall be equal to the amount which is necessary so that a Fund will not be liable for income tax under Part I of the Tax Act for such Taxation Year (taking into account any applicable capital gains refunds), and such distribution shall be payable in such amounts per Unit of such Fund as may be declared by the Trustee.

- 6.4 **Method of Payment of Distributions.** Distributions payable to Unitholders of Units of a Fund shall be reinvested in additional Units of such Fund at the applicable Net Asset Value per Unit at the close of business on the date of distribution and determined in accordance with the provisions of this Declaration of Trust. At the discretion of the Trustee, the Trustee may immediately consolidate Units after giving effect to the allocation and payment of any such distribution.
- 6.5 **Alterations.** It is the present intention to allocate and declare an amount payable to Unitholders of a Fund annually so that such Fund will not have any liability for income tax. If there is any change in the tax treatment accorded to net income and net realized capital gains, the amount or method of distributions as set forth in this Section 6 may be altered as determined by the Trustee.

Section 7 - Board of Governors

- 7.1 **Number.** Each Fund may, but shall not be required to, have a Board of Governors consisting of the number of members from time to time holding office, which shall be no fewer than three and no more than fifteen, all of whom shall be appointed by the Trustee, provided that a majority of such members shall not be directors, officers or employees of the Trustee or of any Service Provider.
- 7.2 **Structure and Procedures.** The term of office of each member of the Board of Governors, the remuneration payable to such members, the procedures for holding meetings, the duties and objectives of the Board of Governors, and the other matters relating to the operations of the Board of Governors shall be as determined from time to time by the Trustee.

Section 8 - Net Asset Value

- 8.1 **Valuation Dates.** The Net Asset Value of a Fund shall be determined as at the Valuation Time on the Valuation Date, provided that the Net Asset Value of a Fund shall not be required to be determined during any period in which the right of redemption has been suspended pursuant to Section 5.6. The Net Asset Value of a Fund determined at a Valuation Time shall remain in effect until the next time the Net Asset Value of a Fund is determined.
- 8.2 **Net Asset Value.**
- (a) The Net Asset Value of a Fund, as of any Valuation Time, shall equal the market value of the Fund's assets as of that Valuation Time, less the liabilities of the Fund as of that Valuation Time.



- (b) The Net Asset Value of a Fund established at any time and from time to time in accordance with this Declaration of Trust shall be conclusive and binding upon all Unitholders. The Net Asset Value of a Fund shall be determined in Canadian currency or in any other currency as set forth in the Fund Regulation.
- (c) For the purposes of determining the Net Asset Value of a Fund, the assets of a Fund shall be deemed to include without limitation:
 - (i) all liquid assets, which shall mean cash or its equivalent (including cash of other countries if conversion into Canadian currency can be readily effected), on hand, on deposit or on call, including any accrued interest thereon;
 - (ii) all bills and demand notes, accounts receivable and prepaid expenses;
 - (iii) all bonds, time notes, shares, subscription rights and other securities owned or contracted for by the Fund;
 - (iv) all stock and cash dividends and cash distributions to be received by the Fund and not yet received by it but declared to shareholders of record on a date on or before the date as of which the Net Asset Value of the Fund is being determined;
 - (v) all interest accrued on any interest-bearing securities owned by the Fund (except interest accrued on securities in default which is included in the quoted price); and
 - (vi) all other property of every kind and nature.
- (d) The value of the assets of a Fund shall be determined as follows:
 - (i) the value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends or distributions received (or to be received and declared to shareholders of record on the date before the date as of which the Net Asset Value of a Fund is being determined) and interest, accrued and not yet received, shall be deemed to be the full amount thereof;
 - (ii) securities that are listed on the securities exchange will be valued at their last sale price on that day on the principal exchange or market on which such securities are listed or traded or, if there is no sale on that day, and in the case of securities traded on the over-the-counter market, at the average of the closing ask price and the closing bid price;
 - (iii) the value of any security which is traded at market will be the average of the closing bid and closing asked price, all as recorded by an independent pricing vendor;



- (iv) if there are no bid or ask quotations in respect of securities listed on a securities exchange or traded on all market, then a realistic and fair valuation will be made, taking into account the last sale;
- (v) to the extent a Fund invests in one or more other mutual funds, the value of any securities of a mutual fund held by the Fund will be the net asset value per mutual fund security as made available by such mutual fund;
- (vi) long positions in clearing corporation options, options on futures contracts, over-the-counter options, debt-like securities and listed warrants shall be valued at their respective current market values;
- (viii) the value of any clearing corporation option, option on futures or over-the-counter option shall be its current market value, determined in accordance with the principles herein set out; provided that (1) where a covered clearing corporation option is written, the premium received shall be offset by a deferred credit which shall be valued at an amount equal to the current market value of the clearing corporation option, option on futures or over-the-counter option that would have the effect of closing the position; (2) any difference resulting from revaluation shall be treated as an unrealized gain or loss on investment; (3) the deferred credit shall be deducted in arriving at the Net Asset Value of the Fund; and (4) the securities which are the subject of a written clearing corporation option, option on futures or over-the-counter option shall be valued as provided in subparagraph (ii) above for listed securities;
- (ix) futures contracts or forward contracts shall be valued at an amount equal to the gain or loss with respect thereto that would be realized if, on the Valuation Day, the position in such a contract were to be closed out unless "daily limits" are in effect, in which case the value shall be based on the current market value of the underlying interest. Margin paid or deposited in respect of such contracts shall be reflected as an account receivable and margin consisting of assets other than cash shall be noted as held as margin;
- (x) forward currency contracts and currency futures contracts shall be valued on a marked to market basis on the Valuation Day based on reported quotations in common use provided cash is to be settled on maturity of the contracts;
- (xi) other derivatives and margin shall be valued in the manner which the Trustee reasonably determines to represent its fair market value and as required by Securities Legislation;
- (xii) restricted securities shall be valued in a manner which the Trustee reasonably determines to represent its fair market value and as required by Securities Legislation;



- (xiii) the value of any security or other property of a Fund for which no method of determining value is described above will be determined in such manner as is considered appropriate from time to time; and
 - (xiv) the value of any security or other property of a Fund for which a market quotation is not readily available or to which, in the opinion of the Trustee, the above principles cannot be applied or if, in the opinion of the Trustee, the market quotations do not properly reflect the fair value of such securities, the Trustee may value the securities at prices as appear to the Trustee to most closely reflect the fair value of the securities.
- (e) The liabilities of a Fund shall be deemed to include without limitation:
- (i) all bills, notes and accounts payable;
 - (ii) all administrative expenses payable and/or accrued (including management fees);
 - (iii) all contractual obligations for the payment of money or property, including the amount of any unpaid distribution credited to the Unitholders on or before the day as of which the Net Asset Value of the Fund's Net Asset Values are being determined;
 - (iv) all allowances authorized or approved for taxes or contingencies; and
 - (v) all other liabilities of the Fund of whatever kind and nature, except liabilities represented by outstanding Units of such Fund.
- (f) For the purposes of determining the Net Asset Value of a Fund at any time, a portfolio transaction, being a transaction of purchase or sale of investments made by the Fund shall be reflected in the computation of Net Asset Value of a Fund not later than the first computation of Net Asset Value of such Fund made after the day on which the transaction becomes binding, and a capital transaction, being any redemption of Units by a Fund, shall be reflected in the computation of Net Asset Value of such Fund not later than the next computation of Net Asset Value of such Fund made after the time at which the Net Asset Value of such Fund is determined to implement the capital transaction.
- (g) For the purpose of any dividend or other distribution to Unitholders, the amount distributed by or paid by a Fund shall be in the currency in which the Net Asset Value of a Fund is to be determined. For the purpose of the issuance and redemption of Units, the price and valuation shall be in the currency in which the Net Asset Value of a Fund is to be determined. The value of all assets of a Fund quoted in terms of a currency other than the currency in which the Net Asset Value of a Fund is to be determined and liabilities payable in any currency other than the currency in which the Net Asset Value of a Fund is to be determined shall be translated into the



currency in which the Net Asset Value of a Fund is to be determined at the prevailing rate of exchange, as nearly as practicable, at the Valuation Time and as quoted by customary banking sources selected by the Trustee.

Section 9 - Trustee's Powers and Duties

- 9.1 **General Powers.** The legal ownership of the Trust Property of a Fund is vested exclusively in the Trustee. The Trustee, subject only to the specific limitations contained in this Declaration of Trust, shall have, without further or other authorization and free from any power or control on the part of the Unitholders, full, absolute and exclusive power, control and authority over the Trust Property and over the business and affairs of a Fund to the same extent as if the Trustee were a natural person and the sole owner of the Trust Property in its own right, to do all such acts and things as in its sole judgment and discretion are necessary or incidental to, or desirable for, the carrying out of any of the purposes of a Fund or the conducting of the business of a Fund. In construing the provisions of this Declaration of Trust, presumption will be in favour of the grant of powers and authority to the Trustee. The enumeration of any specific power or authority herein shall not be construed as limiting the general powers or authority or any other specified power or authority conferred herein on the Trustee.
- 9.2 **Specific Powers.** Subject as otherwise specifically set out herein and any applicable provisions of Securities Legislation and without limiting the generality of Section 9.1, the Trustee shall have and may exercise, at any time and from time to time, the following powers and authorities with respect to each Fund which may or may not be exercised by it in its sole judgment and discretion and in such manner and upon such terms and conditions as it may from time to time deem proper:
- (a) to hold the Trust Property exercising the same degree of care which it gives to its own property of a similar kind under its own custody or to appoint a custodian to do so;
 - (b) to issue Units of a Fund for the consideration as set forth herein;
 - (c) with any cash at any time held by it to purchase, or otherwise acquire, any securities (including securities of another fund managed by the Investment Manager or of another Person), currencies or other property of a kind contemplated hereunder and to purchase, hold and retain the same in trust hereunder;
 - (d) to hold such portion of a Fund in cash as the Trustee, from time to time, may deem to be in the best interests of a Fund and to retain the cash balances on deposit with the Trustee or any of its Affiliates or with a chartered bank or other depository, in such account as the Trustee in its sole discretion determines, provided such deposits will accrue interest;
 - (e) to collect all income and other payments with respect to the property held in respect of a Fund;



- (f) to credit a Fund with any amount due to be received by the Fund prior to actual receipt provided that should the amount not be received in sufficient time such credited amount shall be reversed and made a debit of the Fund;
- (g) to surrender securities in temporary form for securities in definitive form;
- (h) to endorse for collection cheques, drafts, and other negotiable instruments;
- (i) to enter into and settle foreign exchange transactions on behalf of a Fund for purposes of facilitating settlement of trades of securities or other Trust Property and any such transactions may be entered into with such counterparties as the Trustee may choose in its sole discretion including its Affiliates;
- (j) to enter into derivatives transactions on behalf of a Fund and any such transactions may be entered into with such counterparties as the Trustee may choose in its sole discretion, including, without limitation, with an Affiliate of the Trustee or the Investment Manager;
- (k) in connection with the activities of a Fund to lend, lease, rent, sell, convey, exchange for other securities or other property, convert, transfer, assign, pledge, encumber or otherwise dispose of any securities or other property held by it at any time, by any means considered reasonable by the Trustee, and to receive the consideration and grant discharges therefor;
- (l) to exercise any conversion privileges, subscription rights, warrants and/or other rights or options available in connection with any securities or other property at any time held by the Trustee, and to make any payments incidental thereto; to consent to, or otherwise participate in or dissent from, the reorganization, consolidation, amalgamation or merger of any corporation, company or association, or to the sale, mortgage, pledge or lease of the property of any corporation, company or association, any of the securities of which may at any time be held by it, and to do any act with reference thereto, including the delegation of discretionary powers, the exercise of options, the making of agreements or subscriptions and the payment of expenses, assessments or subscriptions which it may deem necessary or advisable in connection therewith; to hold any securities or other property which it may so acquire and generally to exercise any of the powers of an owner with respect to securities or other Trust Property;
- (m) to purchase, hold, sell or exercise call or put options on securities, indices of shares or other securities, financial and stock index futures contracts, securities or currency futures or forward contracts or other financial or derivative instruments, all whether or not any such options, indices, contracts or instruments are traded on a regular exchange and in connection therewith to deposit Trust Property with the counterparty as margin and to grant security interests therein;
- (n) to vote personally, or by general or limited proxy, any securities or other property which may be held by it at any time, and similarly to exercise personally or by



general or limited power of attorney any right appurtenant to any securities or other property held by it at any time;

- (o) to lend money, securities or other Trust Property whether on a secured or unsecured basis in accordance with any applicable provisions of Securities Legislation;
- (p) to borrow (including the right to borrow from the Trustee, any Service Provider or any of their Affiliates) money against the assets of the Fund, on such terms and conditions as the Trustee may determine, provided that the principal of and interest charged on such borrowing shall be paid out of a Fund and shall constitute a charge against such Fund;
- (q) to incur and pay out of the Trust Property any charges or expenses and disburse any funds of a Fund, which charges, expenses or disbursements are, in the opinion of the Trustee, necessary or incidental to or desirable for the carrying out of any of the purposes of a Fund or the conducting of the business of a Fund including, without limitation, taxes or other governmental levies, charges and assessments of whatever kind or nature, imposed upon or against the Trustee in connection with a Fund or the Trust Property or upon or against the Trust Property or any part thereof and for any of the purposes herein;
- (r) to dispose of any property of a Fund for the purpose of paying obligations imposed on the Fund or for repaying any loan authorized hereby;
- (s) to deposit any property forming part of a Fund, including securities and documents of title held by it hereunder, with any bank or other depository, including the Trustee, the Service Providers or any of their Affiliates;
- (t) to register the securities or other property of a Fund in its own name, in the name of the Custodian, if different from the Trustee, or any sub-custodian, or in the name of a counterparty to a derivative transaction if permitted pursuant to any applicable provisions of Securities Legislation, or in the names of their respective nominees, or with any other domestic or foreign depository or clearing agency which is incorporated or organized under the laws of a country or a jurisdiction within country and is duly authorized to operate a book-based system, or in bearer form if the investment is not registrable or it would not be in the best interest of a Fund to do otherwise; and the Trustee is hereby expressly empowered to keep the same, wholly or partly, in its principal office or at the offices of any Person ("**other depository**") that is authorized to act as a custodian of securities by the laws of any country, province, state or any other political subdivision of any country in which such financial institution is located, all as the Trustee may determine so long as the securities and other property of the Fund at all times are kept distinct from its own assets and those of its nominees, other depositories and any other Person in the registers and other books of account kept by the Trustee; provided that the Trustee may permit property of the Fund to be held as margin by a counterparty to a derivative transaction if permitted pursuant to any applicable provisions of



Securities Legislation;

- (u) to renew or extend or participate in the renewal or extension of any securities or other property, upon such terms as it may deem advisable, and to agree to a reduction in the rate of interest on any security or other property or of any guarantee pertaining thereto, in any manner and to any extent that it may deem advisable; to waive any default whether in the performance of any covenant or condition of any security or other property, or in the performance of any guarantee, or to enforce rights in respect of any such default in such manner and to such extent as it may deem advisable; to exercise and enforce any and all rights of foreclosure, to bid on property on sale or foreclosure with or without paying any consideration therefor and in connection therewith to release the obligation to the covenant secured by such security and to exercise and enforce in any action, suit or proceeding at law or in equity any rights or remedies in respect of any such security or guarantee pertaining thereto;
- (v) to make, execute, acknowledge and deliver any and all deeds, leases, mortgages, conveyances, contracts, waivers, releases or other documents of transfer and any and all other instruments in writing that may be necessary or proper for the accomplishment of any of the powers herein granted, whether for a term extending beyond the office of the Trustee or beyond the possible termination of a Fund or for a lesser term;
- (w) to commence, defend, adjust or settle suits or legal proceedings in connection with a Fund and to represent a Fund in any such suits or legal proceedings; provided, however, that the Trustee shall not be obliged or required to do so unless it has been indemnified to its satisfaction against all expenses and liabilities sustained or anticipated by the Trustee by reason thereof;
- (x) to employ such counsel, auditors, advisors, agents or other Persons (including without limitation the Service Providers) as the Trustee may deem necessary from time to time for the purpose of discharging its duties hereunder and to pay out of a Fund their reasonable expenses and compensation;
- (y) to delegate the operation of a Fund and the other powers and duties of the Trustee to the Investment Manager and any one or more other agents, representatives, officers, employees, independent contractors or other Persons (including without limitation the Service Providers) without liability to the Trustee except as provided in this Declaration of Trust; and
- (z) to do all such acts, take all such proceedings and exercise all such rights and privileges, although not specifically mentioned herein, as the Trustee may deem necessary to administer a Fund, and to carry out the purposes of such Fund.

The exercise of any one or more of the foregoing powers or any combination thereof from time to time shall not be deemed to exhaust the rights of the Trustee to exercise such power or powers or combination of them thereafter from time to time.



9.3 **Dealing with Others and Self.** Subject to the foregoing and any applicable provisions of Securities Legislation, the Trustee may, and is hereby expressly authorized from time to time in its discretion to, appoint, employ, invest in, contract or deal with any individual, firm, partnership, association, trust or body corporate including, without limitation, itself and any partnership, trust or body corporate with which it may be directly or indirectly Affiliated or in which it may be directly or indirectly interested, whether on its own account or for the account of another (in a fiduciary capacity or otherwise) and, without limiting the generality of the foregoing, the Trustee may:

- (a) purchase, hold, sell, invest in or otherwise deal with securities or other property of the same class and nature as may be held by a Fund, whether on the Trustee's own account or for the account of another (in a fiduciary capacity or otherwise);
- (b) use in other capacities knowledge gained in its capacity as the Trustee hereunder; provided that such use does not adversely affect the interests of a Fund and provided further that the Trustee may not make use of any specific confidential information for its own benefit or advantage that, if generally known, might be expected to affect materially the value of the securities or other Trust Property; and
- (c) invest in the securities or other property of any body corporate with which the Trustee may be directly or indirectly associated, affiliated or interested;

without being liable to account therefor and without being in breach of a trust established hereunder.

9.4 **Standard of Care.** Subject to Section 15, the Trustee will exercise its powers and carry out its functions hereunder as Trustee of a Fund honestly, in good faith and in the best interests of a Fund and the Unitholders and in connection therewith, will exercise that degree of care, diligence and skill that a reasonably prudent person would execute in the circumstances. The Trustee in its capacity as trustee will not be required to devote its entire time to the business and affairs of a Fund.

9.5 **Successor by Law.** Any corporation into which the Trustee may be merged or with which it may be consolidated, any corporation resulting from any merger or consolidation to which the Trustee is a party, or any corporation acquiring all or substantially all of the assets and business of the Trustee will be the successor to the Trustee hereunder without the execution or filing of any document or any further act, anything herein contained to the contrary notwithstanding.

9.6 **Verification of Signatures.** The Trustee shall be entitled to require that the signature of any investor or Unitholder on any document required to be signed by him under or in connection with this Declaration of Trust shall be verified or guaranteed by a bank or broker or other responsible person or otherwise authenticated to the reasonable satisfaction of the Trustee.

9.7 **Banking Arrangements.** The banking business of any Fund, or any part thereof, shall be



transacted with such Canadian chartered bank or other firm or corporation carrying on a banking business as the Trustee, may designate, appoint or authorize from time to time and all such banking business, or any part thereof, shall be transacted by such one or more officers of the Trustee or the Investment Manager and/or other Persons as the Trustee may designate, appoint or authorize from time to time including, but without restricting the generality of the foregoing,

- (a) the operation of the accounts of each Fund;
- (b) the making, signing, drawing, accepting, endorsing, negotiating, lodging, depositing or transferring of any cheques, promissory notes, drafts, acceptances, bills of exchange and orders for the payment of money on behalf of each Fund;
- (c) the giving of receipts for and orders relating to any property of any of the Funds;
- (d) the execution of any agreement relating to any such banking business and defining the rights and powers of the parties thereto;
- (e) subject to any applicable provisions of Securities Legislation, the borrowing of money and the pledging of securities or assets of a Fund therefor or otherwise securing such indebtedness; and
- (f) the authorizing of any officer of such banker to do any act or thing on the Trustee's behalf to facilitate such banking business.

9.8 **Execution of Documents.** All documents required to be executed by a Fund may be signed by the Trustee or any other Person designated by the Trustee.

Section 10 – Management Fees

10.1 **Management Fees.** The Trustee shall be entitled to receive from the assets of a Fund for the provision of its services a fee in the amount as specified in the Fund Regulation. Such fee shall enable the Trustee to pay all expenses incurred by the Trustee, including those service provider fees payable by the Trustee.

10.2 **Amendment to Management Fees.** The amount of the fees payable to the Trustee with respect to a Fund shall be subject to amendment by the Trustee from time to time as determined in its discretion.

Section 11 - Change of Trustee

11.1 **Resignation of the Trustee.** The Trustee may resign as the trustee and manager of a Fund by giving written notice to the Unitholders not less than ninety (90) days prior to the date when such resignation shall take effect. In such event, the Trustee may appoint a successor trustee and manager to serve with respect to such Fund, and the Trustee shall give written notice of such appointment to the Unitholders together with its notice of resignation. In the



event that the Trustee elects not to, or fails to, appoint a successor trustee and manager, the Fund shall be terminated in accordance with Section 16. For greater certainty, unless the Trustee resigns from all Funds established pursuant to this Declaration of Trust, the Trustee shall remain the Trustee of all remaining Funds established pursuant to this Declaration of Trust and shall not be deemed to have assigned this Declaration of Trust in relation to such remaining Funds or any of the relevant Fund Regulations.

- 11.2 **Successor Trustee.** The right, title and interest of the Trustee in and to the Trust Property of a Fund shall vest automatically in any Person who may hereafter become Trustee of such Fund upon its assumption of the role of Trustee without any further act and it shall thereupon have all the authorities, rights, privileges, powers, duties, and immunities of the Trustee hereunder. Upon the successor Trustee assuming the role of Trustee, the previous Trustee shall transfer and assign this Declaration of Trust insofar as it relates to such Fund and the relevant Fund Schedule and the property of such Fund. In the event of the resignation by the Trustee or that a successor trustee is appointed the Trustee shall forthwith execute and deliver such documents as may be required for the conveyance of any property of the Fund held in the Trustee's name, shall account to the successor trustee for all property of the Fund which the Trustee holds as trustee and shall thereupon be discharged as trustee. For greater certainty, such right, title and interest shall vest in the successor Trustee whether or not conveyancing documents have been executed and delivered in connection therewith.

Section 12 - Meetings of Unitholders

- 12.1 **Meetings.** The Trustee shall have the power at any time to call meetings of the Unitholders of a Fund at such time and place as the Trustee may determine.
- 12.2 **Notice of Meeting of Unitholders.** Notice of all meetings of Unitholders of a Fund shall be mailed or delivered by the Trustee to each Unitholder of such Fund at the address appearing in the Register not less than twenty-one (21) nor more than fifty (50) days before the meeting. Notice of any meeting of Unitholders of a Fund shall state the purposes of the meeting. A Unitholder and any other Person entitled to attend a meeting of Unitholders of a Fund may in any manner waive notice of a meeting of Unitholders and attendance of any such Person at a meeting of Unitholders is a waiver of notice of the meeting, except where such Person attends a meeting for the express purpose of objecting to the transaction of any business on the grounds that the meeting was not lawfully called and takes no further part in the proceedings.
- 12.3 **Quorum; Chairman.** Two Unitholders present in person or by proxy shall constitute a quorum for a meeting of Unitholders of a Fund. If a quorum is present at the opening of a meeting of Unitholders of a Fund, the Unitholders may proceed with the business of the meeting, notwithstanding that a quorum is not present throughout the meeting. If a quorum is not present at the opening of a meeting of Unitholders of a Fund, the Unitholders present may adjourn the meeting to a fixed time and place but may not transact any other business. Notice of such adjourned meeting shall be mailed or delivered by the Trustee to each Unitholder of such Fund at its address appearing in the Register not less than five (5) or



more than thirty (30) days before such adjourned meeting. The Unitholders present at the adjourned meeting whatever their number will form a quorum. The chairman of the meeting of Unitholders of a Fund will be any Person appointed by the Trustee to be chairman of the meeting. If the Trustee fails to appoint a Person to act as chairman of the meeting, Unitholders of a Fund present in person or by proxy may appoint a Person to act as chairman.

- 12.4 **Adjournments.** The Unitholders of a Fund may adjourn the meeting from time to time and from place to place but no business shall be transacted at any adjourned meeting except business which might lawfully have been transacted at the meeting from which the adjournment took place. If a meeting of Unitholders of a Fund is adjourned for less than fifty (50) days, it is not necessary to give notice of the adjourned meeting, other than by announcement at the earlier meeting that it is adjourned.
- 12.5 **Proxies.** Whenever the vote or consent of Unitholders is required or permitted under this Declaration of Trust, a Unitholder entitled to vote at a meeting of Unitholders of a Fund may by means of a proxy appoint a proxyholder or one or more alternative proxyholders, who are not required to be Unitholders, to attend and act at the meeting in the manner and to the extent authorized by the proxy and with the authority conferred by the proxy. The Trustee may prescribe from time to time the form of proxy. Proxies must be deposited with the secretary of the meeting before any vote is cast under its authority, or at such earlier time and in such manner as the Trustee may prescribe. A vote given in accordance with the terms of a proxy will be valid notwithstanding the previous death or insanity of the principal or revocation of the proxy or of the authority under which the proxy was executed or the transfer of Units in respect of which the proxy is given, provided that no notice in writing of such death, insanity, revocation or transfer will have been received by the secretary of the meeting before the commencement of the meeting or adjourned meeting at which the proxy is used. The Trustee may solicit such proxies from the Unitholders or any of them in any matter requiring or permitting the Unitholders' vote or consent. Proxies may be granted electronically.
- 12.6 **Manner of Voting.** Subject to the other provisions of this Declaration of Trust, every question submitted to a meeting of a Fund shall be decided in the first instance by a majority of the votes cast on a show of hands. If a poll is demanded, it shall be taken in such manner as the chairman of the meeting may direct and the result of a poll shall be deemed to be the resolution of the meeting at which the poll was demanded. The demand for a poll shall not prevent the continuance of a meeting of a Fund for the transaction of any business other than the question on which the poll has been demanded. On a show of hands, every Unitholder who is present in person or represented by proxy shall have one vote. On a poll, every Unitholder who is present in person or represented by proxy shall have one vote for each whole Unit which he holds. If Units are held jointly by two or more Persons, any one of them present or represented by proxy at a meeting of the Unitholders of a Fund may, in the absence of the other or others, vote thereon, but if more than one of them are present or represented by proxy, they may only vote together on the Units held jointly. Voting may be conducted electronically.
- 12.7 **Consent by Written Instruments.** Any consent or approval of Unitholders as may be



required by this Declaration of Trust may, in lieu of a meeting, be given by the written consent of not less than all Unitholders.

- 12.8 **Minutes of Meetings.** Minutes of meetings will be made by the secretary of the meeting and duly entered in minute books to be kept by the Trustee. Any such minutes signed by the chairman of the meeting will be conclusive evidence of the matters therein stated, and until the contrary is proved, every such meeting in respect of the proceedings of which minutes have been made shall be deemed to have been duly held and convened and all resolutions passed thereat to have been duly passed.
- 12.9 **Record Date.** For the purpose of determining Unitholders of a Fund entitled to notice of a meeting of Unitholders, or entitled to vote or for any other purpose, the Trustee may fix in advance a date as the record date. The record date for determining Unitholders of a Fund entitled to vote at any meeting shall be that date set by the Trustee from time to time for a meeting provided that if the Trustee fails to set a record date it shall be deemed to be the date of the notice of the meeting. Where a record date for notice of a meeting is fixed, it shall be not less than twenty-one (21) nor more than fifty (50) days before the date established for the meeting. Where no record date is fixed for the determination of Unitholders entitled to notice, the date on which notice of the meeting is mailed shall be deemed to be the record date.

Section 13 - Merger

- 13.1 **Merger of a Fund.** A Fund may merge, reorganize or enter into a transaction (the "Merger") with one or more other entities wherein the Fund or other entity is merged into or continues as one entity in accordance with applicable securities and taxation laws, regulations, rules and policies.
- 13.2 **Fund is Continuing Entity.** If a Fund is to be the continuing entity after such merger, without limiting how the merger may be effected, the Trustee may cause such Fund to purchase all or substantially all of the property of the other entity in consideration of the assumption of any or all of the liabilities of such other entity and the issuance of Units of the Fund to the other entity. Units of the Fund issued to the other entity in consideration for the purchased assets may be transferred, by the trustee of the other entity or otherwise, to holders of securities of the other entity.
- 13.3 **Fund is Not Continuing Entity.** If a Fund is not to be the continuing entity after such merger, without limiting how the merger may be effected, the Trustee may cause such Fund to sell all or substantially all of the Fund Property of the Fund to the other entity for consideration that includes securities of the other entity and after paying or making provision for all of the Fund's liabilities, the Trustee may distribute the assets of the Fund, then consisting of securities of the other entity, to Unitholders in the Fund *pro rata* in accordance with the number of Units held, and the Fund may thereafter be terminated, the provisions for termination herein applying as applicable.



Section 14 - Liabilities of the Trustee and Others

- 14.1 **Indemnification of the Trustee.** The Trustee and each of its directors, officers, employees and agents shall at all times, in priority to any and all rights of Unitholders of a Fund, be indemnified and saved harmless out of the assets of such Fund from and against all claims whatsoever, including costs, charges and expenses in connection therewith, brought, commenced or prosecuted against it for or in respect of any act, deed, matter or thing whatsoever made, done, acquiesced in or omitted in or about or in relation to the execution of its duties as Trustee and also from and against all other costs, charges, and expenses that it sustains or incurs in or about or in relation to the affairs of such Fund. Neither the Trustee nor any of its directors, officers, employees or agents shall be liable to a Fund or to any Unitholder thereof for any loss or damage relating to any matter regarding such Fund, including any loss or diminution in the value of such Fund or its assets. The foregoing sentences do not apply to the extent that the claim was the result of willful default or dishonesty on the part of the Trustee or the Trustee failing to meet its standard of care as set out in Section 9.4.
- 14.2 **Liability of the Trustee.** The Trustee shall not be liable to a Fund or to any Unitholder for any act, omission, receipt, neglect or default of any Person employed or engaged by it as permitted hereunder, or for joining in any receipt or act of conformity, or for any loss, damage or expense caused by such Fund through the insufficiency or deficiency of any security in or upon which any of the monies of or belonging to such Fund will be laid out or invested, or for any loss or damage arising from the bankruptcy, insolvency or tortious act of any Person, with whom or with which any monies, securities or property of such Fund may be lodged or deposited, or for any loss occasioned by error in judgment or oversight on the part of the Trustee, or for any other loss, damage or misfortune that may happen in the execution by the Trustee of its duties hereunder, except to the extent that such loss was the result of willful default or dishonesty on the part of the Trustee or the Trustee failing to meet its standard of care as set out in Section 9.4.
- 14.3 **Reliance upon Advice.** The Trustee may rely and act upon any statement, report or opinion prepared by or any advice received from the auditors, solicitors, Service Providers or other professional advisors of a Fund and shall not be responsible or held liable for any loss or damage resulting from so relying or acting if the advice was within the area of professional competence of the Person from whom it was received, the Trustee acted reasonably in relying thereon and the professional advisor was aware that the Trustee was receiving the advice in its capacity as Trustee of such Fund.
- 14.4 **Liability of Unitholders.** No Unitholder shall be held to have any personal liability as such, and no resort shall be had to its private property, for satisfaction of any obligation or claim arising out of or in connection with any contract or obligation of such Fund or of the Trustee. Further, the Trustee shall cause the operations of a Fund to be conducted in such a way and in such jurisdictions so as to avoid, as far as possible, any material risk of liability of the Unitholders for claims against a Fund.
- 14.5 **Indemnification of Others.** Subject to any applicable provisions of Securities Legislation



the Trustee may indemnify and save harmless any Person (including any Service Provider) out of the assets of a Fund from and against losses, damages, legal fees, judgments and amounts paid in settlement, actually or reasonably incurred by that Person in connection with services provided by that Person to a Fund.

- 14.6 **Liability insurance.** A Fund may incur the cost of any portion of liability insurance that insures a Person for a liability to the extent that the Person may be indemnified by this Section 14 and under Securities Legislation.

Section 15 - Termination of a Fund

- 15.1 **Event of Termination.** An Event of Termination occurs:

- (a) upon the Trustee determining to terminate a Fund after giving to each Unitholder written notice of its intention to terminate in accordance with any applicable provisions of Securities Legislation;
- (b) the Trustee resigning as the trustee and manager of a Fund and no successor trustee and manager being appointed by the Trustee; or
- (c) if the Trustee becomes bankrupt or insolvent.

- 15.2 **Termination Procedure.** In the event of the occurrence of an Event of Termination, the Trustee, or if the Trustee is unable to act, the Custodian or any other Person who holds the Trust Property, shall proceed as follows:

- (a) The Trustee, Custodian or other Person, as the case may be, may sell the investments then remaining as part of the Trust Property of such Fund and such sale shall be carried out and completed in such manner and within such period after the termination of such Fund as the Trustee, Custodian or other Person, as the case may be, thinks advisable.
- (b) The Trustee, Custodian or other Person, as the case may be, shall from time to time distribute to the Unitholders of such Fund, in the manner contemplated by Section 6.2 and in accordance with the rights attaching to the Units in Section 4, proceeds of sales of assets of such Fund available for the purpose of such distribution in cash or distribute Trust Property in specie provided that the Trustee, Custodian or other Person, as the case may be, shall be entitled to retain out of any moneys in its hands under this Section 15.2 full provision for all costs, charges, expenses, claims and demands incurred, made or apprehended by, the Trustee, Custodian or other Person, as the case may be, in connection with or arising out of the liquidation of such Fund and out of the moneys so retained to be indemnified and saved harmless against any such costs, charges, expenses, claims and demands. A final distribution to Unitholders of such Fund shall only be made against delivery to the Trustee, Custodian or other Person, as the case may be, of such form of release as the Trustee, Custodian or other Person, as the case may be, shall in its absolute



discretion require.

Section 16 - Amendments to the Declaration of Trust or Fund Regulations

- 16.1 **Approval by Unitholders.** Unitholders of a Fund shall be entitled to vote at meetings of Unitholders of such Fund duly convened and held in accordance with the provisions contained in Section 12 only upon resolutions respecting the following matters:
- (a) any changes to the provisions of this Section 16;
 - (b) any amendments to this Declaration of Trust or a Fund Regulation relating to a Fund, but excluding any amendments relating to the fees set forth in Section 10, which would adversely affect the pecuniary (financial) interests of the Unitholders; and
 - (c) any other matter required to be approved by Unitholders pursuant to any applicable provisions of Securities Legislation.
- 16.2 **Amendments by the Trustee.** Subject to Section 16.1, the Trustee may, in its discretion, unilaterally amend or alter any of the provisions of this Declaration of Trust or a Fund Regulation. For greater certainty, the Trustee may create additional Funds without Unitholder approval.
- 16.3 **Amending Declaration of Trust or Fund Regulations.** Where the Trustee has amended or altered the provisions of this Declaration of Trust or a Fund Regulation, the Trustee shall execute a supplemental instrument to give effect to such amendment or alteration.

Section 17 – Notices

- 17.1 **Notices.** Any notice required or permitted to be given under this Declaration of Trust shall be given to the Unitholders of a Fund by ordinary mail or facsimile transmission addressed to each registered Unitholder at his last address or facsimile number appearing on the Register of such Fund. Any notice so given shall be deemed to have been given, if by ordinary mail on the day following that on which the letter was posted, and if by facsimile transmission on the date of the facsimile transmission. In proving notice was mailed or sent by facsimile transmission, it shall be sufficient to prove that such notice was properly addressed, stamped and posted if sent by ordinary mail and that such notice was properly sent by facsimile transmission if a facsimile transmission record confirms the facsimile number that such notice was sent.
- 17.2 **Failure to Give Notice.** The failure by accident or omission or otherwise unintentionally, to give any Unitholder of a Fund any notice provided for herein shall not affect the validity, effect, taking effect or time of taking effect of any action referred to in such notice, and there shall be no liability to any Unitholder for any such failure.
- 17.3 **Joint Unitholder.** Service of a notice or document on any one of several joint Unitholders of



Units shall be deemed effective service on the other joint Unitholders.

- 17.4 **Service of Notice.** Any notice or document sent by post to or left at the address of a Unitholder pursuant to this Section 17 shall, notwithstanding the death or bankruptcy of such Unitholder, and whether or not the Trustee has notice of such death or bankruptcy, be deemed to have been duly served and such service shall be deemed sufficient service on all persons interested in the Units concerned.
- 17.5 **Notice to Trustee.** Any notice to be given or any document or instrument in writing to be sent to the Trustee may be delivered, mailed or sent by facsimile transmission to the Trustee at the latest address of which it has given notice and, until the giving of such notice, at the following address:

MuniFunds Program
 c/o Alberta Municipal Services Corporation
 10507 Saskatchewan Drive NW
 Edmonton, Alberta
 T6E 4S1


Attention: Chief Executive Officer
 Facsimile: (780) 433-4454

and such notice shall be deemed to have been received only on actual receipt thereof by the Trustee.

- 17.6 **Undelivered Notices.** If any notice sent to a Unitholder by post pursuant to Section 12.2 or under this Section 17 is returned on two (2) consecutive occasions, a Fund shall not be required to send any further notices or documents to such Unitholder until the Unitholder informs the Fund in writing of his new address.

WHEREFORE the Trustee has executed this Master Declaration of Trust as of the day and year first above written.

ALBERTA MUNICIPAL SERVICES CORPORATION

Per. 

 John McGowan, Chief Executive Officer





SCHEDULE C CERTIFICATE OF SIGNING AUTHORITY

THE CORPORATION OF THE _____

To: MuniFunds

I, _____, of the Corporation of the _____
(Name)

_____ (the "Eligible Investor") CERTIFY THAT:

- 1) The persons named below, with their respective offices set opposite their names and signatures, have been duly appointed and are authorized to give investment, withdrawal and transfer instructions in connection with the Money Market Fund, Short-term Bond Fund and Mid-term Bond Fund.

	Name (Print)	Title (Print)	Signature
A.	_____	_____	_____
B.	_____	_____	_____
C.	_____	_____	_____

- 2) *If applicable*, Council has passed By-law Number _____ (the "By-law") which is substantially in the form of the sample by-law provided by MuniFunds. No application has been made or action brought to quash or set aside the By-law or to have the By-law declared invalid, nor has the By-law been in any way repealed, altered or amended. The By-law is now enforceable and in full force and effect.
- 3) A separate investor account information sheet is attached for each bank account of the Eligible Investor which the Eligible Investor will be using for its transactions identifying which Investor Accounts relate to each bank account.
- 4) One copy of the required Eligible Investor's Authorization for Pre-Authorized Debits ("PAD Authorization") is being provided to the Eligible Investor's financial institution and a second copy is attached to this certificate.
- 5) This certificate shall remain in force and be binding upon the Eligible Investor until a certificate repealing or replacing this certificate shall has been received by MuniFunds.

For Internal Use: Dated this _____ day of _____, 20_____.

Signature of MuniFunds Authorized Signing Officer



SCHEDULE D

VENDOR/SUPPLIER INFORMATION SHEET

This form will assist you in setting-up MuniFunds as a vendor/supplier in your payables system.

Cheque Instructions:

Payable to: MuniFunds
Send to: CIBC Mellon GSS, 320 Bay Street – 10th Floor
Toronto, Ontario M5H 4A6
Attention: Bibi Jameel

Wire Instructions:

To: Canadian Imperial Bank of Commerce
Receiver/Intermediary: CIBCCATT
Account with Institution: MELNUS3PGSS
Beneficiary Customer: (Insert MuniFunds Account name and number)
Incoming and Outgoing: 2.00PM EST on value date



SCHEDULE E

INVESTOR ACCOUNT INFORMATION SHEET

NOTE: Complete 4 copies of this sheet for EACH of your Financial Institution Accounts (i.e. bank, trust company, credit union, caisse populaire).

Participant:

NAME OF Authorized Signing Officer: _____
 NAME OF MUNICIPALITY: _____
 ADDRESS OF MUNICIPALITY: _____
 PHONE NUMBER: () _____
 FAX NUMBER: () _____
 E-MAIL: _____

Municipality's Financial Institution (i.e. bank, trust company, credit union, caisse populaire):

NAME: _____
 BRANCH ADDRESS: _____

Please attach MICR encoded cheque marked VOID or provide the following:

ACCOUNT NUMBER: _____
 5 digit TRANSIT NUMBER: _____
 3 digit INSTITUTION NUMBER: _____

INVESTMENT ACCOUNTS REQUIRED FOR THIS SPECIFIC FINANCIAL INSTITUTION ACCOUNT:

Note: This section is to be used after your first transaction. Please fill in the Account name provided to you by CIBC Mellon.

	Unique Account Name (15 Characters Max.)	Fund Type < Check ONE Only >	Investment Account Authorization Code
1.		<input type="checkbox"/> Money Market <input type="checkbox"/> Short-term Bond <input type="checkbox"/> Mid-term Bond	
2.		<input type="checkbox"/> Money Market <input type="checkbox"/> Short-term Bond <input type="checkbox"/> Mid-term Bond	
3.		<input type="checkbox"/> Money Market <input type="checkbox"/> Short-term Bond <input type="checkbox"/> Mid-term Bond	
4.		<input type="checkbox"/> Money Market <input type="checkbox"/> Short-term Bond <input type="checkbox"/> Mid-term Bond	
5.		<input type="checkbox"/> Money Market <input type="checkbox"/> Short-term Bond <input type="checkbox"/> Mid-term Bond	
6.		<input type="checkbox"/> Money Market <input type="checkbox"/> Short-term Bond <input type="checkbox"/> Mid-term Bond	
7.		<input type="checkbox"/> Money Market <input type="checkbox"/> Short-term Bond <input type="checkbox"/> Mid-term Bond	
8.		<input type="checkbox"/> Money Market <input type="checkbox"/> Short-term Bond <input type="checkbox"/> Mid-term Bond	
9.		<input type="checkbox"/> Money Market <input type="checkbox"/> Short-term Bond <input type="checkbox"/> Mid-term Bond	
10.		<input type="checkbox"/> Money Market <input type="checkbox"/> Short-term Bond <input type="checkbox"/> Mid-term Bond	



SCHEDULE F

MONEY MARKET FUND REGULATION

1. **Definitions.** In this schedule

(a) **Trust Agreement** means the Declaration of Trust dated as of June 15th, 2009 made by Alberta Municipal Services Corporation, as trustee and manager of the “MuniFunds”, including without limitation any schedules attached thereto or any documents referred to therein, as may be added, amended, deleted, supplemented, restated, renewed or replaced from time to time;

(b) **Bank Account** means the bank account at the Unitholder’s financial institution authorized by the Unitholder and accepted by the Trustee for use by the Unitholder in the transfer of funds to and from the Money Market Fund.

All other capitalized terms used in this Regulation have the meanings given to them in the Trust Agreement; and

(c) **Subscription Agreement** means the agreement between the Trustee and a Unitholder with respect to the Unitholder’s subscription for units of a Fund.

2. **Investment Objective**

The Money Market Fund is appropriate for investors with a one year investment horizon seeking capital preservation, a high degree of liquidity and minimal investment risk. The performance objective is to outperform the DEX 91-Day T-Bill Index by 5 basis points (.05%). Achievement of this objective will normally be assessed over periods of four years or more.

3. **Permitted Investment Categories**

Subject to the provisions of this Regulation, the Alberta *Municipal Government Act* and the *Income Tax Act*, the Fund may be invested in the following types of investments:

- Cash, demand or term deposits, short-term notes, treasury bills, bankers acceptances, commercial paper, floating rate notes or other money market securities issued by governments, government agencies or corporations.
- Bonds, debentures, mortgage-backed securities, asset-backed securities, mortgages, notes or other debt instruments of governments, government agencies or corporations with maturities of three years or less.



4. Quality of Investments

Investments must be rated a minimum of R-1 or equivalent by a major rating agency. Major rating agencies include the Dominion Bond Rating Service, Inc. ("DBRS"), Standard & Poor Corporation ("S&P") and Moody's Investors Service ("Moody's").

5. Constraints

- Government guaranteed investments shall represent at least 30% of the market value of the Fund.
 - Other than overnight securities issued by major Canadian banks, the issues of any corporation shall not exceed 10% of the market value of the Fund.
 - The Fund shall not be invested in securities with maturities exceeding 3 years.
 - The overall duration of the Fund shall not exceed 0.5 years.
6. **Valuation.** Valuations of the assets of the Money Market Fund will be performed on a mark-to-market basis net of accrued fees and expenses and in accordance with prudent valuation practices and methods consistent with those followed by investment funds with investment objectives and portfolio holdings similar to the Money Market Fund.
7. **Time of Valuation.** The value of the assets of the Money Market Fund will be calculated by the Valuator at such time as the Valuator may in its discretion determine on each Banking Day in accordance with the valuation provisions set out in Section 8 of the Trust Agreement.
8. **Minimum Investment.** The minimum investment amount is \$5,000.
9. **Minimum Withdrawal.** The minimum amount for each withdrawal is \$5,000 or, where the balance is less than \$5,000, all remaining funds in the Unitholder's Investment Account from which the withdrawal is being made including any accrued earnings.
10. **Minimum Transfer.** The minimum amount for each transfer is \$5,000 or, where the balance is less than \$5,000, all remaining funds in the Unitholder's Investment Account from which the transfer is being made including any accrued earnings.
11. **Earnings Allocation and Distribution.** Subject to Section 6 of the Trust Agreement, income on an investment made by a Unitholder accrues beginning on and including the day immediately following the day on which the Unitholder's investment is credited to the Money Market Fund and ending on and including the day on which invested funds are returned to the Unitholder. The calculation of investment income of the investments through the Fund and of each Unitholder's proportional interest in such income will take place after the close of business on each Banking Day. Income will be credited to each Unitholder's Investment Account effective on the last calendar day of each month. Income credited to a Unitholder's Investment Account remains in the Fund as part of the Unitholder's investment until all of the Unitholder's investment is withdrawn. If the Unitholder is withdrawing all of the remaining funds in the Unitholder's Investment Account, income will be credited on the Banking Day before the day on which invested funds are returned to the Unitholder.



12. Fees and Expenses.

- (a) **Amount of Fees.** The maximum aggregate fees and expenses payable out of the investments made through the Money Market Fund to the Custodian, Valuator, Payment Servicer, Recordkeeper, Investment Counsel and Trustee for the provision of services will not exceed 0.19 of one percent, on an annual basis, of the daily investment balance of the Fund. Other than those fees and expenses and any amounts payable in the event of default or delay in payment under the terms and conditions of the Subscription Agreement, no additional fees and expenses will be charged by the Custodian, Valuator, Payment Servicer, Recordkeeper, Investment Counsel, or Trustee for the provision of services. The fees and expenses referred to in this Section 12(a) do not include any fees and expenses charged to the Unitholder by the Unitholder's financial institution.
- (b) **Changes to Fees.** The Trustee may change the maximum aggregate fees and expenses payable to the Custodian, Valuator, Payment Servicer, Recordkeeper, Investment Counsel and Trustee at any time on providing 30 days; notice of the effective date of such change to all Unitholders.

13. Reporting.

Each Unitholder having investments in the Money Market Fund will:

- (a) have access to details of each transaction initiated by the Unitholder before 4:00 p.m. (Eastern Standard time) on any Banking Day by electronic means through a password protected web-site established and maintained by the Trustee (the "Trustee's Website"), or by such other means as the Trustee may choose, on the following Banking Day;
- (b) have access to a monthly history statement for that Unitholder's Investment Account through the Trustee's Website, or by such other means as the Trustee may choose, within five Banking Days following the last Banking Day for the month to which the statement applies, showing the Unitholder's opening and closing positions, all transactions made by the Unitholder during the month and any earnings credited to it for that month; and
- (c) receive a monthly report from the Trustee showing the performance of the Money Market Fund and such other information about the Fund that the Trustee deems appropriate for all Unitholders.

14. Making an Investment.

- (a) **Instructions Irrevocable.** Investment instructions made by the Unitholder are irrevocable and must be issued by the Unitholder in accordance with the procedure set out in Schedule A of the Subscription Agreement (as may be amended from time to time by the Trustee by written notice to the Unitholders).
- (b) **Time of Instructions.** Where investment instructions are issued by the Unitholder and received by the Recordkeeper before 4:00 p.m. (Eastern Standard Time) on any Banking Day, the Recordkeeper will instruct the Payment Servicer to facilitate the transfer of the funds so instructed by the Unitholder from the Unitholder's Bank Account to be credited to



the Money Market Fund on the second Banking Day following the instructions. Where investment instructions are issued by the Unitholder and received by the Recordkeeper after 4:00 p.m. (Eastern Standard Time) on any Banking Day, the Recordkeeper will instruct the Payment Servicer to facilitate the transfer of the funds so instructed by the Unitholder from the Unitholder's Bank Account to be credited to the Money Market Fund on the third Banking Day immediately following the day on which the instructions were issued by the Unitholder. The availability of funds for credit to the Money Market Fund is subject to the clearing requirements and practices of the Unitholder's financial institution and the Payment Servicer.

15. Making a Withdrawal.

- (a) ***Instruction Irrevocable.*** Withdrawal instructions made by the Unitholder are irrevocable and must be issued in accordance with the procedures set out in Schedule A of the Subscription Agreement (as may be amended from time to time by the Trustee by written notice to the Unitholders).
- (b) ***Time of Instructions.*** Where withdrawal instructions are issued by the Unitholder and received by the Recordkeeper before 4:00 p.m. (Eastern Standard Time) on any Banking Day, the Recordkeeper will instruct the Custodian to effect the transfer of the funds so instructed by the Unitholder from the Money Market Fund to be credited to the Unitholder's Bank Account on the second Banking Day following the instructions. Where investment instructions are issued by the Unitholder and received by the Recordkeeper after 4:00 p.m. (Eastern Standard Time) on any Banking Day, the Recordkeeper will instruct the Custodian to effect the transfer of the funds so instructed by the Unitholder from the Money Market Fund to be credited to the Unitholder's Bank Account on the third Banking Day immediately following the day on which instructions were issued by the Unitholder. The availability of funds for credit to Unitholder's Bank Account is subject to the clearing requirements and practices of the Unitholder's financial institution and the Payment Servicer.
- (c) ***Limits on Right to make Withdrawals.*** Despite any other provision in the Trust Agreement or this Regulation, the Trustee may require a Unitholder to provide three (3) Banking Days notice to withdraw funds.

16. Making a Transfer to Another Fund of the Unitholder.

- (a) ***Instructions Irrevocable.*** Instructions made by the Unitholder for transfers to another Fund are irrevocable and must be issued by the Unitholder in accordance with the procedures set out in Schedule A of the Subscription Agreement (as may be amended from time to time by the Trustee by written notice to the Unitholders).
- (b) ***Transfers to Another Fund.*** If the Unitholder has issued instructions to transfer funds from the Unitholder's Investment Account to another Fund, such transfer shall be made in accordance with the time restrictions for making withdrawals under this Fund Schedule and the time restrictions for making investments under the Fund Schedule for the other Fund. The Recordkeeper, in executing such transfer instructions, will cause such transfers



to occur directly between the Unitholder's Investment Accounts and not by way of the Payment Servicer and the Unitholder's Bank Account(s).



SCHEDULE G SHORT-TERM BOND FUND REGULATION

1. **Definitions.** In this schedule

- (a) **Trust Agreement** means the Declaration of Trust dated as of June 15th, 2009 made by Alberta Municipal Services Corporation, as trustee and manager of the “MuniFunds”, including without limitation any schedules attached thereto or any documents referred to therein, as may be added, amended, deleted, supplemented, restated, renewed or replaced from time to time;
- (b) **Bank Account** means the bank account at the Unitholder’s financial institution authorized by the Unitholder and accepted by the Trustee for use by the Unitholder in the transfer of funds to and from the Short-term Bond Fund; and
- (c) **Subscription Agreement** means the agreement between the Trustee and a Unitholder with respect to the Unitholder’s subscription for units of a Fund.

All other capitalized terms used in this Regulation have the meanings given to them in the Trust Agreement

2. **Investment Objective**

The Short-Term Bond Fund is appropriate for investors with a one to five year investment horizon seeking reasonable returns with modest exposure to investment risk. The performance objective is to outperform the DEX Short-Term Bond Index by 30 basis points (0.30%). Achievement of this objective will normally be assessed over periods of four years or more.

3. **Permitted Investment Categories**

Subject to the provisions of this Regulation, the Alberta *Municipal Government Act* and the *Income Tax Act*, the Fund may be invested in the following types of investments:

- Bonds, debentures, mortgage-backed securities, asset-backed securities, mortgages, notes or other debt instruments of governments, government agencies or corporations.
- Cash, demand or term deposits, short-term notes, treasury bills, bankers acceptances, commercial paper or other money market securities issued by governments, government agencies or corporations.

With the approval of the Trustee, the Investment Manager may hold any part of the portfolio in one or more pooled funds managed by the Investment Manager, provided that such pooled funds will be operated within constraints reasonably similar to those described in this mandate. It is recognized by the Trustee that complete adherence to this Regulation may not be entirely



possible; however, the Investment Manager is expected to advise the Trustee in the event that the pooled fund exhibits any significant departure from this Regulation.

4. Quality of Investments

Fixed income investments must be rated a minimum of BBB or equivalent by at least two major rating agencies. Short-term investments must be rated a minimum of R-1 low or equivalent by at least two major rating agencies. Major rating agencies include the Dominion Bond Rating Service, Inc. (“DBRS”), Standard & Poor Corporation (“S&P”) and Moody's Investors Service (“Moody's”).

5. Constraints

Minimum and maximum holdings as a percentage of the portfolio at market value are as follows:

Category	Minimum	Maximum	Maximum Single Issue
Sector:			
Federals	15%	100%	No Limit
Provincials	0%	75%	25%
Municipals	0%	20%	10%
Corporates	0%	60%	10%
Rating:			
AAA	0%	100%	10%
AA	0%	70%	10%
A	0%	60%	7%
BBB	0%	25%	5%
BB or lower	0%	0%	0%

The duration of the portfolio shall be maintained within 0.5 years of the duration of the DEX Short-Term Bond Index.

6. Valuation. Valuations of the assets of the Short-term Bond Fund will be performed on a mark-to-market basis net of accrued fees and expenses and in accordance with prudent valuation practices and methods consistent with those followed by investment funds with investment objectives and portfolio holdings similar to the Short-term Bond Fund.

7. Time of Valuation. The value of the assets of the Short-term Bond Fund will be calculated by the Valuator at such time as the Valuator may in its discretion determine on each Banking Day in accordance with the valuation provisions set out in Section 8 of the Trust Agreement.

8. Minimum Investment. The minimum investment amount is \$5,000.



9. Minimum Withdrawal. The minimum amount for each withdrawal is \$5,000 or, where the balance is less than \$5,000, all remaining funds in the Unitholder's Investment Account from which the withdrawal is being made including any accrued earnings.

10. Minimum Transfer. The minimum amount for each transfer is \$5,000 or, where the balance is less than \$5,000, all remaining funds in the Unitholder's Investment Account from which the transfer is being made including any accrued earnings.

11. Earnings Allocation and Distribution. Subject to Section 6 of the Trust Agreement, income on an investment made by a Unitholder accrues beginning on and including the day immediately following the day on which the Unitholder's investment is credited to the Bond Fund and ending on and including the day on which invested funds are returned to the Unitholder. The calculation of investment income of the investments through the Fund and of each Unitholder's proportional interest in such income will take place after the close of business on each Banking Day. Income will be credited to each Unitholder's Investment Account effective on the last calendar day of each month. Income credited to a Unitholder's Investment Account remains in the Fund as part of the Unitholder's investment until all of the Unitholder's investment is withdrawn. If the Unitholder is withdrawing all of the remaining funds in the Unitholder's Investment Account, income will be credited on the Banking Day before the day on which invested funds are returned to the Unitholder.

12. Fees and Expenses.

(a) **Amount of Fees.** The maximum aggregate fees and expenses payable out of the investments made through the Bond Fund to the Custodian, Valuator, Payment Servicer, Recordkeeper, Investment Counsel and Trustee for the provision of services will not exceed 0.54 of one percent, on an annual basis, of the daily investment balance of the Fund. Other than those fees and expenses and any amounts payable in the event of default or delay in payment under the terms and conditions of the Subscription Agreement, no additional fees and expenses will be charged by the Custodian, Valuator, Payment Servicer, Recordkeeper, Investment Counsel, or Trustee for the provision of services. The fees and expenses referred to in this Section 12(a) do not include any fees and expenses charged to the Unitholder by the Unitholder's financial institution.

(b) **Changes to Fees.** The Trustee may change the maximum aggregate fees and expenses payable to the Custodian, Valuator, Payment Servicer, Recordkeeper, Investment Counsel and Trustee at any time on providing 30 days; notice of the effective date of such change to all Unitholders.

13. Reporting. Each Unitholder having investments in the Bond Fund will:

(a) have access to details of each transaction initiated by the Unitholder before 4:00 p.m. (Eastern Standard Time) on any Banking Day by electronic means through a password protected web-site established and maintained by the Trustee (the "Trustee's Website"), or by such other means as the Trustee may choose, on the following Banking Day;

(b) have access to a monthly history statement for that Unitholder's Investment Account through the Trustee's Website, or by such other means as the Trustee may choose,



- within five Banking Days following the last Banking Day for the month to which the statement applies, showing the Unitholder's opening and closing positions, all transactions made by the Unitholder during the month and any earnings credited to it for that month; and
- (c) receive a monthly report from the Trustee showing the performance of the Short-term Bond Fund and such other information about the Fund that the Trustee deems appropriate for all Unitholders.

14. Making an Investment.

- (a) **Instructions Irrevocable.** Investment instructions made by the Unitholder are irrevocable and must be issued by the Unitholder in accordance with the procedure set out in Schedule A of the Subscription Agreement (as may be amended from time to time by the Trustee by written notice to the Unitholders).
- (b) **Time of Instructions.** Where investment instructions are issued by the Unitholder and received by the Recordkeeper before 4:00 p.m. (Eastern Standard Time) on any Banking Day, the Recordkeeper will instruct the Payment Servicer to facilitate the transfer of the funds so instructed by the Unitholder from the Unitholder's Bank Account to be credited to the Bond Fund three Banking Days following the instructions. Where investment instructions are issued by the Unitholder and received by the Recordkeeper after 4:00 p.m. (Eastern Standard Time) on any Banking Day, the Recordkeeper will instruct the Payment Servicer to facilitate the transfer of the funds so instructed by the Unitholder from the Unitholder's Bank Account to be credited to the Bond Fund on the fourth Banking Day immediately following the day on which the instructions were issued by the Unitholder. The availability of funds for credit to the Bond Fund is subject to the clearing requirements and practices of the Unitholder's financial institution and the Payment Servicer.

15. Making a Withdrawal.

- (a) **Instruction Irrevocable.** Withdrawal instructions made by the Unitholder are irrevocable and must be issued in accordance with the procedures set out in Schedule A of the Subscription Agreement (as may be amended from time to time by the Trustee by written notice to the Unitholders).
- (b) **Time of Instructions.** Where withdrawal instructions are issued by the Unitholder and received by the Recordkeeper before 4:00 p.m. (Eastern Standard Time) on any Banking Day, the Recordkeeper will instruct the Custodian to effect the transfer of the funds so instructed by the Unitholder from the Short-term Bond Fund to be credited to the Unitholder's Bank Account three Banking Days following the instructions. Where investment instructions are issued by the Unitholder and received by the Recordkeeper after 4:00 p.m. (Eastern Standard Time) on any Banking Day, the Recordkeeper will instruct the Custodian to effect the transfer of the funds so instructed by the Unitholder from the Short-term Bond Fund to be credited to the Unitholder's Bank Account on the fourth Banking Day immediately following the day on which instructions were issued by



the Unitholder. The availability of funds for credit to Unitholder's Bank Account is subject to the clearing requirements and practices of the Unitholder's financial institution and the Payment Servicer.

- (c) ***Limits on Right to make Withdrawals.*** Despite any other provision in the Trust Agreement or this Regulation, the Trustee may require a Unitholder to provide three Banking Days notice to withdraw funds.

16. Making a Transfer to Another Fund of the Unitholder.

- (a) ***Instructions Irrevocable.*** Instructions made by the Unitholder for transfers to another Fund are irrevocable and must be issued by the Unitholder in accordance with the procedures set out in Schedule A of the Subscription Agreement (as may be amended from time to time by the Trustee by written notice to the Unitholders).
- (b) ***Transfers to Another Fund.*** If the Unitholder has issued instructions to transfer funds from the Unitholder's Investment Account to another Fund, such transfer shall be made in accordance with the time restrictions for making withdrawals under this Fund Schedule and the time restrictions for making investments under the Fund Schedule for the other Fund. The Recordkeeper, in executing such transfer instructions, will cause such transfers to occur directly between the Unitholder's Investment Accounts and not by way of the Payment Servicer and the Unitholder's Bank Account(s).



SCHEDULE H MID-TERM BOND FUND

1. **Definitions.** In this schedule

- (a) **Trust Agreement** means the Declaration of Trust dated as of June 15th, 2009 made by Alberta Municipal Services Corporation, as trustee and manager of the “MuniFunds”, including without limitation any schedules attached thereto or any documents referred to therein, as may be added, amended, deleted, supplemented, restated, renewed or replaced from time to time;
- (b) **Bank Account** means the bank account at the Unitholder’s financial institution authorized by the Unitholder and accepted by the Trustee for use by the Unitholder in the transfer of funds to and from the Mid-term Bond Fund; and
- (c) **Subscription Agreement** means the agreement between the Trustee and a Unitholder with respect to the Unitholder’s subscription for units of a Fund.

All other capitalized terms used in this Regulation have the meanings given to them in the Trust Agreement.

- ### 2. **Investment Objective.** The Mid-Term Bond Fund is appropriate for investors with a five to ten year investment horizon seeking attractive long term returns with medium exposure to investment risk. The performance objective is to outperform the DEX Universe Bond Index by 50 basis points (0.50%). Achievement of this objective will normally be assessed over periods of four years or more.

3. **Permitted Investment Categories**

Subject to the provisions of this Regulation, the Alberta *Municipal Government Act* and the *Income Tax Act*, the Fund may be invested in the following types of investments:

- Bonds, debentures, mortgage-backed securities, asset-backed securities, mortgages, notes or other debt instruments of governments, government agencies or corporations.
- Cash, demand or term deposits, short-term notes, treasury bills, bankers acceptances, commercial paper or other money market securities issued by governments, government agencies or corporations.

With the approval of the Trustee, the Investment Manager may hold any part of the portfolio in one or more pooled funds managed by the Investment Manager, provided that such pooled funds will be operated within constraints reasonably similar to those described in this mandate. It is recognized by the Trustee that complete adherence to this Regulation may not be entirely possible; however, the Investment Manager is expected to advise the Trustee in the event that the pooled fund exhibits any significant departure from this Regulation.



4. Quality of Investments. Fixed income investments must be rated a minimum of BBB or equivalent by at least two major rating agencies. Short-term investments must be rated a minimum of R-1 or equivalent by at least two major rating agencies. Major rating agencies include the Dominion Bond Rating Service, Inc. ("DBRS"), Standard & Poor Corporation ("S&P") and Moody's Investors Service ("Moody's").

5. Constraints

Minimum and maximum holdings as a percentage of the portfolio at market value are as follows:

Category	Minimum	Maximum	Maximum Single Issue
Sector:			
Federals	15%	100%	No Limit
Provincials	0%	75%	25%
Municipals	0%	20%	10%
Corporates	0%	60%	10%
Rating:			
AAA	0%	100%	10%
AA	0%	70%	10%
A	0%	60%	7%
BBB	0%	25%	5%
BB or lower	0%	0%	0%

The duration of the portfolio shall be maintained within 1.5 years of the duration of the DEX Universe Bond Index.

- 6. Valuation.** Valuations of the assets of the Mid-term Bond Fund will be performed on a mark-to-market basis net of accrued fees and expenses and in accordance with prudent valuation practices and methods consistent with those followed by investment funds with investment objectives and portfolio holdings similar to the Mid-term Bond Fund.
- 7. Time of Valuation.** The value of the assets of the Mid-term Bond Fund will be calculated by the Valuator at such time as the Valuator may in its discretion determine on each Banking Day in accordance with the valuation provisions set out in Section 8 of the Trust Agreement.
- 8. Minimum Investment.** The minimum investment amount is \$5,000.
- 9. Minimum Withdrawal.** The minimum amount for each withdrawal is \$5,000 or, where the balance is less than \$5,000, all remaining funds in the Unitholder's Investment Account from which the withdrawal is being made including any accrued earnings.
- 10. Minimum Transfer.** The minimum amount for each transfer is \$5,000 or, where the balance is less than \$5,000, all remaining funds in the Unitholder's Investment Account from which the transfer is being made including any accrued earnings.



11. Earnings Allocation and Distribution. Subject to Section 6 of the Trust Agreement, income on an investment made by a Unitholder accrues beginning on and including the day immediately following the day on which the Unitholder's investment is credited to the Mid-term Bond Fund and ending on and including the day on which invested funds are returned to the Unitholder. The calculation of investment income of the investments through the Fund and of each Unitholder's proportional interest in such income will take place after the close of business on each Banking Day. Income will be credited to each Unitholder's Investment Account effective on the last calendar day of each month. Income credited to a Unitholder's Investment Account remains in the Fund as part of the Unitholder's investment until all of the Unitholder's investment is withdrawn. If the Unitholder is withdrawing all of the remaining funds in the Unitholder's Investment Account, income will be credited on the Banking Day before the day on which invested funds are returned to the Unitholder.

12. Fees and Expenses.

(a) **Amount of Fees.** The maximum aggregate fees and expenses payable out of the investments made through the Mid-term Bond Fund to the Custodian, Valuator, Payment Servicer, Recordkeeper, Investment Counsel and Trustee for the provision of services will not exceed 0.62 of one percent, on an annual basis, of the daily investment balance of the Fund. Other than those fees and expenses and any amounts payable in the event of default or delay in payment under the terms and conditions of the Subscription Agreement, no additional fees and expenses will be charged by the Custodian, Valuator, Payment Servicer, Recordkeeper, Investment Counsel, or Trustee for the provision of services. The fees and expenses referred to in this Section 12(a) do not include any fees and expenses charged to the Unitholder by the Unitholder's financial institution.

(b) **Changes to Fees.** The Trustee may change the maximum aggregate fees and expenses payable to the Custodian, Valuator, Payment Servicer, Recordkeeper, Investment Counsel and Trustee at any time on providing 30 days; notice of the effective date of such change to all Unitholders.

11. Reporting. Each Unitholder having investments in the Mid-term Bond Fund will:

(a) have access to details of each transaction initiated by the Unitholder before 4:00 p.m. (Eastern Standard Time) on any Banking Day by electronic means through a password protected web-site established and maintained by the Trustee (the "Trustee's Website"), or by such other means as the Trustee may choose, on the following Banking Day;

(b) have access to a monthly history statement for that Unitholder's Investment Account through the Trustee's Website, or by such other means as the Trustee may choose, within five Banking Days following the last Banking Day for the month to which the statement applies, showing the Unitholder's opening and closing positions, all transactions made by the Unitholder during the month and any earnings credited to it for that month; and



- (c) receive a monthly report from the Trustee showing the performance of the Mid-term Bond Fund and such other information about the Fund that the Trustee deems appropriate for all Unitholders.

12. Making an Investment.

- (a) **Instructions Irrevocable.** Investment instructions made by the Unitholder are irrevocable and must be issued by the Unitholder in accordance with the procedure set out in Schedule A of the Subscription Agreement (as may be amended from time to time by the Trustee by written notice to the Unitholders).
- (b) **Time of Instructions.** Where investment instructions are issued by the Unitholder and received by the Recordkeeper before 4:00 p.m. (Eastern Standard Time) on any Banking Day, the Recordkeeper will instruct the Payment Servicer to facilitate the transfer of the funds so instructed by the Unitholder from the Unitholder's Bank Account to be credited to the Mid-term Bond Fund three Banking Days following the instructions. Where investment instructions are issued by the Unitholder and received by the Recordkeeper after 4:00 p.m. (Eastern Standard Time) on any Banking Day, the Recordkeeper will instruct the Payment Servicer to facilitate the transfer of the funds so instructed by the Unitholder from the Unitholder's Bank Account to be credited to the Mid-term Bond Fund on the second Banking Day immediately following the day on which the instructions were issued by the Unitholder. The availability of funds for credit to the Mid-term Bond Fund is subject to the clearing requirements and practices of the Unitholder's financial institution and the Payment Servicer.

13. Making a Withdrawal.

- (a) **Instruction Irrevocable.** Withdrawal instructions made by the Unitholder are irrevocable and must be issued in accordance with the procedures set out in Schedule A of the Subscription Agreement (as may be amended from time to time by the Trustee by written notice to the Unitholders).
- (b) **Time of Instructions.** Where withdrawal instructions are issued by the Unitholder and received by the Recordkeeper before 4:00 p.m. (Eastern Standard Time) on any Banking Day, the Recordkeeper will instruct the Custodian to effect the transfer of the funds so instructed by the Unitholder from the Mid-term Bond Fund to be credited to the Unitholder's Bank Account three Banking Days following the instructions. Where investment instructions are issued by the Unitholder and received by the Recordkeeper after 4:00 p.m. (Eastern Standard Time) on any Banking Day, the Recordkeeper will instruct the Custodian to effect the transfer of the funds so instructed by the Unitholder from the Mid-term Bond Fund to be credited to the Unitholder's Bank Account on the fourth Banking Day immediately following the day on which instructions were issued by the Unitholder. The availability of funds for credit to Unitholder's Bank Account is subject to the clearing requirements and practices of the Unitholder's financial institution and the Payment Servicer.



- (c) **Limits on Right to make Withdrawals.** Despite any other provision in the Trust Agreement or this Regulation, the Trustee may require a Unitholder to provide three Banking Days notice to withdraw funds.

14. Making a Transfer to Another Fund of the Unitholder.

- (a) **Instructions Irrevocable.** Instructions made by the Unitholder for transfers to another Fund are irrevocable and must be issued by the Unitholder in accordance with the procedures set out in Schedule A of the Subscription Agreement (as may be amended from time to time by the Trustee by written notice to the Unitholders).
- (b) **Transfers to Another Fund.** If the Unitholder has issued instructions to transfer funds from the Unitholder's Investment Account to another Fund, such transfer shall be made in accordance with the time restrictions for making withdrawals under this Fund Schedule and the time restrictions for making investments under the Fund Schedule for the other Fund. The Recordkeeper, in executing such transfer instructions, will cause such transfers to occur directly between the Unitholder's Investment Accounts and not by way of the Payment Servicer and the Unitholder's Bank Account(s).