

Adopted: December 11, 2004

AQUILA ROCKY MOUNTAIN EQUITY FUND
NOMINATING COMMITTEE CHARTER

The Nominating Committee (the "Committee") consists of all of the Independent Trustees of the Fund.

The goal of the Nominating Committee is to develop and maintain, by its selections and nominations for Trustee, a Board of high quality, independence and integrity to best serve the interests of shareholders and the Fund.

The Independent Trustees of the Fund are those Trustees who are not "interested persons" of the Fund, as that term is defined in the Investment Company Act of 1940.

There shall be a Chair of the Committee, who shall be elected annually by the Members thereof. Until the first such election, the Chair of the Independent Trustees of the Fund shall be the Chair of the Committee.

The Committee will meet as called by the Chair, but at least annually. At any meeting of the Committee a majority of its members will constitute a quorum, and all action shall be by majority of those present.

The Committee will determine all nominations of candidates for election to the Board of Trustees, and no person shall be elected a Trustee unless selected as a nominee by the Nominating Committee, except for nominations by shareholders as specified by applicable law. All elections of Trustees are either by shareholders or by the Board of Trustees.

Selections by the Committee will be made in accordance with the Statement of Policy for Selecting Trustees ("Statement of Policy"), attached as Appendix A. The Committee will periodically review the Statement of Policy, which may from time to time be revised by the Committee.

Although nomination of Independent Trustees is committed solely to the discretion of the Independent Trustees, as stated in the Distribution Plan of the Fund, that does not prevent the involvement of others in such nomination if the final decision on any such nomination is subject to approval by a majority of the Committee. Involvement by others shall be in a manner determined from time to time by the Committee.

The Committee will consider nominee candidates properly submitted by stockholders in accordance with applicable law, the Fund's Declaration of Trust or By-laws, resolutions of the Board and the qualifications and procedures set forth in this Charter (including Appendix A) and the Fund's proxy statement, if any. The

Committee will evaluate nominee candidates properly submitted by stockholders on the same basis as it considers and evaluates candidates recommended by other sources.

The Statement of Policy will be available on the Fund's web site at www.aquilafunds.com

AQUILA ROCKY MOUNTAIN EQUITY FUND
STATEMENT OF POLICY
FOR SELECTING TRUSTEES

The Nominating Committee of the Board of Trustees has adopted this Statement of Policy to set forth the appropriate criteria for selecting Trustees of the Fund.

The Nominating Committee shall:

As to Overall Composition of the Board

- Maintain an appropriate ratio between the Independent and the Interested Trustees, in accordance with applicable laws and regulations.
- Seek Board composition providing relevant talents from a broad range of backgrounds and personal qualities consistent with those considered under "Individual Characteristics of Trustees" below.
- Seek Board composition that reflects an appropriate balance between the region-specific nature of the Fund and its participation in the Aquilasm Group of Funds, by giving appropriate consideration to
 - Nominees' region-specific knowledge, involvement and residence.
 - Nominees' service and experience as Trustees of other funds in the Aquilasm Group of Funds.

As to Individual Characteristics of Trustees:

- Nominate as Trustees people with the broad and relevant experience, sound judgment and conscientious attitude needed to discharge the duties of Trustee.
- Consider as candidates people who have personal qualities and traits that facilitate forthright, articulate, objective and thoughtful dialogue among Trustees, management and shareholders.
- Consider persons whose professional experience and community profile can be expected to enhance investor confidence in the Fund and the stature of the Board.

- Seek as new Trustees those who will be capable of serving for a substantial period.
- Seek as Nominees those who will actively prepare for and participate in person in the exercise of the Board's responsibilities, including the Board's self-evaluation.

**As to the Respective Roles of Independent
And Interested Trustees:**

For Independent Trustees:

- Select nominees who will exercise sound and realistic business judgment representing the interests of shareholders in the oversight of the Fund.
- Expect that because of potentially divergent interests of other entities participating in the affairs of the Fund, Independent Trustees will play a role which, while active, participatory and collegial, will also be diligent and if necessary adversarial in pursuing the best interests of the Fund and the shareholders.
- Consider, as appropriate, nominating candidates for the office of Independent Trustee with specific qualifications as conditions change.
- Select individuals who not only qualify as not being “interested persons” under the Investment Company Act of 1940, but also qualify under two additional requirements which are similar but not identical:
 - The requirement of the Distribution Plan of the Fund that it be approved initially, and annually thereafter, by the Trustees who are Independent Trustees and “have no direct or indirect financial interest in the operation of the plan or in any agreements related to the plan”; and
 - The requirement under the Sarbanes-Oxley Act of 2003 that members of the Audit Committee, which in the case of the Fund consists of all Independent Trustees of the Fund, do not accept any consulting, advisory, or other compensatory fee from the Fund.

For Interested Trustees:

- Select nominees, while applying those standards applicable to all Trustees,
 - who may be expected fairly and reasonably to benefit Board deliberations by reason of intensive knowledge of and responsibility for the operations of the Fund and its service providers; or
 - who otherwise bring special and relevant qualifications or talents to the Board.

Nominating Committee Procedures: In considering nominations for election to the Board of Trustees the Nominating Committee shall, when appropriate:

- Seek to identify possible candidates by soliciting recommendations from a broad range of participants involved in and knowledgeable about funds and board oversight, including Board members, management, community leaders and shareholders.
- Interview and otherwise screen candidates for independent Trustee of the Fund, including fitness as to specific qualifications needed, and present nominations to the Board for election by the Board or by shareholders, as the case may be.