

New York and accepted trades in the AIM Funds from investors who are residents of the State of New York, and through firms located in the State of New York;

WHEREAS, in the course of the Investigation, documentary evidence was reviewed;

WHEREAS, AIM has cooperated in the Investigation by producing documentary evidence and identifying evidence relevant to the Investigation;

WHEREAS, based upon the Investigation, the Attorney General has determined certain practices by AIM have violated the Martin Act, § 349 of the General Business Law, and Executive Law, § 63(12);

WHEREAS, AIM has advised the New York Attorney General of its desire to resolve the Investigation;

WHEREAS, AIM agrees to reduce the management fees it charges to certain Subject Funds distributed to retail investors in the United States, to use its best efforts to implement certain changes with respect to the corporate governance of the Subject Funds, to maintain a certain compliance and ethics corporate structure, and to make certain payments; and

WHEREAS, the Attorney General finds the following sanctions appropriate and in the public interest and AIM agrees to the sanctions provided herein;

NOW, THEREFORE, the Attorney General, based upon the Investigation, makes the following findings:

FINDINGS

1. AIM is a Delaware corporation with its headquarters in Houston, Texas. AIM currently serves as the investment adviser to approximately 87 series or mutual funds. At all relevant times, AIM conducted business in the State of New York by virtue of serving as an investment adviser to series or mutual funds in which New York residents invested.

2. The Attorney General has jurisdiction over this matter pursuant to the Martin Act, GBL § 349, and Executive Law § 63 (12).

3. The findings set forth in paragraphs 26 through 45 of the Order Instituting Administrative and Cease and Desist Proceedings concerning Invesco Funds Group, Inc., AIM Advisors, Inc. and AIM Distributors, Inc. by the SEC (the "SEC Order") are incorporated herein by reference.

4. By virtue of the practices set forth in paragraphs 26 to 45 of the SEC Order, AIM violated the Martin Act, GBL § 349, and Executive Law § 63 (12).

AGREEMENT

IT NOW APPEARING THAT AIM desires to settle and resolve the Investigation without admitting or denying the Attorney General's Findings, which Findings are not binding on any other person or entity in this or any other proceeding, the Attorney General and AIM hereby enter into this Assurance of Discontinuance, pursuant to Executive Law § 63(15), and agree as follows:

I. **Affirmative Relief**

A. **Disgorgement and/or Restitution and Civil Penalty**

1. AIM or an AIM affiliate shall pay \$20 million in disgorgement and/or restitution plus a civil money penalty in the amount of \$30 million for a total payment of \$50 million, exclusive of the value of the management fee reductions provided for in section I.C. hereof. The \$50 million payment shall be remitted to and administered by the SEC in accordance with the SEC Order. Amounts ordered to be paid as civil money penalties pursuant to this Assurance of Discontinuance (i.e., pursuant to the terms of the SEC Order) shall be treated as penalties paid to the government for all purposes, including tax purposes.

2. AIM agrees that it shall not seek or accept, directly or indirectly, reimbursement or indemnification, including, but not limited to, payment made pursuant to any insurance policy, with regard to any or all of the amounts payable pursuant to this Assurance of Discontinuance. Nothing in this Assurance of Discontinuance shall: (i) prevent AIM from bringing claims (including claims for indemnity and/or contribution) against persons or entities for injuries sustained as a result of market timing or late trading; or (ii) limit or impair the rights of persons other than AIM under any applicable insurance policy.

3. No payments made or costs incurred by AIM pursuant to or in connection with this Assurance of Discontinuance shall be borne directly or indirectly by any Subject Fund or the shareholders thereof. AIM agrees and undertakes that it and its affiliates shall not directly or indirectly assess any fee or charge to any Subject Fund or

the shareholders thereof to defray, recoup or reimburse any such payments or costs, including, but not limited to, the reduction in management fees provided for in Section I.C. below. Within 15 days after the end of AIM's fiscal years 2004 through 2009, the president or chief executive officer of AIM shall certify in writing to the Attorney General that AIM has complied in all material respects with the provisions of Section I.A.

B. General Relief

1. AIM admits the jurisdiction of the Attorney General over AIM in connection with the subject matter of this Investigation. AIM will cease and desist from engaging in any acts in violation of the Martin Act, General Business Law § 349 and/or Executive Law § 63(12) and will comply with the Martin Act, General Business Law § 349 and Executive Law § 63(12).

2. A violation of this Assurance of Discontinuance by AIM shall constitute prima facie proof of violation of the Martin Act, General Business Law § 349 and Executive Law § 63(12) in any civil action or proceeding hereafter commenced by the Attorney General.

C. Reduction of Management Fee Rates for Five Years

1. AIM agrees that effective January 1, 2005, AIM and its Successors (as hereinafter defined in section II.D.8) shall establish reduced Net Management Fee Rates for certain of the Subject Funds, which Subject Funds will be identified in writing to the Attorney General on a Schedule B to this agreement within 60 days of the date of this Assurance of Discontinuance (the "Affected Funds"). "Net Management Fee Rates"

means the percentage fee rates specified in the relevant agreements between AIM or its affiliates and the Affected Funds, less waivers and reimbursements by AIM, and its affiliates, in effect as of July 1, 2004, which rates are set forth on Schedule B. The reduced Net Management Fee Rates shall result in a reduction of \$15 million a year based upon assets under management of the Affected Funds as of July 1, 2004, for a total reduction over five years of \$75 million from that which would have been paid by the Affected Funds based on the Net Management Fee Rates and assets under management of the Affected Funds as of July 1, 2004. AIM further agrees that the reduced Net Management Fee Rates established pursuant to this paragraph shall not be increased through December 31, 2009.

2. AIM represents and warrants that Schedule B will accurately and completely state: (a) assets under management by the Affected Funds as of July 1, 2004; (b) the Net Management Fee Rates for the Affected Funds as of July 1, 2004; and (c) the reduced Net Management Fee Rates and the resulting Net Management Fee reduction of \$75 million as provided in paragraph I.C.1. above.

D. Corporate Governance of Mutual Funds

1. On or after January 1, 2005, AIM shall not directly or indirectly manage or provide investment advisory services to any Subject Fund that has not agreed to and implemented the provisions of section I of this Assurance of Discontinuance insofar as they concern acts by the Subject Fund. AIM shall not be deemed to manage or advise a fund for which it is a sub-adviser retained or overseen by another investment adviser that is not an affiliated person of AIM and for which AIM or any affiliated person

of AIM does not act as underwriter or administrator (as such terms are defined in the Investment Company Act of 1940 (“Investment Company Act”) or the rules and regulations promulgated thereunder). In the event that any Subject Fund to which AIM provides direct or indirect management or investment advisory services ceases to continue to act in accordance with such provisions, AIM shall promptly terminate its management of, and/or provision of advisory services to, such Subject Fund. Any such termination will be made in accordance with the terms of AIM’s investment advisory agreement with such Subject Fund, in accordance with the provisions of the Investment Company Act of 1940 (15 U.S.C. 80a-1, et seq.) and the Investment Advisers Act of 1940 (15 U.S.C. 80b-1, et seq.) (collectively, the “40 Acts”), and within 180 days, unless this period is extended by agreement of the parties to this Assurance of Discontinuance. For purposes of this subsection D, Subject Fund includes any mutual fund into which any Subject Fund is merged or its assets are transferred, or any reorganized mutual fund into which the assets of any Subject Fund are transferred.

Chairman of the Board

2. AIM may manage or advise a Subject Fund only if the Chairman of the Board of Trustees of such Subject Fund is in all respects independent of AIM and its affiliates and has had no prior relationship (other than a purely social relationship), at any time, with AIM, its present or former affiliates, directors, officers, employees or agents acting in their capacity as such agents, or with such Subject Fund (other than to have been a Subject Fund trustee) (hereinafter referred to as an “Impermissible Relationship”), provided however, that in the event of the death, resignation, or removal

by the Subject Fund's Board of Trustees of such Chairman, the Subject Fund's Board of Trustees will, as soon as practicable and in no case later than 120 days after such death, resignation, or removal, appoint as a replacement a chairman who has no Impermissible Relationship, provided further that until such appointment the Chairman of the Subject Fund's Board of Trustees shall be a trustee who satisfies the criteria set forth in paragraph 4 below. An Impermissible Relationship includes, but is not limited to, any of the following types of relationships: (a) substantial commercial, banking or financial relationship, other than as an owner of shares of an AIM or AIM-affiliated mutual fund or closed-end fund on customary terms; or (b) any attorney-client, accounting, consulting, advisory, familial, charitable, employee, director, trustee or officer relationship; provided, however, a charitable relationship shall not be deemed an Impermissible Relationship if the charitable relationship is disclosed to the Board of Trustees. During the period when acting as Chairman, the Chairman and any firm with which he or she is affiliated shall have no such Impermissible Relationship. For a period of two years following the conclusion of the Chairman's services as such, AIM and its affiliates shall not enter into any substantial commercial, banking or financial relationship or any attorney-client, accounting, consulting, or advisory relationship with the Chairman or with any firm with which the Chairman was affiliated while Chairman; provided that nothing herein shall prevent AIM and its affiliates from advising a mutual fund or a closed-end fund of which the Chairman serves as a member of the Board or of which the Chairman owns shares on customary terms. An interested person of AIM or of a Subject Fund shall not be deemed "independent." For purposes of this Assurance of Discontinuance, "interested person"

has the same meaning as defined in the Investment Company Act, and “familial” means all individuals within three degrees of consanguinity or affinity.

3. In the event that AIM desires input from the Attorney General as to whether a proposed Chairman of the Board of Trustees (or Senior Officer, as defined below) has a relationship that is an Impermissible Relationship, AIM may make full disclosure of the facts and circumstances and seek the prior guidance of the Attorney General; provided, however, that nothing contained herein shall be construed to excuse a breach of this Assurance of Discontinuance where a Chairman or Senior Officer (as defined below) has already assumed office before the input of the Attorney General was sought by AIM.

Trustees

4. AIM may manage or advise a Subject Fund only if at least seventy-five percent of the members of a Subject Fund’s Board of Trustees: (a) are not interested persons, as defined by the Investment Company Act, of AIM or any of its affiliates; and (b) have not been directors, officers or employees of AIM at any point during the preceding 10 years (“Independent Members”). In the event that a Subject Fund’s Board of Trustees fails to meet this requirement at any time due to the death, resignation, retirement or removal of any Independent Member, AIM shall terminate its management of, and provision of advisory services to, a Subject Fund unless the Independent Members bring a Subject Fund’s Board of Trustees into compliance within a reasonable period of time as provided under the provisions of the ’40 Acts, not to exceed 120 days

(or 180 days if a shareholder vote is necessary), unless extended by written agreement of the parties to this Assurance of Discontinuance.

Senior Officer

5. Within 30 days of the parties' execution of this Assurance of Discontinuance, AIM shall recommend in writing to the Board of Trustees of each Subject Fund that the Subject Fund appoint a full-time senior officer ("Senior Officer") with the title of at least Senior Vice President, which appointment shall take effect no later than February 15, 2005 and who shall have no Impermissible Relationship (as defined above) during the period he or she is acting as Senior Officer; provided, however, that a Subject Fund's Senior Officer may be technically employed and paid by AIM or an affiliate and be the same person the Subject Fund designates as the Chief Compliance Officer of the Subject Fund pursuant to Rule 38a-1(a)(4) of the Investment Company Act, 17 C.F.R. 270.38a-1(a)(4), so long as such person is not also employed by AIM or an affiliate of AIM pursuant to Rule 206(4)-7 of the Investment Advisers Act, 17 C.F.R. 275.206(4)-7, or has any duties or responsibilities other than as Chief Compliance Officer of the Subject Fund pursuant to Rule 38a-1(a)(4) and Senior Officer of the Subject Fund pursuant to this Assurance of Discontinuance. The Senior Officer may serve as Senior Officer to more than one Subject Fund. For a period of two years following conclusion of the Senior Officer's services as such, AIM and its affiliates shall not enter into any substantial commercial, banking or financial relationship or any attorney-client, accounting, consulting, or advisory relationship with the Senior Officer or with any firm with which the Senior Officer was affiliated while Senior Officer.

6. AIM may manage or advise a Subject Fund only if the Senior Officer of the Subject Fund acknowledges that he or she owes a fiduciary duty to the Board of Trustees of the Subject Fund and to the shareholders of the Subject Fund, and only if he or she reports directly to the Board of Trustees of the Subject Fund and such reporting is as often as may be appropriate, but no less than quarterly.

7. AIM may manage or advise a Subject Fund only if, subject to approval by the Independent Members of the Subject Fund's Board of Trustees, the Senior Officer has the authority to retain or consult consultants, experts or staff as may be reasonably necessary to assist the Senior Officer in the performance of his or her duties. The Senior Officer and such consultants, experts or staff shall be compensated at their reasonable and customary rates as determined by the Independent Members of the Board of Trustees of the Subject Fund. The Senior Officer may be terminated only with the approval of a majority of the Independent Members of the Subject Fund's Board of Trustees.

8. AIM may manage or advise a Subject Fund only if the duties and responsibilities of the Subject Fund's Senior Officer include at least the following:

(a) monitoring compliance by the Subject Fund and its investment advisors (insofar as the advisors act in connection with the Subject Fund), with: (i) applicable federal and state securities laws; (ii) applicable state laws respecting potential or actual conflicts of interests; (iii) their respective fiduciary duties; and (iv) applicable codes of ethics and/or compliance manuals; and

(b) managing the process by which proposed management fees (including, but not limited to, advisory fees) to be charged a Subject Fund are negotiated so that they are negotiated in a manner which is at arms' length and reasonable and consistent with this Assurance of Discontinuance. Proposed management fees include, but are not limited to, renewal of existing management fee agreements or continuation of such existing fee agreements for more than a year after approval by a Subject Fund's Board of Trustees.

9. AIM may manage or advise a Subject Fund only if the reasonableness of the proposed management fees is determined by the Board of Trustees of the Subject Fund using either:

(a) an annual competitive bidding process, supervised by the Senior Officer, that includes at least three sealed bids with proposed management fees; or

(b) an annual independent written evaluation prepared by or under the direction of the Senior Officer that considers at least the following:

(i) management fees (including any components thereof) charged to institutional and other clients (e.g., a variable annuity that is a clone of the Subject Fund) of AIM for like services; (ii) management fees (including any components thereof) charged by other mutual fund companies for like services; (iii) costs to AIM and its affiliates of supplying services pursuant to the management fee agreements, excluding any intra-corporate profit; (iv) profit margins of AIM and its affiliates from supplying such services; (v) possible economies of scale as the Subject Fund grows larger; and (vi) the nature and quality of AIM's services, including Subject Fund performance.

10. AIM may manage or advise a Subject Fund only if the Subject Fund's Senior Officer keeps the Subject Fund's Board of Trustees fully and promptly informed of the bidding process or the fee evaluation process, as the case may be.

11. AIM may manage or advise a Subject Fund only if it cooperates fully and promptly with the Subject Fund's Senior Officer and provides any information (including preparation of summaries or other compilations of data) and documents in the possession, custody or control of AIM that the Senior Officer requests and that relate to or concern any of the matters referenced in this section. AIM shall promptly provide the Senior Officer with access to any director, officer or employee of AIM and use its best efforts to cause such persons to answer any and all inquiries put to them by the Senior Officer that relate to or concern any such matters.

12. AIM may manage or advise a Subject Fund, after February 15, 2005, only if the Subject Fund has hired and continues to employ the Subject Fund's Senior Officer. In the event of the death, resignation, or removal by the Subject Fund's Board of Trustees of a Senior Officer, AIM may continue to manage or advise such Subject Fund provided that the Subject Fund's Board of Trustees appoints a replacement within 120 days following such death, resignation, or removal. On or after February 15, 2005, AIM shall provide a written schedule to the Attorney General that identifies the name of the Subject Fund's Senior Officer and describes his or her background and compensation. AIM shall keep the information on the schedule current and provide an updated schedule to the New York State Attorney General within 10 days of any change in such information.

13. No later than 15 days after the Board of Trustees of the Subject Fund has completed its review of the written fee evaluation provided for in section I.D.9.(b) and approved a new advisory agreement or continuation of the presently existing advisory agreement, AIM shall publicly disclose a summary of such evaluation and any opinions or conclusions arising from or included in the evaluation (hereinafter referred to as the "Fee Summary"). The Fee Summary shall discuss the factors referenced in section I.D.9.(b) and sufficient specifics so that an investor in a Subject Fund can evaluate the reasonableness of the fees; provided, however, that the Fee Summary shall not be required to include or reveal confidential, competitively sensitive data, such as (but not limited to) institutional fee rates, internal costs and profit margins. Public disclosure shall include, at least: (a) continuous, prominent posting (in downloadable format) on the Subject Fund's website of Fee Summaries of at least the two most recent fee evaluations as part of the Subject Fund description; (b) delivery or incorporation of the Fee Summary of the most recent fee evaluation with the next-delivered report furnished to shareholders in accordance with the Investment Company Act; and (c) prominent notice of the availability of the Fee Summary in the periodic account statements (if any) furnished by the Subject Fund to individual direct investors.

E. Disclosure to Investors

AIM shall bear the costs for developing procedures, to be implemented by March 30, 2005, whereby AIM, in an easy to understand format, shall:

(1) include with each periodic account statement a Subject Fund sends to investors, beginning with the statement for the period ending March 31, 2005: (a) the

fees and costs, in actual dollars, on a fund-by-fund basis, charged to each investor based upon the investor's most recent quarterly closing balance; and (b) the fees and costs, in actual dollars, that would be charged a hypothetical investment of \$10,000 held for the next 10 years and the impact of such fees and costs on fund returns for each year and cumulatively, assuming a 5% return for each year and continuation of the reduced Net Management Fee Rates provided in section I.C. above for the disclosures made during the period through December 31, 2009 and assuming for disclosures made after December 31, 2009, a 5% return for each year and the then current Net Management Fee Rates;

(2) maintain continuous, prominent posting on its website of: (a) a calculator that will enable an investor to calculate the fees and costs, in actual dollars, on a fund-by-fund basis, charged to each investor based upon the investor's most recent quarterly closing balance; and (b) the fees and costs, in actual dollars, that would be charged a hypothetical investment of \$10,000 held for the next 10 years and the impact of such fees and costs on fund returns for each year and cumulatively, assuming a 5% return for each year and continuation of the reduced Net Management Fee Rates provided in section I.C. above for the disclosures made during the period through December 31, 2009 and assuming for disclosures made after December 31, 2009, a 5% return for each year and the then current Net Management Fee Rates; and

(3) Subject to SEC approval, disclose in the applicable prospectus or amendment thereto a summary showing the fees and costs, in actual dollars, that would be charged a hypothetical investment of \$10,000 held for the next 10 years and the

impact of such fees and costs on fund returns for each year and cumulatively, assuming a 5% return for each year and continuation of the reduced Net Management Fee Rates provided in section I.C. above for the disclosures made during the period through December 31, 2009 and assuming for disclosures made after December 31, 2009, a 5% return for each year and the then current Net Management Fee Rates.

II. **Other Provisions**

A. **Scope of This Assurance of Discontinuance**

1. This Assurance of Discontinuance concludes the Investigation brought by the Attorney General and any action the Attorney General could commence against AIM, any of its current corporate affiliates, or the Subject Funds arising from or relating to the subject matter of the Investigation; provided, however, that nothing contained in this Assurance of Discontinuance shall be construed to cover claims of any type by any other state agency or any claims that may be brought by the Attorney General to enforce AIM's obligations arising from or relating to the provisions contained in this Assurance of Discontinuance. This Assurance of Discontinuance shall not prejudice, waive or affect any claims, rights or remedies of the Attorney General with respect to any person or entity other than AIM, its current corporate affiliates or the Subject Funds.

2. If AIM does not make the payments as provided in section I.A. of this Assurance of Discontinuance (i.e., pursuant to the SEC Order) or the Net Management Fee reductions as provided in section I.C. of this Assurance of Discontinuance, or AIM commits a breach of any of its obligations under this Assurance of Discontinuance, the Attorney General may terminate this Assurance of

Discontinuance, at his sole discretion, upon written notice to AIM, followed by AIM's failure to cure such breach within a reasonable time, and AIM agrees that any statute of limitations or other time related defenses applicable to the subject of the Investigation and any claims arising from or relating thereto are tolled from and after December 31, 2003. In the event of such termination, AIM expressly agrees and acknowledges that this Assurance of Discontinuance shall in no way bar or otherwise preclude the Attorney General from commencing, conducting or prosecuting any investigation, action or proceeding, however denominated, related to the Investigation, against AIM, or from using in any way any statements, documents or other materials produced or provided by AIM after commencement of the Investigation, including, without limitation, any statements, documents or other materials provided for purposes of settlement negotiations.

3. For any person or entity not a party hereto, this Assurance of Discontinuance does not prohibit, limit or create: (a) any private rights or remedies against AIM; (b) liability of AIM; or (c) defenses of AIM, its current or former affiliates, or their respective heirs, successors, executors, administrators, and assigns to claims asserted by any person or entity not a party hereto.

4. This Assurance of Discontinuance is not intended by the Attorney General to subject AIM or any of its affiliates to any disqualifications under the laws of any state, the District of Columbia, Puerto Rico or territory (collectively, "State"), including, without limitation, any disqualifications from relying upon the State registration exemptions or State safe harbor provisions.

5. The SEC Order, assurances of discontinuance entered into or orders issued by the Attorney General of the State of Colorado or the Colorado Division of Securities, respectively, and this Assurance of Discontinuance, and any order of any other State in related proceedings against AIM or its affiliates (collectively, the "Settlement Documents") shall not disqualify AIM or its affiliates from any business that they otherwise are qualified, licensed or permitted to perform under the applicable law of the State of New York and any disqualifications from relying upon this state's registration exemptions or safe harbor provisions that arise from the Settlement Documents are hereby waived.

B. Cooperation

1. AIM, its current affiliates, and its successors, assigns, and/or purchasers of all or substantially all its assets ("AIM Entities") agree to cooperate fully and promptly with the Attorney General with regard to any investigation, litigation or other proceeding initiated by the Attorney General or to which the Attorney General is a party, whether pending or subsequently initiated, relating to market timing or late trading. The AIM Entities shall use their best efforts to ensure that all the current and former officers, directors, trustees, agents and employees of the AIM Entities and/or the Subject Funds also fully and promptly cooperate with the Attorney General.

2. Cooperation shall include, without limitation:

(a) production, voluntarily and without service of subpoena, of all documents or other tangible evidence requested by the Attorney General and any compilations or summaries of information or data that the Attorney General requests be

prepared, with the exception of any information or documents with respect to which the AIM Entities have a legal or presently existing contractual obligation of confidentiality to persons or entities who are not parties to this Assurance of Discontinuance (“Confidential Information”) and information or documents protected by the attorney-client and/or work product privileges (“Privileged Information”);

(b) without the necessity of a subpoena, having the current officers, directors, trustees, agents and employees of the AIM Entities attend any proceedings in New York State or elsewhere at which the presence of any such persons is requested by the Attorney General and having such current officers, directors, trustees, agents and employees answer any and all inquiries that may be put by the Attorney General to any of them at any proceedings or otherwise (“proceedings” include, but are not limited to, any meetings, interviews, depositions, hearings, trials or other proceedings), except to the extent to which such inquiries call for the disclosure of Confidential Information or Privileged Information;

(c) the AIM Entities using their best efforts to cause then current and former trustees and agents of the Subject Funds and former officers, directors, trustees, agents and employees of the AIM Entities to attend any proceedings in New York State or elsewhere at which the presence of any such persons is requested by the Attorney General and to answer any and all inquiries that may be put by the Attorney General to any of them at any proceedings or otherwise, except to the extent to which such inquiries call for the disclosure of Confidential Information or Privileged Information;

(d) fully, fairly and truthfully disclosing all information and producing all records and other evidence in its possession relevant to all inquiries made by the Attorney General, except to the extent to which such inquiries call for the disclosure of Confidential Information or Privileged Information;

(e) making AIM's outside counsel reasonably available to provide comprehensive presentations concerning any internal investigation relating to all matters in this Assurance of Discontinuance and to answer questions, except to the extent to which such presentations or questions call for the disclosure of Confidential Information or Privileged Information.

3. All communications relating to cooperation pursuant to this Assurance of Discontinuance may be made to AIM's attorneys as follows:

Debevoise & Plimpton LLP
919 Third Avenue
New York, New York 10022
Attention: Robert N. Shwartz, Esq.
Tel: (212) 909-6850
Fax: (212) 909-6836

with a copy to:

A I M Advisors, Inc.
11 Greenway Plaza
Houston, TX 77046
Attention: General Counsel

4. In the event that any of the AIM Entities fails to comply with this section of the Assurance of Discontinuance, the Attorney General, after written notice and a 15-day opportunity to cure, shall be entitled, in addition to any other remedies in

the Assurance of Discontinuance or otherwise, to: (a) liquidated damages of \$100,000 for each day that any of the AIM Entities is in non-compliance; and (b) specific performance.

C. No Indemnification

1. Except as otherwise required by law or presently existing written agreement, including, but not limited to, presently existing articles of incorporation and presently existing bylaws of AIM and/or its affiliates, AIM shall not make any payments of indemnification or allowances of expenses respecting “market timing” and “late trading” transactions to any person, including, without limitation, current or former directors, officers, employees or agents. However, any such payments by AIM required by applicable law or by such presently existing written agreements shall be payable at the time and in the manner of AIM’s choosing.

2. Nothing in this Assurance of Discontinuance shall prevent or limit AIM from indemnifying the Subject Funds or their successors in connection with any business combination, merger or otherwise.

D. Miscellaneous Provisions

1. This Assurance of Discontinuance and any dispute related thereto shall be governed by the laws of the State of New York without regard to any conflicts of laws principles.

2. No failure or delay by the Attorney General in exercising any right, power or privilege hereunder shall operate as a waiver thereof nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of

any other right, power or privilege. The rights and remedies provided herein shall be cumulative.

3. AIM consents to the jurisdiction of the Attorney General in any proceeding or action to enforce this Assurance of Discontinuance.

4. AIM enters into this Assurance of Discontinuance voluntarily and represents that no threats, offers, promises or inducements of any kind have been made by the Attorney General or any member, officer, employee, agent or representative of the Attorney General to induce AIM to enter into this Assurance of Discontinuance.

5. AIM agrees not to take any action or to make or permit to be made any public statement denying, directly or indirectly, any finding in this Assurance of Discontinuance or creating the impression that this Assurance of Discontinuance is without factual basis. Nothing in this paragraph affects AIM's: (a) testimonial obligations; or (b) right to take legal or factual positions in defense of litigation or in defense or prosecution of other legal proceedings in which the Attorney General is not a party.

6. This Assurance of Discontinuance may be changed, amended or modified only by a writing signed by all parties hereto.

7. This Assurance of Discontinuance, together with the attached schedules, constitutes the entire agreement between the Attorney General and AIM and supersedes any prior communication, understanding or agreement, whether written or oral, concerning the subject matter of this Assurance of Discontinuance.

8. This Assurance of Discontinuance shall be binding upon AIM and its successors, assigns, and/or purchasers of all or substantially all its assets (“Successors”) for as long as AIM or any Successor continues to provide investment advisory services to the Subject Funds or any successors thereof (including any funds with which a Subject Fund is merged or into which its assets are transferred, or any reorganized mutual fund into which the assets of an Subject Fund are transferred)provided, however, that any Successor to AIM may petition the Attorney General and obtain relief from such undertakings.

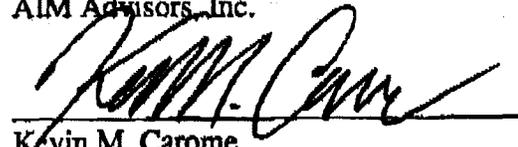
9. This Assurance of Discontinuance shall be effective and binding only when this Assurance of Discontinuance is signed by all parties. This Assurance of Discontinuance may be executed in one or more counterparts, each of which shall be deemed an original but all of which together shall constitute one instrument.

WHEREFORE, the following signatures are affixed hereto on the dates set forth below.

Dated: October 7, 2004

AIM Advisors, Inc.

By



Kevin M. Carome
Senior Vice President

ACKNOWLEDGMENT

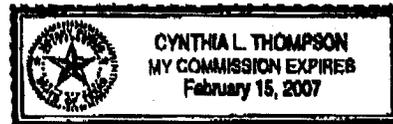
STATE OF TEXAS)

:ss.

COUNTY OF HARRIS)

On this 7th day of October, 2004, before me personally came Kevin M. Carome, known to me, who, being duly sworn by me, did depose and say that he is Senior Vice President of AIM Advisors, Inc., the entity described in the foregoing Assurance of Discontinuance, is duly authorized by its Board of Directors to execute the same, and that he signed his name in my presence by like authorization.

Cynthia L. Thompson
Notary Public
My commission expires: 2-15-2007



Dated: October 7, 2004

ELIOT SPITZER,
Attorney General of the State of New York

By: Roger L. Waldman
Roger L. Waldman
Senior Enforcement Counsel
Investment Protection Bureau

Dated: October 8, 2004

Schedule A
AIM/INVESCO Funds

AIM COMBINATION STOCK & BOND FUNDS

INVESCO Core Equity Fund
INVESCO Total Return Fund

AIM COUNSELOR SERIES TRUST

INVESCO Advantage Health Sciences Fund
INVESCO Multi-Sector Fund

AIM EQUITY FUNDS

AIM Aggressive Growth Fund
AIM Basic Value II Fund
AIM Blue Chip Fund
AIM Capital Development Fund
AIM Charter Fund
AIM Constellation Fund
AIM Core Strategies Fund (**Incubator Fund**)
AIM Dent Demographic Trends Fund
AIM Diversified Dividend Fund
AIM Emerging Growth Fund
AIM Large Cap Basic Value Fund
AIM Large Cap Growth Fund
AIM Mid Cap Growth Fund
AIM U.S. Growth Fund (**Incubator Fund**)
AIM Weingarten Fund

AIM FLOATING RATE FUND

AIM FUNDS GROUP

AIM Balanced Fund
AIM Basic Balanced Fund
AIM European Small Company Fund
AIM Global Value Fund
AIM International Emerging Growth Fund
AIM Mid Cap Basic Value Fund
AIM Premier Equity Fund
AIM Select Equity Fund
AIM Small Cap Equity Fund

AIM GROWTH SERIES

AIM Aggressive Allocation Fund

AIM Basic Value Fund
AIM Conservative Allocation Fund
AIM Global Equity Fund
AIM Mid Cap Core Equity Fund
AIM Moderate Allocation Fund
AIM Small Cap Growth Fund

AIM INTERNATIONAL MUTUAL FUNDS

AIM Asia Pacific Growth Fund
AIM European Growth Fund
AIM Global Aggressive Growth Fund
AIM Global Growth Fund
AIM International Growth Fund
INVESCO International Core Equity Fund

AIM INVESTMENT FUNDS

AIM Developing Markets Fund
AIM Global Health Care Fund
AIM Libra Fund
AIM Trimark Endeavor Fund
AIM Trimark Fund
AIM Trimark Small Companies Fund

AIM INVESTMENT SECURITIES FUNDS

AIM High Yield Fund
AIM Income Fund
AIM Intermediate Government Fund
AIM Limited Maturity Treasury Fund
AIM Money Market Fund
AIM Municipal Bond Fund
AIM Real Estate Fund
AIM Short Term Bond Fund
AIM Total Return Bond Fund

AIM SECTOR FUNDS

INVESCO Energy Fund
INVESCO Financial Services Fund
INVESCO Gold & Precious Metals Fund
INVESCO Health Sciences Fund
INVESCO Leisure Fund
INVESCO Technology Fund
INVESCO Utilities Fund

AIM SELECT REAL ESTATE INCOME FUND

AIM SPECIAL OPPORTUNITIES FUNDS

AIM Opportunities I Fund
AIM Opportunities II Fund
AIM Opportunities III Fund

AIM STOCK FUNDS

INVESCO Dynamics Fund
INVESCO Mid-Cap Growth Fund
INVESCO Small Company Growth Fund
INVESCO S&P 500 Index Fund

AIM SUMMIT FUND

AIM TAX-EXEMPT FUNDS

AIM High Income Municipal Fund
AIM Tax-Exempt Cash Fund
AIM Tax-Free Intermediate Fund

AIM TREASURER'S SERIES TRUST

INVESCO Stable Value Fund
INVESCO Treasurer's Money Market Reserve Fund
INVESCO Treasurer's Tax-Exempt Reserve Fund
INVESCO U.S. Government Money Fund

AIM VARIABLE INSURANCE FUNDS

AIM V.I. Aggressive Growth Fund
AIM V.I. Balanced Fund
AIM V.I. Basic Value Fund
AIM V.I. Blue Chip Fund
AIM V.I. Capital Appreciation Fund
AIM V.I. Capital Development Fund
AIM V.I. Core Equity Fund
AIM V.I. Dent Demographic Trends Fund
AIM V.I. Diversified Income Fund
AIM V.I. Government Securities Fund
AIM V.I. Growth Fund
AIM V.I. High Yield Fund
AIM V.I. International Growth Fund
AIM V.I. Large Cap Growth Fund
AIM V.I. Mid Cap Core Equity Fund
AIM V.I. Money Market Fund

AIM V.I. Real Estate Fund
AIM V.I. Premier Equity Fund
AIM V.I. Small Cap Equity Fund
INVESCO VIF-Core Equity Fund
INVESCO VIF-Dynamics Fund
INVESCO VIF-Financial Services Fund
INVESCO VIF-Health Sciences Fund
INVESCO VIF-Leisure Fund
INVESCO VIF-Small Company Growth
INVESCO VIF-Technology Fund
INVESCO VIF-Total Return Fund
INVESCO VIF-Utilities Fund

SHORT-TERM INVESTMENTS TRUST

Cash Assets Portfolio
Government & Agency Portfolio
Government Tax Advantage Portfolio
Liquid Assets Portfolio
STIC Prime Portfolio
Treasury Portfolio

TAX-FREE INVESTMENT TRUST

Tax-Free Cash Reserve Portfolio