

STATE OF NEW HAMPSHIRE
DEPARTMENT OF TREASURY
CUSTODIAL ACCOUNT AGENCY AGREEMENT

THIS AGREEMENT, made this 20th day of January, 2012 and entered into, by and between State of New Hampshire, Dept. of Treasury as Custodian for the Connecticut Lakes Headwaters Tract Monitoring Endowment, Connecticut Lakes Headwaters Natural Areas Stewardship Endowment, and Connecticut Lakes Headwaters Tract Road Maintenance Endowment (herein called the "Accounts"), the Dept. of Fish & Game and the Dept. of Resources and Economic Development authorize the Dept. of Treasury to invest and reinvest in legal investments allowable under RSA 6.8 for the benefit of the Account in compliance with the below instructions.

In accordance with RSA 11:5, all trust funds in the custody of the State Treasurer shall be invested and reinvested in legal investments allowable under RSA 6:8, and all Trust Fund Administrators shall notify the State Treasurer, at least biennially, of the investment objective of any funds under their control. The aforementioned investment objectives are established by RSA 11:5 and are set forth in the attached Addendum A.

In compliance with RSA 11:5, we, Glenn Normandeau and George Bald, as Administrators of the above-referenced Accounts, designate Growth / Income to be the investment objective for the Accounts.

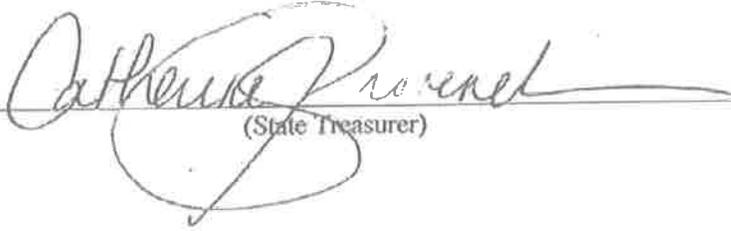
Unless specified otherwise in writing by the Administrators, the State Treasurer will provide an annual report on the financial activities of the Accounts in accordance with RSA 11:5-b.

By signing below, the Account Administrators acknowledge that they have read Addendum A to this Agreement.

The parties shall update the terms of this agreement every other January, of each biennial year after the date of initial execution in accordance with RSA 11:5. This update shall be initiated by the State Treasurer who shall send a copy of this agreement to the Administrators before each of the aforementioned dates.

1/31/12
(Date) 
(Trust Fund Administrator - Dept. of Fish & Game)

1/25/12
(Date) 
(Trust Fund Administrator - Dept. of Resources and Economic Development)

2/1/12
(Date) 
(State Treasurer)

ADDENDUM A

RSA 11:5 Investment of State Trust Funds. All trust funds in the custody of the state treasurer shall be invested and reinvested in legal investments allowable under RSA 6:8. All trust fund administrators shall notify the state treasurer, at least semi-annually, of the investment objective of any funds under their control with reference to the following objectives:

- I. **MAXIMUM CAPITAL GAIN.** The objective is to maximize capital appreciation through investment in financial instruments that possess greater than ordinary risk. A guaranteed stream of income is not sought nor is preservation of principal.
- II. **GROWTH.** The objective is primarily to seek long-term appreciation of capital. The investment vehicle is mainly common stocks with growth potential. There is a slight risk that principal may be eroded in the short run.
- III. **GROWTH / INCOME.** The objective is primarily to obtain long-term appreciation of capital while at the same time providing for some current income. There is a slight risk that principal will be eroded over the short run, but current income is available.
- IV. **BALANCED.** The objective is to minimize investment risk as much as possible without sacrificing possibilities for both long-term growth in principal and current income. Investments include debt and equity instruments.
- V. **INCOME.** The objective is to maximize current income rather than seek growth of principal through capital appreciation. Preservation of principal is ensured by investment in high quality equity and debt instruments.
- VI. **MONEY MARKET/SHORT-TERM LIQUIDITY.** The objective is to maximize current income, guarantee preservation of capital, and keep assets highly liquid.

State of New Hampshire
Investment Policy
Connecticut Lakes Headwaters
As of January 20, 2012

PURPOSE

The purpose of this policy is to outline general guidelines for the accomplishment of the stated objectives while ensuring compliance with state and federal laws for the investment of funds dedicated to the Connecticut Lakes Headwaters Funds (the "Funds"). This policy is also designed to outline internal controls over the safeguarding of Funds assets. The investment policy delegates management of the Fund's investment portfolio to an investment manager designated by the State Treasurer for management in accordance with RSA 6:8 and 11:5, subject to the guidelines of this policy.

INVESTMENT OBJECTIVE

The Funds will be invested to 1). Obtain long-term appreciation of capital 2). Provide for some current income and 3). Maintain liquidity appropriate for short term cash needs. When making individual investments, the primary considerations will be risk rating, liquidity, income and maturity. It is recognized that income is a product of yield to maturity, therefore; fixed income securities may be purchased either at a discount to minimize initial cash outlay and take advantage of capital appreciation, or at a premium to optimize cash flow when conditions warrant.

LEVELS OF AUTHORITY

The Treasurer is authorized to direct an investment manager to invest the Funds within the guidelines established by this policy.

RESPONSIBILITIES

1. The investment manager will provide a prospectus for any mutual funds held in the funds to the Treasury each year.
2. The investment manager is responsible for ensuring the completion of all paperwork and transactions pertinent to the execution and confirmation of buy/sell orders; for instructing money market dealers with respect to arrangement for payment or collection of monies resulting from the purchase, sale or redemption of securities; and for the maintenance of all necessary records of current holdings. This paperwork shall include, but is not limited to appropriate accounting and internal documents required to track the movement of funds.
3. The Treasurer or investment manager is responsible for insuring compliance with the investment policy.
4. The investment manager shall provide to the State Treasurer's office a written statement, on at least a quarterly basis, that your firm is in compliance with the Office of Foreign Assets Control of the U.S. Treasury (OFAC) requirements and that your firm has the necessary internal controls processes and policies in place which are adequate to maintain such compliance.

State of New Hampshire
Investment Policy
Connecticut Lakes Headwaters
As of January 20, 2012

APPROVED INVESTMENTS

The following are approved investment vehicles as defined in RSA 6:8, 387:6, 387:6-a, and 387:14:

United States Treasury Securities

Federal Agency Securities - Federal Farm Credit System, Federal Home Loan Banks, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Student Loan Marketing Association, and Tennessee Valley Authority.

Corporate Bonds and Notes - All corporate fixed income securities must be from issuers having an A or better long term debt rating from one or more of the primary rating agencies (Standard & Pools, Moody's, and Fitch). If an issue falls below a rating of A, a security must be sold.

Money Market Funds - Shares of funds which hold diversified portfolios and are permissible under RSA 387:14 and follow standard rules for such funds as issued by the Securities and Exchange Commission.

Mutual Funds - Shares of open ended mutual funds which hold diversified portfolios of either fixed income or equity investments and are permissible under RSA 387:14. Funds shall reflect the general character of approved individual securities.

Equity Securities (Stocks) - Shares of companies listed on the New York, American and Over-the-Counter Exchanges are permitted.

State of New Hampshire
Investment Policy
Connecticut Lakes Headwaters
As of January 20, 2012

CONSTRAINTS

Diversification

The selection of investment (asset allocation) options will be evaluated on a market basis when evaluating a transaction's effect on the diversification constraints of the portfolio. The target asset mix is 60% equity, 35% fixed income, and 5% cash. Except for U.S. Treasury and U.S. Government Agency obligations, no more than 10% of the portfolio may be invested in the obligations of any one issuer. Guarantees shall be considered obligations of an issuer for purposes of this requirement.

Type	Portfolio Limit (*)	Maximum Maturity
U.S. Treasury	None	15 Years
U.S. Gov't Agency	None	15 Years
Corporate Bonds/ Notes	35%	15 Years
Money Market Funds	None	Open
Individual Equities - 1	60%	Open
Equity Mutual Funds - 1	60%	Open
Fixed Income Mutual Funds	35%	Open

(*) - All limits at +/- 10%.

1 - Total equity allocation is 60%.

2 - Total fixed income allocation is 35%.

3- When market fluctuation creates an imbalance of more than +/-10% in the equity/fixed income and cash allocations limits, the manager may defer from rebalancing the portfolio to stay within established asset allocation guidelines and so authorizes the manager to exceed established guidelines for a period of no more than two consecutive quarters unless otherwise instructed by the Treasurer. This is for the purpose of applying sound investment principals to adjust the portfolio in a measured way. The investment manager must provide a rationale(s) at the end of each quarter in which the portfolio ends out of balance by more than +/-10% to defer rebalancing.

State of New Hampshire
Investment Policy
Connecticut Lakes Headwaters
As of January 20, 2012

Maturity/Liquidity

Consideration is given to the cashflow and maturity characteristics of securities in evaluating liquidity.

Foreign Currency

All investments will be denominated in United States Dollars.

Derivative Securities

Derivative securities that are, in effect a leveraged bet on future movements of interest rates or some price or exchange index are not permitted. Collateralized mortgage obligations, because of their complexity and prepayment rate uncertainty are prohibited. Treasury Inflation-Protected Securities (TIPS) issued by the U.S. Treasury and whose principal is tied to the inflation rate are not considered prohibited derivative securities.