# TOWN OF AMHERST NON-EXPENDABLE

# COMMON TRUST FUNDS
# INVESTMENT POLICY STATEMENT

## I. GENERAL

The purpose of the Town of Amherst Non Expendable Common Trust Funds is to support and aid the following:

**Cemetery Funds**: Income to provide for the perpetual care of the town cemeteries.

**Library Funds**: Income to be used to support the town library's annual budget.

**School Funds**: Income to be used to award annual education scholarships

**Other Funds**: Income to support the stated objectives of the grantor.

**The Trustees of Trust Funds will manage and invest the Non Expendable Common Trust funds in accordance with the Prudent Investor Rule under RSA 564-B:9-901. In accordance with the Prudent Investor Rule the Trustees of Trust funds will have the investment management fee split equally between income and principal.**

## II. INVESTMENT OBJECTIVES

The investment funds of the Town of Amherst Non Expendable Common Trust Funds are permanent funds with disciplined longer-term investment objectives and strategies. Management of the assets is designed to ensure a total return (income plus capital change) necessary to preserve and enhance (in real dollar terms) the principal of the funds, and at the same time provide a dependable source of income.

In recognition of prudence required of fiduciaries, reasonable diversification will be sought where possible. Experience has shown that financial markets and inflation rates are cyclical, and therefore control of volatility will be achieved through diversification of assets classes.

The Trustees of Trust Funds shall establish specific investment guidelines for each investment manager including, but not limited to, income requirements, asset allocation, risk tolerance, and performance review against specific benchmark indices as outlined in the Asset Allocation tables contained herein.

## III. PERFORMANCE MONITORING, COMMUNICATIONS AND REPORTING

To assist in measuring manager progress against policy objectives and for consistency in measuring performance against the total return objectives, performance will be reflected net of management fees and transactions costs. The investment managers should minimize transaction costs and other administrative expenses.

Each investment manager is responsible for free and open communications with the Trustees of Trust Funds in all significant matters pertaining to their specific investment policies and management of the Town of Amherst's assets, including, but not limited to: (i) Major changes in the investment manager's investment outlook, investment strategy and portfolio structure; (ii) Any significant changes in the ownership, organization structure, financial condition, or senior personnel staffing of the investment manager's organization; and (iii) Periodic transactions, evaluation and performance reports.

Periodic evaluation of assets under management shall be supplied by each investment manager containing market valuations, industry segmentations, transaction registers, cash statement, and the like. The report of fixed income and equities showing inventories at cost and market is required. The report shall also show share or unit values at cost and market prices.

## IV. INVESTMENT GUIDELINES

1. All Investment managers will manage funds in accordance with the Prudent Investor Rule and seek only moderate risk to achieve the stated objectives.

2. Full discretion, within the parameters of the investment policy guidelines described herein, is granted to each investment manager regarding the asset allocation, the selection of securities, and the timing of transactions.

3. Since the selection and weighting of asset classes is the primary determinant of investment return and volatility, the Trustees of Trust Funds will carefully consider asset choice in accordance with a systematic allocation process. Approved asset classes are noted below:

| ABC Endowment<br><br>Asset Allocation | | Permissible Range | Index/Benchmark |
|---|---|---|---|
| **Equity** | | **40-60%** | |
| Large Cap | | 10-40% | S&P 500 Index |
| Mid Cap | | 0-12% | Russell MidCap |
| Small Cap | | 0-12% | Russell 2000 |
| International | | 0-20% | MSCI ACWI Free Ex-US |
| REIT's | | 0-5% | NAREIT |
| | | | |
| | | | |
| **Fixed Income** | | **35-50%** | |
| High Quality-US Government Securities and Individual Bonds no lower than BBB rating. High yield bonds may be held as part of a bond fund only. | | 35-50% | LB Aggregate Bond |
| High Yield through the use of a mutual fund | | 0-10% | LB High Yield Index |

4. Not more than 10% (at cost) of the investment portfolio may be invested in the securities of any one issuer, with the exception of the US Government or its agencies. The maximum amount invested in the securities of issuers in the same sector shall not be more than twenty-five (25%) (at cost) of the portfolio.

5. Commingled, Collective Trust and/or Mutual Funds ("Funds") may be used for the whole or as part of the portfolio within the parameters established above. Where Funds are used, each Fund is expected to operate within the parameters established by its Prospectus.

6. Each investment manager may maintain reserve and cash equivalent investments: however these investments should be made on the basis of safety and liquidity, and only secondarily by yield.

7. Fixed income securities are to be selected and managed to ensure appropriate balances in qualities and maturities consistent with current money market and economic conditions.

8. At reasonable times and at the direction of the Trustees of Trust Funds, but no less often than annually, meetings shall be held with the investment manager to discuss performance results, economic outlook, investment factors, organizational changes and other pertinent matters.

9. The Trustees of Trust Funds will review the Investment Policy statement annually.

## V. PERFORMANCE EVALUATION

The following criteria will be used to evaluate manager performance.

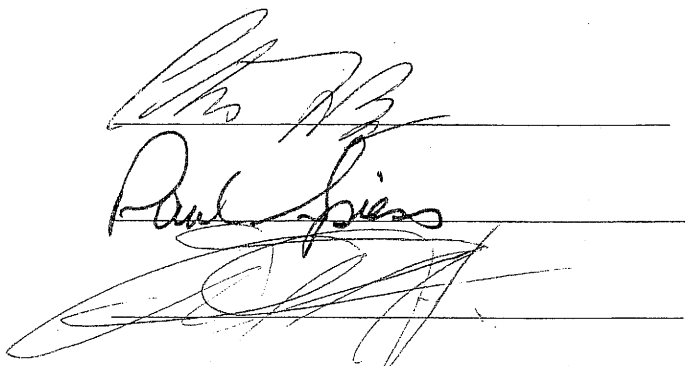
1. For the equity portion of the portfolio, each investment manager will be expected to achieve an annualized total rate of return over a three to five year period which exceeds the stated market index/benchmark rate of return net of costs and fees. Total return is defined as dividend or interest income plus realized and unrealized capital appreciation or depreciation at fair market value.

2. For the fixed income portfolio, each investment manager will be expected to exceed appropriate market index/benchmark, net of costs and fees over a three to five year period.

## VI. SPENDING POLICIES

1. The **Town of Amherst's Non Expendable Common Trust Funds can only distribute the net income earned by the various funds as regulated by State of NH statues currently in place.**.

Approved by:



Date: December 4, 2008

| Bank of America | Philanthropic Management Investment Management And Custodial Agreement - General |
|---|---|

# INVESTMENT MANAGEMENT AND CUSTODIAL AGREEMENT

For

| Town of Amherst, NH: Common & Capital Reserve Funds |
|---|
| ("Customer") |

The Customer wishes to establish an Investment Management Account (the "Account") with Bank of America, N.A. (the "Bank") to consist of the securities, cash or other property deposited with the Bank at any time under this Investment Management and Custodial Agreement - General (the "Agreement"), including proceeds and reinvested income from such property. In signing this Agreement, the Customer hereby retains the Bank to provide certain investment management and custodial services for this Account, as set forth herein. The Account is to be administered in accordance with the Agreement and the accompanying Schedules. Schedules A through D, are attached hereto and made a part of this Agreement.

## TERMS AND CONDITIONS

**A. SERVICES** In accordance with this Agreement, the Bank will perform the following services for the Account:

1. Hold in a safe place all cash and securities delivered to it for deposit in this Account. The Bank will not be responsible for these assets until it or its agent has actually received them, and shall not be responsible for determining whether these securities are subject to calls or other such actions prior to receipt of the securities by the Bank.

2. Maintain records of income and principal transactions.

3. Provide the Customer with a written report setting forth, in reasonable detail, all income and principal transactions and a list of all assets held in the Account as instructed in Schedule A or as later instructed in writing.

4. Collect all interest and dividend income from the cash and securities deposited in the Account. After this income is collected and after payment of any charges against income, it should be accumulated or paid to the Customer as instructed in Schedule A or as later instructed in writing.

5. Review the securities and other assets in the Account periodically as deemed appropriate and make any changes deemed desirable, in a manner consistent with the Investment Matters section of Schedule A but otherwise in its full discretion and without obligation to seek approval from the Customer or give the Customer prior notice. Notwithstanding the provisions of this paragraph, the Bank shall have no investment responsibility for any stock of Bank of America Corporation, or any successor or affiliated corporation, held in the Account, and shall purchase or sell such stock only pursuant to the Customer's written directions. Any such stock deposited by the Customer for the Account shall be held by the Bank in the Account until written directions are given by the Customer to sell such stock.

6. Take any action that the Bank deems appropriate with regard to stock dividends, rights, warrants, reorganizations, bond and preferred stock redemptions, and bond maturities and defaults.

7. Arrange to have provided to the Customer, at its request and at no additional cost, a detailed written confirmation of the purchase or sale of securities for the Account through a broker or dealer, within five (5) business days of such purchases and sales.

8. Distribute all or a portion of the Account to the Customer, if the Customer so directs the Bank in writing. The Customer agrees that the Bank may rely on such direction as authorized and consistent with the terms of any document governing the distribution of the Account. In the event that any dispute shall arise as to the persons to whom payment of any funds and/or delivery of any property shall be made by the Bank, the Bank may withhold such payment and/or delivery until such dispute shall have been determined by a court of competent jurisdiction or shall have been settled by the parties concerned.

**B. ACKNOWLEDGEMENT AND AGREEMENT OF CUSTOMER** The Customer acknowledges the following:

1. Receipt of the relevant prospectus describing certain proprietary investment portfolios ("Investment Portfolios"). The Customer understands that the Investment Portfolios are advised by a registered investment advisor that is a wholly owned subsidiary of the Bank, as well as by certain affiliated investment advisors, that receive management fees from the Investment Portfolios as disclosed in the prospectus(es) the Customer has received. The Bank will continue to receive its agreed upon compensation for administering the Account, in addition to any investment advisory and other fees paid by the Investment Portfolios to the Bank or its affiliates. The Customer understands that the Investment Portfolios are distributed by wholly owned subsidiaries or affiliates of the Bank. Based upon the prospectus(es), the Customer consents to the investment of Account assets in the Investment Portfolios, and directs the Bank to invest Account assets in the Investment Portfolios under those circumstances under which the Bank would otherwise, in the exercise of its discretion under this Agreement (including the investment objectives set forth in the Investment Matters section of Schedule A), invest Account assets in investments similar or comparable to those represented by the Investment Portfolios. This consent and direction may be revoked by written notice to the Bank. The consent and direction in this paragraph are in addition to the authority given to the Bank below under "AUTHORITY," paragraph 5.

2. The Investment Portfolios are not bank deposits, are not backed or guaranteed by the Bank nor are they insured by the FDIC or any other federal agency.

3. The term "securities" used in this Agreement shall not be deemed to be restricted to include only legal investments for a trustee under statutes or rules of law applicable thereto. Without in any way intending to limit the generality of the foregoing, the term "securities" shall be deemed to include common and preferred stocks, mortgage debenture bonds, notes or other evidences of indebtedness, and other forms of securities.

**C. AUTHORITY** The Customer understands that, in accordance with the terms and conditions of this Account, the Bank will have authority to do the following:

1. Register the Customer's securities in the name of the Bank's nominees or the nominees of any securities depository in which the Customer's securities may be held.

2. Forward proxies to the Customer for voting unless otherwise instructed in Schedule A or by later instruction.

3. Make purchases and sales of such securities or other assets, at such prices and on such terms as it determines to be advisable and in a manner consistent with the Investment Matters section of Schedule A but otherwise in its full discretion and without obligation to seek approval from the Customer or give the Customer prior notice. In effecting such purchases and sales, the Bank may utilize the services of a registered broker or securities dealer, including any broker or dealer owning or owned by or under common ownership or control with the Bank. Such broker or dealer (including any affiliated broker or dealer) may receive the usual commission or mark-up earned on such transactions without further or more specific authority from the Customer. In the event that an affiliated broker or dealer is employed, the commission or mark-up received by such broker or dealer shall not be greater than that which would be charged to comparable unaffiliated parties of such broker or dealer. In selecting the brokers and dealers used, the Bank will endeavor to obtain the best execution for the Account's securities transactions. The Bank may utilize the services of brokers and dealers from whom the Bank receives research and investment services. When doing so, the Bank will make a good faith judgment that the amounts paid to any such broker or dealer in excess of the lowest available rate for comparable transactions are reasonable in relation to the value of its overall research and investment services provided to the Bank.

4. Sell or exercise rights or sell full or fractional shares of stock dividends, without the Customer's consent.

5. Invest cash in a manner consistent with the Investment Matters section of Schedule A but otherwise in its full discretion and without obligation to seek approval from the Customer or give the Customer prior notice in interest bearing accounts, certificates of deposit, commercial paper, treasury bills, master notes, money market instruments (including, without limitation, certificates of deposit and

interest bearing accounts of banks owned by or owning, or under common ownership or control with the Bank and shares of money market and other mutual funds for which the Bank or any such affiliate is receiving management, administrative or advisory compensation) and withdraw or liquidate as needed for any purpose under this Agreement, in each case without prior approval or providing notice to the Customer. In addition, unless the Customer affirmatively indicates to the contrary, utilize money market and other mutual funds whose investment managers have offered to compensate the Bank (and other institutions) for management, administrative or advisory services at a fractional percentage of net assets, in recognition of the fact that the Bank will perform shareholder servicing functions which they would otherwise have to perform themselves if the Customer invested with them individually rather than through the Bank.

6. Deliver against payment matured or redeemed securities held in the Account. The Bank is authorized also to exchange securities in temporary form for securities in permanent form, and to surrender old certificates for new or overstamped certificates evidencing a change in par value or corporate name. If securities in the Account are in a class of securities subject to a partial call, the Bank is authorized to determine the amount of securities in the Account subject to the call by lottery or other accepted industry practice.

7. Utilize, at the Bank's expense, one or more of its affiliates to perform any of its obligations under this Agreement. Notwithstanding the above, the Bank shall be fully responsible for the actions of any such affiliates.

8. Make, execute and deliver any and all mortgages, contracts, consents, waivers, releases or other instruments in writing necessary or proper for the accomplishment of any services outlined herein.

**D. INVESTMENT AND ADMINISTRATIVE MATTERS** The Customer understands that:

1. The fees for the services provided under this Agreement will be computed in accordance with the Bank's Schedule of Fees set forth in Schedule B as amended from time to time by the Bank. Receipt of a copy of the current Schedule of Fees is acknowledged. If this Schedule B is amended or superseded by a new schedule, the Bank will send the Customer a copy of the new schedule, which may become effective ten (10) days after it is mailed to the Customer. The Bank is authorized to receive payment for its fees and expenses in the manner set forth in Schedule B.

2. Subject to the Customer's prior approval, the Bank shall deduct from and charge against the Account any fees and expenses, including taxes that may be imposed upon the Account.

3. The Account may be terminated by either party at any time, upon delivering written notice of the termination to the other, with the limitation that the Bank shall be entitled to thirty (30) days notice. Upon termination of the Account, the Bank shall transfer and deliver the Account as the Customer directs. Such termination shall be without payment of any penalty and without liability of either party of the other except that the Customer shall remain liable for any accrued or unpaid compensation due the Bank, and any trade executed but not settled prior to such termination will be honored. In case of termination, the fees for the final period will be determined in accordance with the fee schedule in effect at the time of termination.

4. Actions by the Bank:

   a. All actions taken by the Bank under this Agreement shall be for the Customer's Account and risk. The Bank shall not have any liability or responsibility for any action taken or not taken, information given or not given, or recommendations made or not made, in good faith, or for any loss or reduction in value, or lack of or reduction in income (including but not limited to any adverse tax consequences), resulting from any such action, information or recommendation. In addition, the Bank shall not have any liability for failure to comply with any direction given by the Customer or any instruction contained in this Agreement if, in good faith, it has: (i) tried to comply with such direction or instruction; or (ii) determined that such compliance might violate any rule of law or might result in personal liability to the Bank. Until its receipt of written notice to the contrary, the Bank may accept instructions from persons purporting to be the persons authorized under Schedule D of this Agreement without independent investigation. The Bank shall not be liable for relying on any such instruction and the Customer hereby indemnifies the Bank against any loss, liability or expense (including attorneys' fees and expenses) incurred as a result of reliance on such person.

   b. The Bank may invest Account assets in securities not accompanied by a prospectus and may purchase securities from the Bank or from banks or other corporations owning or owned by or under common ownership or control with the Bank. The sellers of such

securities may make a profit on the sale.

5. The rights and obligations of the Bank under this Agreement (a) shall pass automatically to any bank or trust company into or with which the Bank merges, and (b) may be transferred by the Bank to any other bank or trust company owning or owned by or under common ownership or control with the Bank.

6. The Customer hereby agrees to furnish the Bank promptly upon request with all necessary stock and bond powers and other required documents, including corporate resolutions.

7. It is hereby certified that the officer executing this Agreement on behalf of the Customer is authorized to do so by the Board of Directors (or comparable governing body) and that a certified copy of the authorizing resolution or by-law will be supplied to the Bank forthwith.

8. The Customer understands that the Bank provides investment management services to other clients and customers. Nothing in this Agreement shall be deemed to impose any obligation to purchase, sell or to recommend for purchase or sale by or for the Account any security or other property which the Bank's officers
or employees may purchase or sell for their own accounts or which the Bank may purchase or sell for any other client or customer. The Customer understands that transactions in a specific security may not be accomplished for all client accounts at the same time or at the same price.

**E. PLEDGE OF ASSETS AND WAIVER OF CONFLICTS** The Customer retains the right to pledge some or all of the Account as collateral for loans to the Customer or other parties.

1. The lender may be the Bank or a Bank Affiliate and the Customer waives all conflicts of interest that may arise from such loans. The Customer hereby directs the Bank to follow any order of the lender directing sale or transfer of all or part of the Account, and remitting the proceeds to the lender, without further consent from or notice to the Customer. The Customer agrees to hold the Bank harmless against any and all claims, liabilities and expenses incurred by reason of compliance with such orders from the lender. The Customer understands that if the lender is the Bank or a Bank Affiliate, the Bank may take action to protect its interests as lender that could be contrary to the Customer's interests and investment objectives.

2. This Agreement will be construed in accordance with the law of the state where the Account is principally administered, as designated by the Bank.

3. In the event a legal action or arbitration proceeding is commenced in connection with this Agreement, the prevailing party is entitled to related costs and reasonable attorneys' fees as determined by the court or the arbitrator.

**F. RESOLVING DISPUTES OR CONTROVERSIES** If the Customer or the Bank request any controversy or claim ("Controversy") concerning this Agreement or the Account, including any claim based on or arising from an alleged tort, will be determined by arbitration, reference or trial by a judge as provided below. A Controversy that involves a dispute less than $1 million (exclusive by punitive damages) will be determined by arbitration as described below. Any other Controversy will be determined by judicial reference of the Controversy to a referee, or by trial by a judge without a jury, as described below. The arbitration, judicial reference or trial by a judge will take place on an individual basis without resort to any form of class action.

WHETHER THE CONTROVERSY IS DECIDED BY ARBITRATION, BY JUDICIAL REFERENCE, OR BY TRIAL BY A JUDGE, THE CUSTOMER AGREES AND UNDERSTANDS: (I) THAT THE CUSTOMER AND THE BANK ARE GIVING UP THE RIGHT TO TRIAL BY JURY, AND THERE WILL BE NO JURY AND (II) THAT THIS SECTION PRECLUDES THE CUSTOMER AND THE BANK FROM HAVING THE RIGHT TO PARTICIPATE OR BE REPRESENTED IN ANY FORM OF CLASS ACTION OR ANY OTHER LITIGATION FILED IN COURT BY OTHERS.

1. Since this Agreement touches and concerns interstate commerce, arbitration under this Agreement will be conducted in accordance with the United States Arbitration Act (Title 9, United States Code), notwithstanding any choice of law provision in this Agreement. Arbitration, including selection of an arbitrator, will be conducted in accordance with the then-current rules for arbitration of financial disputes of J.A.M.S. ("JAMS"). The Customer may call JAMS at the telephone number in his local directory or at 1.800.352.5267 to obtain rules and forms to initiate arbitration or visit their web site at www.jamsadr.com for more information. If JAMS is unable or unwilling to serve as the provider of arbitration, Bank may substitute another national arbitration organization with similar procedures. The arbitrator(s) will follow the law and will give effect to statutes of limitation in determining any claim. Any Controversy concerning

whether an issue is arbitral will be determined by the arbitrator(s). The award of the arbitrator(s) will be in writing and include a statement of reasons for the award. The award will be final. Judgment upon the award may be entered in any court having jurisdiction, and no challenge to entry of judgment upon the award will be entertained except as provided by section 10 of the United States Arbitration Act or upon a finding of manifest injustice.

2. If the Customer or the Bank request, any Controversy concerning the Customer's Account relationship with the Bank that is not submitted to arbitration as provided above will be determined by reference to a referee appointed by the court who, sitting alone without a jury, will decide all questions of law and fact. The referee will be an active attorney or retired judge. If the court where the Controversy is venued lacks the power to appoint a referee, the Controversy instead will be decided by a judge without a jury.

3. Either the Customer or the Bank may obtain provisional or ancillary remedies from a court of competent jurisdiction before, after, or during the pendency of any arbitration or reference. Neither the obtaining nor the exercise of any such remedy will waive arbitration or reference as provided above.

   Any arbitration, lawsuit or other proceeding regarding this Account must be brought in the state whose law governs or controls this Account, as described below and the Customer submits to the personal jurisdiction of that state.

**G. MISCELLANEOUS** The Customer agrees that:

1. The titles to the sections in this Agreement are placed herein for convenience of reference only and in case of any conflict the text of the section, rather than such titles, shall control.

2. In case any provisions of this Agreement shall be held illegal or invalid for any reason, said illegality or invalidity shall not affect the remaining parts of this Agreement, but this Agreement shall be construed and enforced as if said illegal and invalid provisions had never been inserted herein or therein.

3. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, and said counterparts shall constitute but one and the same instrument and may be sufficiently evidenced by any one counterpart.

4. This Agreement shall be binding upon the respective successors and assigns of the parties signing this Agreement.

5. This Agreement, together with Schedules A through D, constitutes the complete Agreement between the parties with respect to the provision of investment management and custodial services by the Bank for the Account. No amendment to this Agreement is effective unless in writing and signed by both the Customer and the Bank, except that the Customer may amend Schedule D by providing the Bank advance written notice of a change in its Authorized Representatives or Keyword, and the Bank may amend Schedule B or any security procedure at any time upon reasonable notice to the Customer. Each party represents that it has authority to execute this Agreement.

6. In the event of any conflict between provisions of this Agreement or those of any other document relating to the Account, this Agreement shall prevail.

7. Communications to the Bank shall be sent to the Bank's principal offices or to such other address as the Bank may specify in writing. No communication shall be binding upon the Bank until the Bank receives it. Communications to the Customer shall be sent to the Customer's principal offices or to such other address as the Customer may specify in writing.

8. This Agreement is to be governed by the laws of the United States and, where not inconsistent therewith, in accordance with the law where the Account is principally administered, as designated by the Bank.

By: _____ (Its duly authorized Agent)
Print Name: Peter Bergin
Title: Trustee of Trust Funds
Date: 11/20/2009

By: _____ (Its duly authorized Agent)
Print Name: Michael S. Wrenn
Title: Philanthropic Relationship Manager
Date:

Customer: Town of Amherst (Account Name)
By: _____ (Its duly authorized Agent)
Print Name: Paul Spiess
Title: Trustee of Trust Funds
Date:

Customer: Town of Amherst (Account Name)
By: _____ (Its duly authorized Agent)
Print Name: Andrew Pataky
Title: Trustee of Trust Funds
Date:

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**Other Global Wealth & Investment Management affiliates include:**

- The Private Bank of Bank of America
- Premier Banking and Investments ™
- Banc of America Investment Services, Inc.®
- Columbia Management ®
- Investment Services Group (affiliated investment advisors)

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Banking products such as checking accounts and certificates of deposit are FDIC insured and are offered through Bank of America, N.A., member FDIC. Premier Banking and Investments is offered through Bank of America Premier Banking® and Banc of America Investment Services, Inc.®

Investment products such as stocks, bonds and mutual funds:

| | | |
|---|---|---|
| **Are Not FDIC Insured** | **May Lose Value** | **Are Not Bank Guaranteed** |

Investment products and services may be available through a relationship managed by The Private Bank of Bank of America or through a relationship with Banc of America Investment Services, Inc. Certain Private Bank associates are registered representatives with Banc of America Investment Services, Inc. and may assist you with investment products and services provided through Banc of America Investment Services, Inc. and other nonbank investment affiliates. **Banc of America Investment Services, Inc.** is a registered broker-dealer, member NASD and SIPC, and a nonbank subsidiary of Bank of America, N.A.

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**SCHEDULE A**
**ACCOUNT INFORMATION**

(The Customer must notify the Bank in writing of any changes in the information below.)

**I. Account Information**

Domicile of the Customer (Corporate headquarters or principal place of business):
Town of Amherst, NH

State of Incorporation: n/a

Mailing Address (address to which all mail and communications concerning the Account should be directed):
Trustee of Trust Funds
PO Box 960
Amherst, NH 03031
Fiscal Year End: June 30th
Tax Identification Number: 02-6036879

**II. Investment Matters**

**Investment Objectives**

The Customer has indicated below the investment objective deemed appropriate or the Customer's current requirements (check one):

***Blended Strategies***

**Current Income:** ☐

Primary Goal: Income Secondary Goal: Appreciation

The primary goal of this strategy strives to maximize current income through a 70% to 90% allocation to primarily high quality, intermediate-term fixed income securities. A modest allocation to equities in the range of 10% to 30% offers a modest potential for capital appreciation.

**Balanced Income:** ☐

Primary Goal: Current Income Secondary Goal: Appreciation

This strategy emphasizes current income through a 55% to 75% allocation to fixed income, complemented by a secondary consideration for capital appreciation through an equity allocation in the range of 25% to 45%.

**Balanced:** ☒

Primary Goal: Appreciation Secondary Goal: Current Income

This balanced approach is designed to offer the potential for both capital appreciation and current income through a 40% to 60% allocation to equities and a 40% to 60% allocation to fixed income securities.

**Balanced Return:** ☐

Primary Goal: Appreciation Secondary Goal: Growth of Income

This strategy is intended to provide long-term total return opportunities through an allocation to both equities and fixed income investments. The objective is represented by an allocation to equities between 50% and 70% and to fixed income from 30% to 50%.

**Balanced Appreciation:** ☐

Primary Goal: Appreciation Secondary Goal: Growth of Income

The principle goal of this strategy is to maximize long-term total returns through a focus on capital appreciation. As such, current income is of secondary importance. The asset allocation range for portfolios managed in this style is 60% to 80% to equities and 20% and 40% to fixed income securities.

**Appreciation:** ☐

Primary Goal: Appreciation Secondary Goal: Growth of Income

(The Customer must notify the Bank in writing of any changes in the information below.)

## I. Account Information

Domicile of the Customer (Corporate headquarters or principal place of business):
Town of Amherst, NH

State of Incorporation: n/a

Mailing Address (address to which all mail and communications concerning the Account should be directed):
Trustee of Trust Funds
PO Box 960
Amherst, NH 03031
Fiscal Year End: June 30th
Tax Identification Number: 02-6036879

## II. Investment Matters

**Investment Objectives**

The Customer has indicated below the investment objective deemed appropriate or the Customer's current requirements (check one):

***Blended Strategies***

**Current Income:** ☐

Primary Goal: Income Secondary Goal: Appreciation

The primary goal of this strategy strives to maximize current income through a 70% to 90% allocation to primarily high quality, intermediate-term fixed income securities. A modest allocation to equities in the range of 10% to 30% offers a modest potential for capital appreciation.

**Balanced Income:** ☐

Primary Goal: Current Income Secondary Goal: Appreciation

This strategy emphasizes current income through a 55% to 75% allocation to fixed income, complemented by a secondary consideration for capital appreciation through an equity allocation in the range of 25% to 45%.

**Balanced:** ☒

Primary Goal: Appreciation Secondary Goal: Current Income

This balanced approach is designed to offer the potential for both capital appreciation and current income through a 40% to 60% allocation to equities and a 40% to 60% allocation to fixed income securities.

**Balanced Return:** ☐

Primary Goal: Appreciation Secondary Goal: Growth of Income

This strategy is intended to provide long-term total return opportunities through an allocation to both equities and fixed income investments. The objective is represented by an allocation to equities between 50% and 70% and to fixed income from 30% to 50%.

**Balanced Appreciation:** ☐

Primary Goal: Appreciation Secondary Goal: Growth of Income

The principle goal of this strategy is to maximize long-term total returns through a focus on capital appreciation. As such, current income is of secondary importance. The asset allocation range for portfolios managed in this style is 60% to 80% to equities and 20% and 40% to fixed income securities.

**Appreciation:** ☐

Primary Goal: Appreciation Secondary Goal: Growth of Income

This strategy emphasizes the maximization of total return and protection against inflation. Equities will constitute 70% to 90% of a portfolio managed in this style. A modest exposure to fixed income securities – in the range of 10% to 30% - may help to buffer short-term fluctuations in performance while providing a modest level of current income.

**Dedicated Strategies**

**Principal Preservation:** ☐

Primary Goal: Maximum Safety of Principal Current Income

This approach emphasizes short-term cash investments. Income is moderate to low and varies as short-term interest rates change. Although there is no capital appreciation, account growth can be achieved through income accumulation and reinvestment. Protection against inflation is of little or no concern.

**All Fixed Income:** ☐

Primary Goal: Current Income Stability of Principal Value

This approach primarily emphasizes current income generation. Due to its fixed-income nature, general stability of principal value should be obtained, but is not guaranteed. Total return and risk will be affected by changes in current interest rate levels.

**All Equity:** ☐

Primary Goal: Appreciation Secondary Goal: Appreciation

This strategy uses only equity securities and represents an aggressive strategy. Long-term growth and maximum capital appreciation are the primary goals. Income is low and risk is moderated by the use of a well-diversified equity portfolio. While the objective strives for high returns, performance can be volatile from year to year.

*All Investment Objective definitions are subject to possible change in the future.*

**Funds Awaiting Investment or Distribution**

Cash in the Account awaiting distribution or further investment shall be placed in the short-term investment medium designated below (check one):

☐ Money market deposit in the Bank or affiliate of the Bank

☐ Columbia Money Market Fund

☐ Columbia Government Fund

☐ Columbia Tax-Exempt Fund

☒ Columbia U.S. Treasury Fund

☐ [ADD APPROPRIATE COLUMBIA AND NATIONS FUNDS]

## III. Instructions

Cash income should be (check one):

☐ Accumulated and added to the Account

☒ Accumulated and paid to the Customer (check one):

☒ Annually ☐ Quarterly ☐ Monthly

Proxies shall be (check one):

☐ Forwarded to the Customer for voting

☒ Do not forward. Bank will vote proxies.

In the absence of instruction, proxies shall be forwarded to the Customer for voting.

This strategy emphasizes the maximization of total return and protection against inflation. Equities will constitute 70% to 90% of a portfolio managed in this style. A modest exposure to fixed income securities – in the range of 10% to 30% - may help to buffer short-term fluctuations in performance while providing a modest level of current income.

**Dedicated Strategies**

**Principal Preservation:** ☐

Primary Goal: Maximum Safety of Principal Current Income

This approach emphasizes short-term cash investments. Income is moderate to low and varies as short-term interest rates change. Although there is no capital appreciation, account growth can be achieved through income accumulation and reinvestment. Protection against inflation is of little or no concern.

**All Fixed Income:** ☐

Primary Goal: Current Income Stability of Principal Value

This approach primarily emphasizes current income generation. Due to its fixed-income nature, general stability of principal value should be obtained, but is not guaranteed. Total return and risk will be affected by changes in current interest rate levels.

**All Equity:** ☐

Primary Goal: Appreciation Secondary Goal: Appreciation

This strategy uses only equity securities and represents an aggressive strategy. Long-term growth and maximum capital appreciation are the primary goals. Income is low and risk is moderated by the use of a well-diversified equity portfolio. While the objective strives for high returns, performance can be volatile from year to year.

*All Investment Objective definitions are subject to possible change in the future.*

**Funds Awaiting Investment or Distribution**

Cash in the Account awaiting distribution or further investment shall be placed in the short-term investment medium designated below (check one):

☐ Money market deposit in the Bank or affiliate of the Bank

☐ Columbia Money Market Fund

☐ Columbia Government Fund

☐ Columbia Tax-Exempt Fund

☒ Columbia U.S. Treasury Fund

☐ [ADD APPROPRIATE COLUMBIA AND NATIONS FUNDS]

## III. Instructions

Cash income should be (check one):

☐ Accumulated and added to the Account

☒ Accumulated and paid to the Customer (check one):

☒ Annually ☐ Quarterly ☐ Monthly

Proxies shall be (check one):

☐ Forwarded to the Customer for voting

☒ Do not forward. Bank will vote proxies.

In the absence of instruction, proxies shall be forwarded to the Customer for voting.

Reports of income and principal transactions and a list of assets in the Account shall be provided to the Customer (check one):

☐ Annually ☒ Quarterly ☐ Monthly

In the absence of instruction, reports will be provided annually.

The Bank is (check one) ☐ authorized, ☒ not authorized, to disclose the Customer's name, address and security position to corporations whose securities are held in the Account. In the absence of instruction, the Bank will not disclose such information except as compelled by law.

Agreed and Accepted:

Date: 2/12/09 // By: _____
(Customer's duly authorized Agent)

**SCHEDULE B**
**FEE SCHEDULE**

Annual fees are charged monthly based on the market value of assets under management at the end of the quarter.

1.25% on the first $1,000,000 in market value

0.80 % on the next $2,000,000 in market value

0.60% on the next $2,000,000 in market value

This fee will then be discounted by 35%

The Customer directs that the Bank's fees and expenses shall be charged against (check one):

☒ Split equally between Income and Principal of the Account

☐ Paid separately by the Customer

☐ Paid by a method otherwise agreed to in writing

In the absence of instruction, fees and expenses will be charged against principal.

Agreed and Accepted:

Date: 2/17 2009 By: _____
(Customer's duly authorized Agent)

Accounts covered by this agreement:

Town of Amherst: Common Trust Funds Principal 7116206-8542183

Town of Amherst: Common Trust Funds Income 7116206-8542184

Town of Amherst: Cemetery Lots Fund 7116206-8542185

Town of Amherst: Bertha Rogers Fund 7116206-8504109

Town of Amherst: Capital Reserve Funds 7116206-8542181