MINUTES OF THE MEETING
OF THE BOARDS OF TRUSTEES
OF
THE RESERVE FUND
RESERVE MUNICIPAL MONEY-MARKET TRUST
RESERVE NEW YORK MUNICIPAL MONEY-MARKET TRUST
RESERVE MUNICIPAL MONEY-MARKET TRUST II
RESERVE SHORT-TERM INVESTMENT TRUST

September 16, 2008

A meeting of the Board of Trustees of each Trust listed on Schedule A hereto (each, a "Trust" and collectively, the "Trusts") was convened by telephone at 10:00 AM on September 16, 2008. Participating were Bruce R. Bent, Santa Albicocco, Ronald J. Artinian, Edwin Ehlert, Jr., William Montgoris, Frank J. Stalzer and William Viklund, constituting a majority of the members of the Board of Trustees of each Trust, and by invitation of the Board, Bruce Bent II, Arthur T. Bent III, Catherine Crowley, and Christina Massaro of Reserve Management Company, Inc. ("RMCI"), the investment adviser of the series of the Trusts, some of whom are officers of the Trusts. Also participating were Rose DiMartino and Joel Goldberg of Willkie Farr & Gallagher LLP, counsel to the Trusts, Stuart Strauss of Clifford Chance, counsel to the trustees who are not interested persons of the Trust ("Independent Trustees") and Sean McKee of KPMG, LLP, each Trust's independent auditor.

Mr. Bent II apprised the Trustees of developments since the adjournment of the September 15th Board meeting of The Reserve Fund at 2:00 PM. Mr. Bent II told the Trustees that RMCI had, as authorized by the Trustees, contacted the Staff of the Securities and Exchange Commission ("SEC") on Monday afternoon to discuss the possibility of issuing a no-action letter that would allow a credit support agreement to be entered into between RMCI and the Primary Fund, a series of The Reserve Fund. The Staff had agreed with RMCI and its outside counsel to review such an application promptly once RMCI submitted a no-action request and a support agreement to the Staff. By late Monday, however, it was becoming clear that redemption requests for the Primary Fund were continuing to come in at levels that were unprecedented in the history of the Primary Fund. Mr. Bent II told the Trustees that by Monday night, it had become apparent to management of RMCI that the effect of those redemption requests, when coupled with the inability of the Primary Fund's investment manager to sell Fund assets at reasonable prices in a virtually illiquid market, made it unlikely that RMCI could provide the level of credit support necessary to support a Fund NAV of $1.00 per share, should the NAV of the Primary Fund fall below that value.

Mr. Bent II informed the Trustees that from Monday morning through 9:00 AM on Tuesday morning, redemption requests from the Primary Fund totaled approximately $24.6 billion. The Primary Fund had been able to pay the proceeds of about $10.7 billion of that amount due to the illiquidity in the markets and the limits the Primary Fund's custodian put on overdrafts. Patrick Farrell, the Chief Financial Officer of RMCI then joined the meeting and, in response to a question from the Board, stated that after giving effect to the redemption requests, the debt of Lehman Brothers Holdings Inc. ("Lehman") held by the Primary Fund would constitute approximately 2% of the remaining assets of the Primary Fund.

Mr. Bent then advised the Trustees that RMCI and its internal counsel, as well as Mr. Goldberg and Ms. DiMartino had contacted staff members of the SEC at 8:00 AM on Tuesday to discuss certain matters. Among the SEC Staff who had participated in the call were Andrew Donahue, the Director of the SEC's Division of Investment Management, and Robert Plaze and Douglas Scheidt, Associate Directors of the Division of Investment Management. Mr. Bent II told the Board that RMCI had explained to the Staff that RMCI had considered a number of alternatives to enhance the liquidity of the Primary Fund in order to meet redemption requests. Mr. Bent II told the Trustees that he had advised the Staff that these alternatives included discussions with State Street Bank and Trust Company, the Primary Fund's custodian, about making available to the Primary Fund a line of credit or additional overdraft privileges; attempts to reach the Federal Reserve Banks of New York and Boston, respectively, to seek an infusion of cash via a discount window borrowing or otherwise; negotiations with a bank counterparty to enter into a reverse purchase agreement which would have generated approximately $5 billion in liquidity for the Primary Fund and lastly the retention of an investment banker to try to find a strategic partner to acquire some or all of the assets of the Primary Fund or to purchase Reserve Management Company for negligible consideration. Mr. Bent II told the Trustees that he had advised the SEC that none of these attempts had yet been successful. He stated that the Staff had also inquired as to whether RMCI had contacted the Investment Company Institute ("ICI") to discuss with them whether a strategic partnership or buyout of the Lehman debt was possible with the ICI or one or more of its members. Mr. Bent II stated that it had not. Ms. DiMartino and Mr. Goldberg stated, however, that they had received communications from the ICI offering it assistance.

Mr. Bent II said he had requested that the Staff consider suspending redemptions in all Reserve money funds. There was also a discussion of liquidating the Primary Fund over time. The Primary Fund's exposure to both Lehman and AIG were described to the Staff in detail. Mr. Bent II also noted that redeeming Primary Fund shareholders in-kind had been considered and rejected. He concluded by saying that the Staff did not state any conclusion in this call as to the request made to suspend redemptions.

Mr. Bent II informed the Trustees that if redemption requests were to continue on the 16th at the same high level as the day before, then the Primary Fund could be in danger of "breaking the buck" unless it received an infusion of liquidity from another source. The Trustees inquired as to what had changed so significantly from the adjournment of the September 15th Board meeting until the September 16th meeting. Mr. Bent cited the massive redemptions of the Primary Fund, the continued illiquidity in the markets and the absence of a credit support agreement that could fully protect the NAV of the Fund.

The Trustees encouraged management of RMCI to continue to pursue steps, including seeking either a cash infusion or a strategic partnership, if feasible, as soon as possible to attempt to protect the $1.00 NAV of the Primary Fund.

The Trustees then, in consultation with management of RMCI, considered actions that could be taken to protect the interests of the investors of the Primary Fund. Ms. DiMartino reminded the Trustees that under the Investment Company Act of 1940, an investment company is permitted to delay payment of redemption proceeds for up to seven days after receipt of a redemption request. In light of the illiquidity of the markets on September 15th and its continuation into September 16th, RMCI told the Trustees that it was unlikely that redemption requests from the Primary Fund could be processed by the end of the business day following the request. In fact, Mr. Bent told the Trustees the level of redemption requests for the Primary Fund appeared to be having a spillover effect onto some other Reserve Funds, which were now also experiencing heavy redemption requests. Ms. DiMartino advised that the prospectuses of the Trusts be supplemented to describe any change approved. The Trustees discussed the potential adverse consequences of the public disclosure of delays in payment of redemption proceeds. Mr. Bent reminded the Trustees that there are a number of retail investors in the Primary Fund who access their accounts via Reserve-issued checks, credit cards and debit cards. Mr. Bent II said that it would be difficult to apply the proposed delay to those transactions. The Board recognized that allowing de minimus redemptions from those accounts should not adversely affect other investors for whom redemption proceeds are not made available, provided that per account transactions are limited to $10,000. After extensive deliberation, the Trustees accepted the recommendation of RMCI that all Trusts for which the Board members serve as Trustees be supplemented to state that they may delay funding redemption requests for a period of up to seven days after the request.

The Trustees also discussed with Mr. Bent and Mr. Bent II whether the Primary Fund should engage in redemptions in-kind to satisfy unfunded redemption requests. Ms. DiMartino told the Board that the prospectuses for all the Trusts permit redemptions in-kind. She also reminded the Board of the necessity of avoiding "cherry-picking" of assets to satisfy redemptions and the need to distribute in-kind assets on a fair and equitable basis. The difficulty of distributing a pro rata "slice" of assets to redeeming investors was discussed. Mr. Strauss noted that the securities in the portfolio would have to be examined to determine if such securities were easily susceptible to redemptions in-kind and RMCI agreed to undertake such a review immediately. The Trustees, in discussing redemptions in-kind, determined that, if redemptions in-kind were going to be permitted, some threshold minimum amount should be set for redemptions in-kind in order to allow for such redemptions to be effected efficiently and on a pro rata basis.

The Trustees then considered what a minimum threshold amount for in-kind redemptions should be in light of the Trustees' stated desire to allow investors to access their money as soon as possible while ensuring that such redemptions did not disadvantage shareholders who did not redeem in-kind, and did not impose undue process burdens on RMCI in such a challenging environment. The Trustees also discussed further how to allow retail investors in the Trusts to access their accounts without allowing large amounts of cash to flow out of the Primary Fund while other investors were still awaiting the proceeds of their redemption requests. After further discussion, the Trustees, in reliance upon a recommendation from RMCI, concluded that redemptions in-kind should only be considered for investors who make a redemption request for an amount of $100 million or more. Cash redemptions should be permitted for investors who make a redemption request of up to $10,000 in the aggregate from their Reserve funds via check, debit card or ACH payment.

Therefore upon motion duly made and seconded, the Trustees, including a majority of the Independent Trustees, unanimously adopted the following resolution:

> RESOLVED, that the Prospectuses of all Trusts be supplemented to indicate that redemption proceeds may not be paid for up to seven days from the date the redemption order is received; and further
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> RESOLVED, that to the extent that redemptions in-kind are effected from the Primary Fund, the minimum size of a redemption shall be $100 million; and further
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> RESOLVED, that that Primary Fund is hereby authorized to continue to process redemptions effected through check-writing, debit cards, and ACH withdrawals in aggregate amount of $10,000 per account holder and that the Primary Fund's prospectus be supplemented to reflect this change.

The Trustees were reminded that the Primary Fund strikes a NAV at 8:30AM, 9:00AM and every hour thereafter, up to and including 5:00PM during each business day and, consequently, that the Primary Fund would be striking its next NAV at 11:00 AM. The Trustees revisited the pricing of the Lehman debt at $0.80 per each dollar value of debt. The Trustees had authorized such pricing via resolution at the 9:30 AM session of the September 15th Board meeting after discussing the matter with management of the investment adviser. Patrick Ledford, the Chief Investment Officer of the Trusts, then joined the meeting via telephone. Mr. Ledford stated that there was no indicative pricing available in the market yet that morning on the Lehman debt. There were indications that traders in the market and analysts were assessing the potential value of the Lehman debt upon maturity of the debt from a bankruptcy perspective and those indications were that it might pay out at between $0.40 and $0.60 cents on the dollar. The Trustees considered and discussed extensively whether the pricing of the Lehman debt should be changed. Management suggested that the markets were still digesting the Lehman bankruptcy and that additional indications of value could become available later in the day. The segments of Lehman's business and their values were discussed. After due consideration, the Trustees decided that the current price of $0.80 per dollar continued to be a reasonable price for the Lehman debt due to the almost complete lack of pricing activity from the markets or from the data pricing services. The Trustees directed RMCI to initiate contact with the ICI, and to continue its initiatives with the Federal Reserve Banks and strategic partners to attempt to address the liquidity needs of the Primary Fund. The Trustees instructed management of RMCI to pursue those initiatives immediately after the conclusion of this call. RMCI agreed to do so. The attendees agreed to reconvene the Board meeting at 12 Noon. The Trustees then met in executive session with their counsel.

12 Noon

The Board of Trustees reconvened the call at 12:00 PM on September 16th. In attendance were each of the participants from the 10:00 AM call. The Trustees asked Mr. Bent II to provide an update on RMCI's attempts to obtain additional liquidity or to form a strategic partnership with a third party.

Mr. Goldberg and Ms. DiMartino reported on conversations with the ICI that had occurred in the interim. They stated that while the ICI had indicated a willingness to assist and that the situation presented had been discussed with Karrie McMillan, the general counsel of the ICI, Mr. Goldberg reported that he had received a later message from the ICI and it did not appear that the ICI would be able to assist RMCI in finding a strategic partner or in arranging for a consortium of its members to purchase all or some portion of the Lehman debt. The Trustees then inquired as to what was the likelihood that the Federal Reserve Bank of New York would provide some assistance given the critical situation and the possibility that the Primary Fund could break the buck without some financial assistance. Mr. Bent II reported that he had not yet heard back from the Federal Reserve Bank. At that point, Mr. Bent II suggested that Oliver Ireland, a partner at the law firm of Morrison & Foerster LLP in Washington, D.C. who serves as the senior bank regulatory counsel to The Reserve, be conferenced in to the Board call.

Mr. Ireland joined the call and told the attendees that the Fed typically allows loans only to banks and primary broker dealers but that he was willing to assist RMCI in contacting the Fed to discuss an extension of credit to the Primary Fund. Mr. Bent II left the room and then placed a call, with the meeting attendees remaining on the line, to the office of Timothy Geithner of the Federal Reserve Bank of New York. Mr. Bent II returned and reported that the call was taken by a receptionist at the Fed and Mr. Bent II identified himself, told her the call was concerning the Primary Fund, stated that the call was urgent and that the Fund was in danger of breaking the buck. The receptionist put the call on hold for several minutes and when she returned, she promised that the information would be relayed to a responsible official immediately.

There then ensued a discussion of the continued pricing of Lehman securities at $.80 per dollar of debt. A Board member reported that the Trustees had discussed this matter extensively in executive session. A Board member stated that, given the amount of redemptions received on September 15th and the amount management reported has been received on September 16th, the Board considers it appropriate to evaluate Lehman holdings as though the Primary Fund were in a liquidation mode. Then the Board asked whether there had been any larger block sales of Lehman commercial paper. If the only sales were small, by comparison to the Fund's position, then the Board would not consider these trades as indicative of true market value and would be inclined to value the Lehman position at zero. To the extent the securities are later sold above zero, the amount could be added back into NAV. At this point, Mr. Ledford rejoined the meeting and told the Trustees that there was still no information about available trades on Lehman debt and that various firms on Wall Street were speculating that the paper might ultimately pay out from 40 to 60 cents on the dollar at its maturity date. Mr. Bent discussed that a value of zero might be undervaluing the asset given the businesses that Lehman owned. Mr. Goldberg advised that the Board's duty is to determine a fair price in good faith, but not an overly conservative price. Since investors are redeeming shares, a decision to consciously undervalue a security could result in redeeming shareholders obtaining too little in proceeds. Mr. Strauss explained that valuing Lehman at zero would be intended to ensure that the Primary Fund upon liquidation would have monies available to pay all shareholders at NAV. Mr. McKee was asked to comment on whether different accounting rules would apply to a valuation of assets in the context of a liquidation, and he responded that they would. He also noted that a single bid for a security may not be a valid benchmark for the value of that security when held by the Primary Fund, but it could be one of many relevant data points the Board could consider. In the absence of any indicative pricing in the market to decide how the Lehman debt should be priced, the Trustees considered a wide range of amounts at which to price the debt. Ms. DiMartino reminded the Board that all indications of value should be considered and that the Board should request any information from the adviser that it considers relevant. Mr. Goldberg noted that any valuation of the Lehman debt would be subject to a standard of good faith and that where the Board acted conscientiously and in good faith with an eye to the interest of shareholders, that judgment should not be subject to challenge, even if it turned out to be incorrect. Mr. McKee stated that, as an accounting matter, pricing the Lehman debt at liquidation value would require an assessment of all the facts and circumstances available to the Trustees at that time. In response to a question of the Board, Mr. McKee said that he understood that pricing services may have been pricing Lehman commercial paper at 40.

After the call, the Trustees agreed to adjourn the meeting without establishing a new price for Lehman to allow time for the Fed to respond to the call from Mr. Bent II and agreed to reconvene the meeting at 1:45 PM. The Trustees understood that pricings were occurring hourly using the previously established fair value of Lehman securities.

<u>1:45 PM</u>

The Trustees reconvened the meeting at 1:45 PM. Mr. Stephen P. Zieniewicz and all of the attendees from the noon meeting (other than Mr. Stalzer) participated as did Mr. Ireland.

Mr. Farrell discussed with the Board the level of redemptions on Monday and those received on Tuesday, aggregating approximately $44 billion. He noted that if the Lehman securities were priced at zero, the Primary Fund's NAV would be $.97. The Board discussed the fact that redemptions earlier in the day had priced at $1.00 and whether any new price would apply to those earlier redemptions. Counsel advised that under the Investment Company Act of 1940, redemptions are processed at the price next determined after receipt of a redemption order in proper form. Consequently, if the NAV is changed it would only affect shareholders redeeming since the last NAV was computed. Mr. Bent II reported that he had not yet heard back from the Fed. As Mr. Bent was speaking, he was advised by his assistant that representatives of the Fed were calling in on another line. Mr. Bent II conferenced the Fed representatives in to the Board call and explained to them that they were on the phone with the Board of Trustees of the Trusts as well as management of RMCI and outside counsel. The Fed representatives were Steven Friedman and Patrick Dryer and they identified themselves as being from the capital markets group of the Federal Reserve Bank of New York. Both Mr. Bent and Mr. Bent II explained the urgency of the situation at the Primary Fund to Mr. Friedman and Mr. Dwyer and requested that the Fed agree to provide some liquidity to the Fund so that the volume of backed up redemption requests could begin to be funded and to ensure that the Primary Fund did not break the buck. The Fed representatives took the information and said they would pass it up to the appropriate officials at the Fed as quickly as possible and respond to RMCI. The Fed officials cautioned the participants on the call not to be overly optimistic.

The Board discussed whether striking the NAV for the Primary Fund every hour was feasible going forward given the continued illiquidity in the markets resulting in the inability to fund redemption requests. After discussion, and upon a motion duly made and seconded, the Board adopted the following resolution:

> RESOLVED, that commencing September 17, 2008, the net asset value of each series of each Trust shall be calculated once per day at the time for each series noted to the Trustees; and further
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> RESOLVED, that the officers of the Trusts are directed to supplement the Trusts' prospectuses to reflect the change.

The Board then discussed the Primary Funds' holdings of securities issued by AIG, which amounted to approximately $2 billion.

The Board agreed to adjourn the meeting at approximately 2:20 PM to wait for a response from the Fed to RMCI's request for funding. The Board agreed to reconvene at 4:45 PM at which time it would again address the pricing of the Lehman debt in anticipation of striking an NAV for the Primary Fund at 5:00 PM.

<u>3:45 PM</u>

The Trustees (other than Mr. Zieniewicz) reconvened an hour earlier than originally planned in response to an urgent request from RMCI. RMCI advised the Trustees that the Fed had declined to provide any financial assistance and that total redemption requests from the Primary Fund had now reached approximately $40 billion. The Trustees then returned to the discussion of pricing the Lehman debt for purposes of the 4:00 PM NAV calculation. The Lehman debt now constituted a higher percentage of the unredeemed interests of the Primary Fund and RMCI advised the Board that it had exhausted all of its options for securing financing or other support for the Primary Fund. In light of this, the Board determined that the Primary Fund was no longer a going concern, and that the Primary Fund was in a liquidation mode. There also were no bona fide bids or trades executed over the last two days for Lehman debt. Therefore the Trustees voted to price the Lehman debt at zero. In doing so the Board recognized that the impact on NAV per share would be 3 cents, commencing with redemptions to be priced at 4:00 PM and following.

The Trustees instructed RMCI to draft a press release stating that the Lehman debt had been priced at zero and to inform investors what the 4:00 PM NAV for the Primary Fund would be after giving effect to such valuation. The Trustees agreed to reconvene at 4:15 PM to review the press release.

<u>4:15 PM</u>

The press release prepared by RMCI had been reviewed by counsel to RMCI and counsel to the Trustees. The final draft of the press release was read aloud to the Trustees by Mr. Bent II. The Trustees agreed to the wording of the press release and instructed RMCI to release it to the public immediately and immediately thereafter, to post it to the Reserve's website. RMCI agreed to do so. The press release was distributed to the press.

Respectfully submitted,

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Catherine Crowley
Secretary

Schedule A

I. The Reserve Fund

- Primary Fund
- Primary II Fund
- U.S. Government Fund
- U.S. Government II Fund
- U.S. Treasury Fund
- Reserve Liquid Performance Money Market Fund
- Treasury & Repo Fund

II. Reserve Municipal Money-Market Trust

- Interstate Tax-Exempt Fund
- California Municipal Money-Market Fund
- Connecticut Municipal Money-Market Fund
- Florida Municipal Money-Market Fund
- Massachusetts Municipal Money-Market Fund
- Michigan Municipal Money-Market Fund
- New Jersey Municipal Money-Market Fund
- Ohio Municipal Money-Market Fund
- Pennsylvania Municipal Money-Market Fund
- Virginia Municipal Money-Market Fund

III. Reserve New York Municipal Money-Market Trust

- New York Municipal Money-Market Fund

IV. Reserve Municipal Money-Market Trust II

- Arizona Municipal Money-Market Fund
- Louisiana Municipal Money-Market Fund
- Minnesota Municipal Money-Market Fund

V. Reserve Short-Term Investment Trust

- Reserve Yield Plus Fund