AGENDA

Budget and Finance Committee Meeting
Tuesday, June 18, 2019, 3:00 p.m.
DART Conference Room C - 1st Floor
1401 Pacific Ave., Dallas, Texas 75202

1. Approval of Minutes: May 28, 2019
2. Call for Public Hearing and Approval to Submit FY 2019 and FY 2020 Federal Transit Administration (FTA) Grant Applications (Paul N. Wageman/Gary Thomas)
3. Approval of Agreements with Texas Cooperative Liquid Assets Securities System Trust (CLASS) and TexasTERM Local Government Investment Pools for Cash Investment Needs (Paul N. Wageman/Gary Thomas)
6. *Update on Activities Relating to Financing of Cotton Belt Regional Rail Project (Paul N. Wageman/Gary Thomas)
8. Identification of Future Agenda Items
9. Adjournment

*This Is A Briefing Item Only

The Budget and Finance Committee may go into Closed Session under the Texas Open Meetings Act, Section 551.071, Consultation with Attorney, for any legal issues, under Section 551.072 Deliberation Regarding Real Property for Real Estate issues, arising or regarding any item listed on this Agenda.

This facility is wheelchair accessible. For accommodations for the hearing impaired, sign interpretation is available. Please contact Community Affairs at 214-749-2543, 48 hours in advance.

Chair – Paul N. Wageman
Vice Chair – Jon-Bertrell Killen
Members – Mark Enoch, Ray Jackson, Patrick J. Kennedy, Michele Wong Krause, Gary Slagel, and Lissa Smith
Staff Liaison – Gary Thomas
MINUTES
DALLAS AREA RAPID TRANSIT
BUDGET AND FINANCE COMMITTEE MEETING
May 28, 2019

The Dallas Area Rapid Transit Budget and Finance Committee meeting convened at 3:05 p.m., Tuesday, May 28, 2019, at DART Headquarters, 1401 Pacific Avenue, Dallas, Texas, with Chair Wageman presiding.

The following Committee members were present: Paul N. Wageman, Jon-Bertrell Killen, Ray Jackson, Patrick J. Kennedy, Michele Wong Krause, and Gary Slagel.

Other Board members present: Doug Hrbacek, and Dominique P. Torres.

Others present: Gary Thomas, Gene Gamez, Joseph Costello, Dwight Burns, Todd Plesko, Steve Salin, Nicole Fontayne-Bardowell, Katina Morch-Pierre, John Adler, Chris Koloc, Donna Henry, Nancy Johnson, and Josefina Chavira.

1. **Approval of Minutes: April 23, 2019**

   Ms. Wong Krause made a motion to approve the Minutes from the April 23, 2019, Budget and Finance Committee Meeting and enter into record as written.

   Mr. Jackson seconded and the item was approved by a unanimous vote.

2. **Review of Quarterly Disclosure Update as of March 31, 2019**

   Mr. Dwight Burns, Treasurer, briefed the Committee (packet on file with the Office of Board Support) as follows:
   - Quarterly Disclosure Update (slides 1-2)

   Ms. Torres entered the meeting at 3:08 p.m.
   - Quarterly Disclosure Update (slides 3)


   Mr. Senanu Adadevoh, Assistant Vice President of Business Planning and Analysis, briefed the Committee (see handout on file with the Office of Board Support) as follows:
   - FY 2020 Budget and Financial Planning
   - Capital Budgeting

   Mr. Hrbacek entered the meeting at 3:11 p.m.
   - Presentation Outline, (slide 3)
   - Capital Budgeting Process (slide 4)

   Mr. Hrbacek stepped out of the meeting at 3:13 p.m.
   - Capital Budgeting Process – Sources for Expenditures (slide 5)
   - Capital Budgeting Authority (slide 6)
   - Capital Program Components (slide 7)
Chair Wageman inquired why DART was upgrading their system at the same time that the system manufactures are phasing out from 4G to 5G. Mr. Thomas noted staff may need to look at the possibly of waiting to do this upgrade until the upgrade made sense. He further said he would look into that scenario and report back to the Committee.

Mr. Adadevo continued with the briefing as follows:

Under the title of Non-Operating Transit Oriented Development (TOD) FY20, Chair Wageman questioned what the $274M was in reference to. Mr. Thomas stated there is a detailed report, however he did not have the information with him. He said he would have staff provide the detailed breakdown to the Committee.

Chair Wageman requested historical data be provided on the average rate of return that has been on these local government investment pools, as well as DART’s average annual balances that is being invested in those funds. He stated this would give the Committee an order of magnitude. Chair Wageman remarked, the State of Texas has an Economic Stabilization Fund (ESF) which had about $10B to $12B until it was committed through the current budget. He then requested staff look into what the ESF has been invested in, if the legislation did pass.

5. *Update on Activities Relating to Financing of Cotton Belt Regional Rail Project*

Mr. Burns briefed the Committee (see handout on file with the Office of Board Support) as follows:

- Railroad Rehabilitation & Improvement Financing (RRIF) Program Loan ($908M) (slide 1)
- Commercial Paper (CP) - $250M Authorized (slide 2)
In reference to slide 4, Other Revenue Sources, Chair Wageman questioned if DART had received the funds from the City of Addison. Mr. Burns responded DART had not received those funds as of yet. Chair Wageman requested staff list the other revenue sources along with their total commitments and where are they in their commitment.

Ms. Torres stepped out of the meeting at 3:38 p.m.

6. *Briefing on the Current Status of 1401 Pacific Space Utilization, Remodeling, and Relocation Options Analysis*

Mr. Joseph Costello, Senior Vice President of Finance, briefed the Committee (see handout on file with the Office of Board Support) as follows:

- Presentation Outline (slide 1)
- Scope (slide 2)
- History (slide 3)
- Initial Findings (slide 4)
- Current Activity (slide 5)
- Agenda (slide 7)
- Project Key Business Functions (slide 8)
- Rail Dispatch Center at CROF (slide 10)
- Police Dispatch Center at DART Police HQ (slide 11)
- Consolidated Dispatch Facility Project Goals (slide 12)
- Consolidated Dispatch and Command Center Project Governance – 2019 (slide 13)
- Project Site Evolution (slide 14)
- Steering Committee Actions – 2019 (slides 15-17)
- AZ&B Limited Assessment Results (slides 19-22)
- Next Steps (slide 23)

Ms. Torres reentered the meeting at 3:58 p.m.

- Stay vs. Move – Next Steps (slide 25)

Ms. Wong Krause questioned which consultants did the original analysis. Mr. Costello responded the consultants were CBRE. Ms. Wong Krause then requested a copy of the poll analysis that was completed to refresh her memory of what was provided during that timeframe.

Chair Wageman voiced his frustration with the lack of progress on this project. He then requested staff provide some type of alacrity behind this and get this project moving to allow the Board to make a decision. Chair Wageman requested staff return with a schedule of how to get from where they are now to a decision point for the Board. He continued, the information should be up-to-date information on what it is costing to operate the building, notwithstanding that they might enhance the structure on the fourth floor to bring these in; what is the long-term cost of doing this versus some other alternative. He further stated not to state simply the capital, but the life-cycle. Chair Wageman also asked staff to look at if it can be done less expensively in an existing structure elsewhere or a new structure.
Chair Wageman requested, at the next month’s Budget and Finance Committee meeting, an update on the schedule of the critical path DART needs to take to make a decision.

7. **Identification of Future Agenda Items**
   There were no future agenda items identified for this committee.

8. **Adjournment**
   There being no further business to discuss, the meeting was adjourned at 4:03 p.m.

Josefina Chavira, CAP  
Board Committee Secretary

/jc
+Same Night Item  
*Briefing Item
DATE: June 18, 2019

SUBJECT: Call for Public Hearing and Approval to Submit FY 2019 and FY 2020 Federal Transit Administration (FTA) Grant Applications

RECOMMENDATION

Approval of resolution to: 1) call a public hearing to be held on August 12, 2019, at 12:00 p.m. and 6:00 p.m. in the DART Board Room regarding the FY 2019 and FY 2020 grant applications; and 2) authorize the President/Executive Director or his designee to submit and execute the grant applications.

BUSINESS PURPOSE AND FINANCIAL CONSIDERATIONS

. For FY 2019 and FY 2020, DART has funding available under the Federal Transit Administration (FTA) formula, State of Good Repair (SOGR), and Bus and Rail Facilities projects.

. These projects are included in various capital project line items of the approved FY 2019 and proposed FY 2020 Capital Budgets.

. Funding for the local share of these projects is within current budget and FY 2019 Twenty-Year Financial Plan allocations.

. The formula grant amounts are estimates and may vary slightly depending upon the FTA FY 2019 and FY 2020 Apportionments and Allocations. The FTA authorizes grants for funding of Formula; SOGR; and Bus and Rail Facility projects.

. The North Central Texas Council of Governments (NCTCOG) approves Federal Highway Administration Congestion Mitigation/Air Quality (CMAQ) funding for eligible DART projects. These funds are typically transferred to FTA for funding of DART’s projects.

. DART proposes to request public comment on and to file the following grant applications:

. FY 2019 Formula Grant: The $57,707,855 ($46,166,284 FTA and $11,541,571 DART) grant will provide the funding for capital preventive maintenance and security projects.

. FY 2020 Formula Grant: The $57,707,855 ($46,166,284 FTA and $11,541,571 DART) grant will provide the funding for capital preventive maintenance and security projects.

. FY 2019 Bus and Rail Facility Formula Grant: The $7,050,059 ($5,992,549 FTA and $1,057,510 DART) grant will provide the funding for expansion buses.

. FY 2020 Bus and Rail Facility Formula Grant: The $7,050,059 ($5,992,549 FTA and $1,057,510 DART) grant will provide the funding for expansion buses.

. FY 2019 State of Good Repair Formula Grant: The $22,955,573 ($18,364,458 FTA and
$4,591,115 DART) grant will provide funding for all rail preventive maintenance.

- FY 2020 State of Good Repair Formula Grant: The $22,955,573 ($18,364,458 FTA and $4,591,115 DART) grant will provide funding for all rail preventive maintenance.

- FY 2019 and FY 2020 Cotton Belt Grants: The $60,250,000 ($48,200,000 FTA and $12,050,000 DART) will provide Congestion Mitigation/Air Quality (CMAQ) funding for Cotton Belt project costs.

- FY 2019 Cotton Belt Grant: The $6,250,000 ($5,000,000 FTA and $1,250,000 DART) will provide CMAQ funding for the Town of Addison’s Cotton Belt project costs.

- FY 2020 Hidden Ridge Station Grant: The $11,000,000 ($8,800,000 FTA and $2,200,000 City of Irving) will provide CMAQ funding for the design and construction of the Hidden Ridge Station.

- FY 2019 Inland Port Transportation Management Association (TMA): The $1,250,000 ($1,000,000 CMAQ and $250,000 TMA) will provide funding for the implementation of the TMA.

- FY 2019 FTA Low or No (LoNo) Emission Program: DART has submitted an application for $7,500,000 for buses and chargers. This is a competitive program and subject to FTA selection for funding.

- FY 2019 FTA Innovation in Transit Public Safety Program: DART has submitted an application for $62,000 for activities including Public Safety Announcements, a Summit and Virtual Training to increase public awareness and prevention of Human Trafficking on the DART system.

Approval of the grant applications will help achieve Board Strategic Priority 2: Optimize and preserve (state of good repair) the existing transit system; Strategic Priority 4: Expand DART’s transportation system to serve cities inside and outside the current service area; and Strategic Priority 6: Innovate to improve levels of service, business processes, and funding.

**D/M/WBE CONSIDERATIONS**

- DART agrees that, as a condition of receiving Federal financial assistance from the Federal Transit Administration, it will comply with all applicable Federal nondiscrimination laws, rules, regulations, circulars and guidance, including but limited to Title VI and Title VII of the Civil Rights Act of 1964, FTA Circular 4702.1B, FTA Circular 4704.1A, 49 CFR Part 21, 49 CFR Part 26, and DART’s DBE program.

- DART will be required to enter into a contractual agreement with FTA, the terms of which require DART to agree to comply with all rules and regulations concerning the expenditure of grant funds, including the requirement to receive public comments.

**LEGAL CONSIDERATIONS**

- Section 452.055 of the Texas Transportation Code authorizes DART to make agreements with and accept grants from the Federal and State government.
RESOLUTION
of the
DALLAS AREA RAPID TRANSIT BOARD
(Executive Committee)

Call for Public Hearing and Approval to Submit FY 2019 and FY 2020 Federal Transit Administration (FTA) Grant Applications

WHEREAS, the Federal Transit Administrator has been delegated authority to award Federal financial assistance for transportation projects; and

WHEREAS, grants for Federal financial assistance will impose certain obligations upon DART and require DART to provide the local share of the proposed projects which are included in current Budget and FY 2019 Twenty-Year Financial Plan allocations; and

WHEREAS, DART will provide annual certifications and assurances to the Federal Transit Administration (FTA) required for the projects; and

WHEREAS, FTA regulations require an opportunity for public comments on the candidate list of projects.

NOW, THEREFORE, BE IT RESOLVED, by the Dallas Area Rapid Transit Board of Directors that:

Section 1: A public hearing is called on August 12, 2019, at 12:00 p.m. and 6:00 p.m. in the DART Board Room to solicit public comments on the projects for the FY 2019 and FY 2020 FTA Grant Applications.

Section 2: The President/Executive Director or his designee is authorized to execute and file applications for Federal assistance on behalf of DART, with FTA for Federal Assistance authorized by 49 USC Chapter 53, Title 23, United States Code; or other Federal statutes authorizing a project administered by the FTA.

Section 3: The President/Executive Director or his designee is authorized to execute and file annual certifications and assurances and other documents the Federal Transit Administration requires before awarding a Federal assistance grant agreement.

Section 4: The President/Executive Director or his designee is authorized to execute the grant agreements with the Federal Transit Administration on behalf of DART.
Call for Public Hearing and Approval to Submit FY 2019 and FY 2020 Federal Transit Administration (FTA) Grant Applications

Prepared by: Joseph G. Costello
Senior Vice President, Finance

Approved as to form: Gene Gamez
Interim General Counsel

Approved by: Gary C. Thomas
President/Executive Director
DATE:       June 18, 2019

SUBJECT:   Approval of Agreements with Texas Cooperative Liquid Assets Securities System Trust (CLASS) and TexasTERM Local Government Investment Pools for Cash Investment Needs

RECOMMENDATION

Approval of a Resolution authorizing the President/Executive Director or his designee to: 1) execute an agreement, in substantially the form shown in Exhibit 1 to the Resolution, with Texas Cooperative Liquid Assets Securities System Trust (CLASS) Local Government Investment Pool for cash investment needs; and 2) execute an agreement, in substantially the form shown in Exhibit 2 to the Resolution, with TexasTERM Local Government Investment Pool for cash investment needs.

BUSINESS PURPOSE AND FINANCIAL CONSIDERATIONS

. Local government investment pools (LGIP) are money market-type investment vehicles, used exclusively by governmental entities.

. On August 23, 2016 (Resolution No. 160086), the DART Board approved the use of two local government investment pools (LOGIC and TexPool) for cash investment needs.

. Due to the success of DART’s two LGIPs, which have produced competitive returns on investment, staff recommends adding two additional pools: Texas Cooperative Liquid Assets Securities System Trust (CLASS), and TexasTERM Local Government Investment Pool.

. These additional LGIPs will diversify DART’s liquid assets and improve opportunities to meet daily cash investment needs.

. The approval of this item will help achieve Board Strategic Priority 6: Innovate to improve levels of service, business processes, and funding.

LEGAL CONSIDERATIONS

. Section 452.102(c) of the Texas Transportation Code authorizes that the Board may invest funds in any investment authorized under Texas Government Code, Chapter 2256.

. Section 2256.016 of the Texas Government Code provides DART may invest its funds and funds under its control through an eligible investment pool if the governing body of the entity by rule, order, ordinance, or resolution, as appropriate, authorizes investment in the particular pool.
DRAFT
RESOLUTION
of the
DALLAS AREA RAPID TRANSIT BOARD
(Executive Committee)

Approval of Agreements with Texas Cooperative Liquid Assets Securities System Trust (CLASS) and TexasTERM Local Government Investment Pools for Cash Investment Needs

WHEREAS, Dallas Area Rapid Transit (DART) is a subregional transportation authority of the State of Texas and is empowered to delegate authority to invest funds to a public funds investment pool to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in DART’s best interest to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with Texas Government Code, Chapter 2256, known as the Public Funds Investment Act; and

WHEREAS, on August 23, 2016 (Resolution No. 160086), the Board approved the use of two local government investment pools, LOGIC and TexPool, for cash investment needs; and

WHEREAS, because the funds invested in LOGIC and TexPool have produced competitive returns on investment, the DART Board desires to add two additional local government investment pools: Texas Cooperative Liquid Assets Securities System Trust (CLASS) and TexasTERM; and

WHEREAS, the resolution authorizes the President/Executive Director or his designee to enter into agreements needed to establish accounts for the purpose of transmitting local funds for investments; and

WHEREAS, Texas Government Code, Chapter 2256.016 requires the Board to adopt a resolution authorizing investment in local government investment pool(s).

NOW, THEREFORE, BE IT RESOLVED, by the Dallas Area Rapid Transit Board of Directors that the President/Executive Director or his designee is authorized to execute:

Section 1: An Agreement with Texas Cooperative Liquid Assets Securities System Trust (CLASS) Local Government Investment Pool, substantially in the form shown in Exhibit 1 to the Resolution.

Section 2: An Agreement with TexasTERM Local Government Investment Pool, substantially in the form shown in Exhibit 2 to the Resolution.
Approval of Agreements with Texas Cooperative Liquid Assets Securities System Trust (CLASS)
and TexasTERM Local Government Investment Pools for Cash Investment Needs

Prepared by: 
Joseph G. Costello
Senior Vice President, Finance

Approved as to form: 
Gene Gamez
Interim General Counsel

Approved by: 
Gary C. Thomas
President/Executive Director
Texas Cooperative Liquid Assets Securities System Trust

EIGHTH AMENDED AND RESTATED

Trust Agreement

Dated as of April 8, 2019

by and among

The Texas Participants
that have entered into this Agreement,
Wells Fargo Bank, N.A., as Custodian
and
Public Trust Advisors, LLC, as Program Administrator
# TABLE OF CONTENTS

## PREAMBLE

## ARTICLE I THE TRUST AND DEFINITIONS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>1.1</td>
<td>The Trust</td>
</tr>
<tr>
<td>1.2</td>
<td>Definitions</td>
</tr>
</tbody>
</table>

## ARTICLE II PARTICIPANTS

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>2.1</td>
<td>Investments</td>
</tr>
<tr>
<td>2.2</td>
<td>Payments</td>
</tr>
<tr>
<td>2.3</td>
<td>Additional Participants After Initial Execution</td>
</tr>
<tr>
<td>2.4</td>
<td>Termination of Participation</td>
</tr>
<tr>
<td>2.5</td>
<td>Receipt of Statements and Reports; Requests</td>
</tr>
<tr>
<td>2.6</td>
<td>Representatives</td>
</tr>
<tr>
<td>2.7</td>
<td>Liability</td>
</tr>
</tbody>
</table>

## ARTICLE III TRUSTEES AND THE BOARD OF TRUSTEES

<table>
<thead>
<tr>
<th>Section</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.1</td>
<td>Selection of Trustees</td>
</tr>
<tr>
<td>3.2</td>
<td>Board of Trustees</td>
</tr>
<tr>
<td>3.3</td>
<td>General Powers</td>
</tr>
<tr>
<td>3.4</td>
<td>Legal Title</td>
</tr>
<tr>
<td>3.5</td>
<td>Power to Contract, Appoint, Retain, and Employ</td>
</tr>
<tr>
<td>3.6</td>
<td>Meetings</td>
</tr>
<tr>
<td>3.7</td>
<td>Delegation; Committees; Bylaws; Policies; Procedures</td>
</tr>
<tr>
<td>3.8</td>
<td>Term</td>
</tr>
</tbody>
</table>
ARTICLE IV  PROGRAM ADMINISTRATOR

4.1 Appointment; General Provisions .................................................. 20
4.2 Monthly Statements ........................................................................... 21
4.3 Reports ............................................................................................... 21
4.4 Investment Activities and Powers ....................................................... 22
4.5 Daily Calculation of Program Value and Rate of Return.................. 23
4.6 Administration of Program ................................................................. 23
4.7 Resignation and Removal ................................................................. 24
4.8 Liability .............................................................................................. 25
4.9 Power to Receive Investment Advice ................................................. 25
4.10 Advice to Other Clients ................................................................. 25
4.11 Special Subaccounts ........................................................................... 26
4.12 Intellectual Property ........................................................................... 26

ARTICLE V  THE CUSTODIAN

5.1 Appointment and Acceptance; Sub-Custodians ................................... 27
5.2 Resignation and Removal; Successors .............................................. 27
5.3 Powers ............................................................................................... 28
5.4 Custodial Relationship; Custodian Records ....................................... 31
5.5 Reliance on Instructions ..................................................................... 32
ARTICLE VI  TRUST EXPENSES

6.1 Expenses ........................................................................................................ 34

ARTICLE VII  REPRESENTATIONS AND WARRANTIES

7.1 Representations and Warranties of Each Participant ............................... 35
7.2 Representations and Warranties of the Custodian .................................. 36
7.3 Representations and Warranties of the Program Administrator ............ 36

ARTICLE VIII  COVENANTS

8.1 Source of Investments ..................................................................................... 37
8.2 Truth of Representations and Warranties .................................................... 37

ARTICLE IX  AMENDMENT AND TERMINATION

9.1 Amendment ..................................................................................................... 37
9.2 Termination ..................................................................................................... 38

ARTICLE X  MISCELLANEOUS

10.1 Governing Law ............................................................................................... 39
10.2 Counterparts .................................................................................................. 39
10.3 Severability .................................................................................................... 40
10.4  Pools Separately Managed ................................................................. 40
10.5  Gender; Section Headings and Table of Contents................................. 40
10.6  No Assignment .................................................................................. 40
10.7  No Partnership ................................................................................... 40
10.8  Notice ............................................................................................... 41
10.9  Entire Agreement ............................................................................... 41
10.10 Confidentiality .................................................................................. 41
10.11 Disputes ............................................................................................ 42
10.12 Majority of Participants ..................................................................... 42
10.13 Writings ............................................................................................ 42
10.14 Effective Date .................................................................................... 42

EXHIBITS

Exhibit A  Investment Procedures ............................................................... 46
Exhibit B  Payment Procedures ................................................................. 47
Exhibit C  Valuation Procedures ............................................................... 48
Exhibit D  Participation Certificate ............................................................ 49
Exhibit E  Investment Criteria ................................................................. 50
Exhibit F  Program Administrator's Fee .................................................... 51
Exhibit G  Custodian's Fee ...................................................................... 52
PREAMBLE

This Eighth Amended and Restated Trust Agreement dated as of April 8, 2019 (the Agreement) is by and among the Texas local governmental entities and public entities that have taken the actions required by Section 2256.016 of the Public Funds Investment Act, Texas Government Code, and that have either executed this Agreement or counterparts of this Agreement or Participation Certificates pursuant to Section 2.3 hereof (the Participants), Wells Fargo Bank, N.A., as Custodian (the Custodian) and Public Trust Advisors, LLC, (the Program Administrator) and amends and restates that certain Seventh Amended and Restated Trust Agreement dated as of August 5, 2016, among the Participants, the Custodian and Public Trust Advisors, LLC the Program Administrator.

WHEREAS, each Participant is permitted pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code, to pool its funds, or funds under its control, with any similar funds in the treasury of other Participants for the purpose of investing such funds in statutory permitted investments; and

WHEREAS, each Participant will receive a substantial benefit by agreeing to invest such funds in concert with the other Participants because of economies of scale; and

WHEREAS, it will increase the efficiency of such investment if the funds to be invested in concert are held by one entity, the Custodian, which will hold such funds and investments in its capacity as custodian for the benefit of the Participants; and

WHEREAS, it will increase the efficiency of such investment if the advisory, recordkeeping, and other administrative functions are performed by one entity, the Program Administrator, acting on behalf of the Board of Trustees (as hereinafter defined) and the Participants and if the investment instructions of the Participants are transmitted through one entity, the Program Administrator, to the Custodian.

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants, and agreements contained herein, each party hereto agrees that all moneys, assets, securities, and property now or hereafter acquired by the Trust (as hereinafter defined) shall be held and managed in trust by the Board of Trustees (as hereinafter defined) for the equal and proportionate benefit of the Participants without privilege, priority, or distinction among the Participants and subject to the terms, covenants, conditions, purpose, and provisions hereof as follows:
ARTICLE I

The Trust and Definitions

1.1 The Trust

(a) The name of the Trust created by this Agreement shall be Texas Cooperative Liquid Assets Securities System Trust or Texas CLASS. The Board of Trustees retains all rights to the use of the names Texas CLASS and Texas Cooperative Liquid Assets Securities System Trust, and neither the Program Administrator nor the Custodian shall use the name without express consent of the Board of Trustees as reflected in the minutes of the Board of Trustees or another written document approved by the Board of Trustees. Any and all reports, information, data, statistics, forms, plans, procedures, studies, and any other communications or form of knowledge prepared or assembled by the Program Administrator for the specific and exclusive benefit of the Board of Trustees or Texas CLASS shall become the property of the Board of Trustees and shall not be made available to any individual, company, or organization without the prior written approval of the Board of Trustees or except as required by law. So far as may be practicable and pursuant to the provisions of this Trust Agreement, the Custodian and the Board of Trustees shall conduct the Trust’s activities, execute all documents, and sue or be sued under either of the foregoing names.

(b) The purpose of the Trust is to establish one or more investment pools for the Participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code, through which a Participant may pool any of its funds or funds under its control with the same such funds of any other Participant in order to preserve principal, to maintain the liquidity of the Participant, and to maximize yield in accordance with the Public Funds Investment Act (the Act), Section 2256.001, et seq., Texas Government Code or other laws of the state of Texas, from time-to-time in effect, governing the investment of funds of a Participant or funds under its control.

(c) The Trust shall maintain an office of record in the state of Texas and may maintain such other offices or places of business as the Board of Trustees may from time-to-time determine. The initial office of record of the Trust shall be: c/o Bracewell LLP, Attention: Julie M. Partain, Esq., 1445 Ross Avenue, Ste 3800 Dallas, Texas 75202. The office of record may be changed from time-to-time by resolution of the Board of Trustees, and notice of such change of the office of record shall be given to each Participant, the Custodian and the Program Administrator.

(d) (i) The Trust shall be a trust organized and existing under the laws of the state of Texas. The Trust is not intended to be, shall not be deemed to be, and shall not be treated as a general partnership, limited partnership, joint venture, corporation, investment company, or joint stock company. The Participants shall be beneficiaries of the Trust, and their relationship to the Board of Trustees shall be solely in their
capacity as Participants and beneficiaries in accordance with the rights conferred upon them hereunder.

(ii) This Agreement is an agreement creating one or more investment pools within the meaning of the Act.

(e) The Board may authorize the creation of one or more different portfolios or pools provided, however, that each such portfolio or pool shall conform in all respects to the requirements of this Agreement.

(f) The Board may authorize the use of the names Texas Cooperative Liquid Assets Securities Systems Trust and Texas CLASS in conjunction with other products, portfolios, pools, and services that provide investment, financial, or other cash management services to Participants and for purposes of this Agreement, such name shall include any pools or portfolios established pursuant to this Agreement. The Program Administrator may identify a name for any additional pools or portfolios established pursuant to this Agreement, subject to Board approval.

1.2 Definitions

"Account(s)" shall have the meaning set forth in Section 5.3 (a) hereof.

"Act" shall have the meaning set forth in Section 1.1 (b) hereof.

"Affiliate" means with respect to any person, another person directly or indirectly in control of, controlled by or under common control with such person, or any officer, director, partner, or employee of such persons.

"Agreement" means this Eighth Amended and Restated Trust Agreement dated as of April 8, 2019, as amended, by and among Public Trust Advisors, LLC, as Program Administrator, Wells Fargo Bank, N.A., as Custodian, and the Participants.

"Balance(s)" for each Participant means the amounts initially equal to zero that are adjusted pursuant to Article II hereof to reflect, among other things, cash investments by such Participant in each pool or portfolio established pursuant to this Agreement, within the Trust, cash payments to such Participant, a pro rata distribution of income from the earnings of each pool or portfolio established pursuant to this Agreement, in which each Participant has invested funds, investment results, and expenses and fees for each pool or portfolio established pursuant to this Agreement, in which the Participant has invested.

"Board of Trustees" means the board of the trustees established pursuant to Article III hereof.
"Business Day" means any day of the year other than (a) a Saturday or Sunday, (b) any day on which banks located in the state of Texas are required or authorized by law to remain closed, or (c) any day on which the New York Stock Exchange is closed.

"Conflicting Provisions" shall have the meaning set forth in Section 10.3 hereof.

"Custodian" means Wells Fargo Bank, N.A., as custodian, or any person or persons appointed, employed, or contracted with by the Trust pursuant to Article V hereof.

"Effective Date" means the first day that execution copies of this Agreement have been executed by the Program Administrator, the Custodian, and the Chairman and Secretary of the Board of Trustees.

"Good Standing" means a Participant that has funded an account with Texas CLASS.

"Investment Advisor" shall mean any person or persons appointed, employed, or contracted by the Board on behalf of the Trust pursuant to Article III hereof or by the Program Administrator pursuant to Article IV hereof.

"Investment Funds" means immediately available funds delivered by each Participant to the Custodian for investment in one or more pools or portfolios established pursuant to this Agreement but only if (i) the representative appointed by such Participant is authorized pursuant to the laws of the state of Texas to invest such funds and (ii) the Participant has taken all actions necessary pursuant to the laws of the state of Texas to authorize the delivery and investment of such funds.

"Investment Policy" means that investment policy or policies containing procedures and criteria for the investment of funds in Texas CLASS and its subaccounts or in any other pool or portfolio established pursuant to this Trust Agreement as adopted annually by the Board of Trustees of Texas CLASS and incorporated herein by reference.

"Investment Procedures" means the procedures for making investments in the Investment Property set forth in Exhibit A attached hereto, as the same may be amended from time-to-time notwithstanding Section 9.1 (a) hereby the Program Administrator providing notice of such change to the Custodian and the Participants.

"Investment Property" means any and all securities, cash, and other personal property, tangible or intangible, that is transferred, conveyed, or paid to the Account(s) pursuant to Section 2.1 hereof or otherwise and all proceeds, income, profits, and gains therefrom that have not been distributed to a Participant pursuant to Section 2.2 hereof used to discharge an Investment Property Liability or offset by losses, if any, and expenses. Notwithstanding anything to the contrary, the Custodian shall not be required to hold, purchase, sell, or invest in interests in real property under
this Agreement, and the Participants shall not attempt to transfer such interests to the Custodian. Investment Property shall not include securities purchased in anticipation of the delivery of funds by a Participant when such funds are not actually received by the Custodian by the anticipated delivery date, and any such securities may be immediately sold and the proceeds used to pay any Person that did in fact provide monies to purchase such securities.

"Investment Property Liability" means any liability (whether known, unknown, actual, contingent, or otherwise) incurred in connection with the Investment Property pursuant to this Agreement that is not specified in Section 6.1 hereof as being paid by the Program Administrator or specified in this Agreement as being paid directly by a Participant.

"Investment Property Value" means the value of the Investment Property net of the amount of the Investment Property Liabilities as determined pursuant to Section 4.5 hereof and the valuation procedures. Such value shall be determined separately for each pool or portfolio established pursuant to this Trust Agreement.

"Meeting of the Board of Trustees" means a duly called meeting of the Board of Trustees.

"Participants" means any municipality, county, school district, or authority created under Section 52(b)(1) or (2), Article III or Section 59, Article XVI, Texas Constitution, a fresh water supply district, a hospital district, and any political subdivision, authority, public corporation, body politic, or instrumentality of the state of Texas, any office, department, commission, board, or other agency that is part of any branch of state government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities (i) to which Chapter 2256 is applicable; (ii) that has taken the actions required by Section 2256.016 of the Act; (iii) that has executed either this Agreement or counterparts of this Agreement or Participation Certificates pursuant to Section 2.3 hereof; and (iv) that is in good standing.

"Participation Certificate" means a certificate entered into pursuant to Section 2.3 hereof.

"Payment Procedures" means the procedures for requesting payments out of the Investment Property set forth in Exhibit B attached hereto, as the same may be amended from time-to-time (notwithstanding Section 91(a) hereof) by the Program Administrator providing notice of such change to the Custodian and the Participants.

"Person" means any municipality, county, school district, or authority created under Section 52(b)(1) or (2), Article III or Section 59, Article XVI, Texas Constitution, a fresh water supply district, a hospital district, and any political subdivision, authority, public corporation, body politic, or instrumentality of the state of Texas, any office, department, commission, board, or other agency that is part of any branch of state government, an institution of higher education, and any nonprofit corporation acting on behalf of any of those entities, corporation, national association, natural
person, firm, joint venture, partnership, trust, unincorporated organization, or group.

"Program Administrator" means Public Trust Advisors, LLC or any person or persons appointed, employed, or contracted with by the Trust pursuant to Article IV hereof.

"Representatives" means those persons who have been designated as representatives by the Participants pursuant to Section 2.6 hereof.

"Trust" means the Texas trust created as set forth in Section of this Agreement.

"Trustee" means any representative selected pursuant to Article III hereof.

"Valuation Procedures" means the procedures for determining the value of the Investment Property set forth in Exhibit C attached hereto, as the same may be amended from time-to-time (notwithstanding Section 9.1 (a) hereof) by the Program Administrator providing notice of such change to the Custodian and the Participants.

ARTICLE II

Participants

2.1 Investments

(a) Each Participant shall have the right, from time-to-time, to invest Investment Funds for credit to such Participant's Balance. A Participant that wishes to make such an investment shall notify the Program Administrator acting on behalf of the Board of Trustees and follow the Investment Procedures set forth in Exhibit A. Upon such investment in accordance with Exhibit A, the Participant shall have an undivided beneficial interest in the Investment Property.

(b) The Balance of a Participant shall be increased upon the investment of Investment Funds by an amount equal to the amount of such Investment Funds.

(c) No later than the next business day after a Participant has made an investment of Investment Funds, the Custodian shall deliver a confirmation to the Program Administrator. The Program Administrator shall retain a copy of the confirmation in its records.

(d) Any funds that the Program Administrator is informed do not meet the conditions set forth in clauses (i) or (ii) of the definition of Investment Funds shall be returned to the Participant investing such funds by the Custodian at the request of the Program Administrator, and such Participant shall bear all of the costs and liabilities associated with the return of such funds.
(e) There is no maximum or minimum amount that must be invested pursuant to this Agreement nor are there any maximum or minimum limitations on the aggregate amount of Investment Funds that any Participant may have invested at one time.

(f) The execution of a certificate for participation, in substantially the form attached as Exhibit D, shall constitute the express written authorization to deposit, withdraw, invest, transfer, and manage funds of the Participant required by Section 2256.005(f) of the Act.

2.2 Payments

(a) Each Participant shall have the right from time-to-time to request, in accordance with the Payment Procedures set forth in Exhibit B hereto, that the Program Administrator notify the Custodian to pay to the Participant (by the transfer of the proceeds received from the sale or maturity of securities held by the Custodian), or on its behalf, any amount (rounded to the nearest whole cent) that is less than or equal to the Participant's balance at the time that payment is made pursuant to such request. Except as provided in Exhibit B, there shall be no limitation on the period of time that Investment Funds must be invested through the Trust prior to such payment.

(b) Upon the receipt of any payment request, the Program Administrator shall notify the Custodian, in writing or orally to be followed by written confirmation, of the payment request from the Participant, and the requested amount (rounded to the nearest whole cent) shall be paid (by the transfer of the proceeds received from the sale or maturity of securities held by the Custodian) by the Custodian to or on behalf of such Participant as provided in Exhibit B.

(c) Whenever any payment is made to or on behalf of any Participant pursuant to Section 2.2 (b) hereof, such Participant's balance shall be reduced by the Program Administrator by the amount of such payment.

(d) Each Participant agrees that, without prior notice, the right to payments may be temporarily suspended or postponed for the whole or any part of any period (i) during which trading in fixed income securities generally in any national trading market shall have been suspended or minimum prices or maximum daily charges shall have been established on such market, (ii) a general banking moratorium shall have been declared by Federal or Texas state authorities, or (iii) there shall have occurred any outbreak or material escalation of hostilities or other calamity or crisis, the effect of which on the financial markets of the United States is such as to make it impracticable (a) to dispose of the Investment Property because of the substantial losses that might be incurred or (b) to determine the Investment Property Value in accordance with the Valuation Procedures set forth in Exhibit C from time-to-time. The Custodian and each Participant shall be notified as soon as practicable orally or in writing by the Program Administrator in the event that such a suspension or postponement is commenced. Such a suspension or postponement shall not itself directly alter or affect a
Participant's balance. Such a suspension or postponement shall take effect at such time as is
determined by the Program Administrator, and thereafter there shall be no right to request or
receive payment until the first to occur of: (a) in the case of (i) or (ii) above, the time at which
the Program Administrator declares the suspension or postponement at an end, that
declaration shall occur on the first day on which the period specified in clause (i) or (ii) above
shall have expired; and (b) in the case of (iii) above, the end of the first day on which the
period specified in clause (iii) above is no longer continuing as determined by the Program
Administrator. Any Participant that requested a payment prior to any suspension or
postponement of payment may withdraw its request at any time prior to the termination of
the suspension or postponement. Notwithstanding anything contained in this Section 2.2(d)
to the contrary, if during a suspension or postponement period, a Participant demands in
writing the right to receive a payment and it is not impossible to accommodate such demand,
the Program Administrator shall make all reasonable efforts to effectuate such payment
demand.

2.3 Additional Participants After Initial Execution

(a) Any local government or state agency as defined in the Act of the state of Texas
that has the authority to pool any of its money pursuant to Section 2256.016 of the Act that
wishes to become a party to this Agreement after the effective date may do so by taking the
actions required by Section 2256.016 of the Act and by executing either a counterpart to this
Agreement or a Participation Certificate attached hereto as Exhibit D and delivering the
counterpart or the original executed Participation Certificate to the Program Administrator.
The Program Administrator shall provide written notification monthly to the Board of
Trustees and the Custodian of the admission of a new Participant. Any entity that becomes a
Participant pursuant to this Section 2.3 shall have the same rights and obligations hereunder
as the other Participants.

2.4 Termination of Participation

(a) Any Participant may withdraw from this Agreement at any time upon written notice
to the Program Administrator who shall notify the Custodian and the Board of Trustees upon
receipt of such notice of withdrawal. Upon its withdrawal from this Agreement, a Participant
shall cease to have any rights or obligations under this Agreement except for any obligations
arising on or before the date of withdrawal. A notice of withdrawal shall be deemed to
constitute (i) a request under the payment procedures that an amount equal to the
requesting Participant's entire balance(s) as of the date of such notice be paid to such
Participant and (ii) a termination of the Board of Trustees' trust relationship hereunder with
the Participant. No withdrawal shall become effective until such Participant's balance(s) is
equal to zero, and until such time, such Participant shall continue to possess all of the rights
and be subject to all of the obligations arising from this Agreement.
(b) Any Participant that breaches any material covenant contained in Article VIII hereof or for which any of the representations contained in Article VII hereof ceases to be true shall be deemed to have given a notice of withdrawal pursuant to Section 2.4(a) hereof immediately upon such breach or cessation, but shall not be deemed to have requested the payment of its balance(s) unless and until it either makes an actual payment request or the Program Administrator determines that such a breach or cessation has occurred.

2.5 Receipt of Statements and Reports; Requests

(a) The Program Administrator, on behalf of the Board of Trustees, shall provide to each Participant a copy of the statements prepared pursuant to Section 4.2 hereof and of the reports prepared pursuant to Section 4.3 hereof applicable to such Participant.

(b) In addition, each Participant may direct the Program Administrator to provide a statement of the value of the Participant's balance(s) as of the date of the request, provided such request is received by the Program Administrator by 4:00 p.m. CT on a given day. The Program Administrator shall provide such statement, subject only to account activity as of such date.

(c) On behalf of each Participant, the Program Administrator shall maintain the records relating to such Participant in a manner that records the Participant's balance(s) as one or more subaccounts or other special accounts to accommodate the desire of such Participant to segregate a portion of its Investment Funds. The Program Administrator shall maintain a separate record for each Participant and shall record the individual transactions involving each such Participant and the total value by subaccount of all investments or portions thereof belonging to each such Participant.

(d) No Participant shall be entitled to any reports or statements applicable solely to another Participant.

2.6 Representatives

(a) Each Participant shall designate a representative to act for the Participant hereunder (the Representative) for all purposes including without limitation to give consents on behalf of the Participant and to receive notices on behalf of the Participant. Pursuant to Section 2256.005 (f) of the Act, such representative shall be the investment officer that is empowered by the charter, ordinances, or other rules or regulations of the Participant to direct the investment of such Participant's Investment Funds. The representatives, in their capacity as representatives shall not be required to devote their entire time to duties under the Agreement. To the extent permitted by law, each representative may designate additional persons who may act on behalf of the representative to transmit the representative's instructions to the Program Administrator, the Custodian, or the Board of Trustees.
(b) Each representative shall be the official responsible for the investment of Investment Funds into the Trust and all payments made from the Trust for the Participant represented by said representative. In making such investments and payment requests, each representative shall use judgment and care to achieve the following objectives in the indicated order: (i) preservation and safety of principal, (ii) liquidity, and (iii) yield.

2.7 **Liability** - No representative shall be subject to any personal liability whatsoever to any person in connection with the Investment Property or affairs of the Board other than liability arising from the bad faith, willful misfeasance, gross negligence, or reckless disregard of duty by such representative of a Participant. No representative of a Participant who is made a party to any suit or proceeding to enforce any such liability shall on account thereof be held to any personal liability.

ARTICLE III

**Trustees and the Board of Trustees**

3.1 **Selection of Trustees**

(a) Each calendar year, the Program Administrator shall call, upon at least fifteen days' written notice to the Participants, a meeting of the Participants for the purpose of selecting Trustees for the Trust. If the Program Administrator shall fail to call such a meeting, any two Participants may call such a meeting by providing at least fifteen days' written notice to the other Participants. At such meeting, the Participants may nominate persons to serve as Trustees of the Trust. In order to qualify to be nominated as a Trustee, a candidate must be a representative. The number of Trustees to be selected shall be determined by the Participants at such meeting, provided that the number of Trustees shall be an odd number of three (3) or more. In order to be elected as a Trustee, a candidate must receive a majority of the votes of the Participants present and voting at such meeting. A quorum for such meeting shall be the lesser of (i) fifteen Participants or (ii) ten percent of the total number of Participants determined at the time the notice of the meeting is sent. If a quorum is not present, the meeting may be adjourned to a future time and place set at such meeting. Each Participant shall be entitled to one vote regardless of the amount of funds invested in the Trust. To the extent permitted by law, each representative may designate a person who may act on behalf of the representative at a meeting of Participants.

(b) The Program Administrator shall send written notice to the Participants and the Custodian listing the names of the Trustees elected at each annual meeting.
3.2 **Board of Trustees** - The Board of Trustees shall be made up of all of the Trustees elected by the Participants or designated pursuant to Section 3.5 hereof. The Board of Trustees shall supervise the Trust and the affairs of the Trust and shall act as the liaison between the Participants and the Custodian and the Program Administrator. The Board of Trustees shall appoint an Advisory Board to advise the Trust as required by the Act. The Board of Trustees shall have the power to administer the affairs of the Trust and to enter into contracts and agreements on behalf of the Trust in order to effectuate the terms of this Agreement. The Board of Trustees shall have the power to select all of the Trust's consultants including without limitation the Program Administrator and the Custodian, subject to the terms of this Agreement. The Trustees shall select by majority vote a chairman of the Board of Trustees and may select such other officers of the Board of Trustees including without limitation a vice chairman and a secretary, as the Trustees deem appropriate. In the absence of the chairman, the vice chairman, if any, shall have the power to act in place of the chairman hereunder.

3.3 **General Powers** - Subject to the rights of the Participants as provided herein, the Board shall have, without other or further authorization, power to administer the Trust and the affairs of the Trust. The Board may do and perform such acts and things as in their sole judgment and discretion are necessary and proper for the administration of the Trust and the investment of the Trust Property but shall invest with the degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of the property of another, not in regard to speculation but in regard to the permanent disposition of funds considering the probable income as well as the probable safety of capital.

3.4 **Legal Title** - Title to all of the Trust Property shall be vested in the Trust on behalf of the Participants who shall be the beneficial owners. The Trust shall have full and complete power to cause legal title to any Trust property to be held, on behalf of the Participants, by or in the name of the Trust or in the name of any other person as nominee on such terms, in such manner, and with such powers as the Board may determine so long as in its judgment the interest of the Trust is adequately protected.

3.5 **Power to Contract, Appoint, Retain, and Employ**

(a) The Board is responsible for the investments of the Trust consistent with the investment policies established in this Trust Agreement and for the general administration of the business and affairs of the Trust conducted by officers, agents, employees, administrators, investment advisors, distributors, or independent contractors of the Trust. However, members of the Board are not required to devote their entire time to the business and affairs of the Trust or to personally conduct the routine business of the Trust. Consistent with their responsibilities, the Board may appoint, employ, retain, or contract on behalf of the
Trust with any persons the Board may deem necessary or desirable for the transaction of the affairs of the Trust, and the expenses relating to such persons shall be Investment Property Liabilities. The Board may appoint, employ, retain, or contract on behalf of the Trust with such persons for the purpose of:

(i) Serving as Investment Advisor to the Trust;
(ii) Serving as Program Administrator of the Trust;
(iii) Serving as Custodian for the Trust;
(iv) Furnishing reports to the Trust and provide research, economic, and statistical data in connection with the Trust's investments;
(v) Acting as consultants, accountants, technical advisors, attorneys, brokers, underwriters, corporate fiduciaries, escrow agents, depositaries, custodians, agents for collection, insurers or insurance agents, or in any other capacity deemed by the Board to be necessary or desirable;
(vi) Acting as attorney-in-fact or agent in the purchase or sale or other disposition of investments and in the handling, prosecuting, or other enforcement of any lien or security securing investment; or
(vii) Assisting in the performance of such other functions necessary in the management of the Trust.

(b) The same person may serve simultaneously as the Program Administrator and as the Investment Advisor, but no person serving as the Program Administrator or the Investment Advisor may serve as the Custodian.

3.6 Meetings - Meetings of the Board of Trustees may be called by the Program Administrator at any time and shall be called by the Program Administrator upon the request of at least two Trustees on at least seventy-two hours' notice to each Trustee and shall be held at the time and place and for the purposes stated in the call of the meeting. There shall be at least one meeting of the Board of Trustees in each calendar year.

3.7 Delegation; Committees; Bylaws; Policies; Procedures - The Board shall have full and complete power to delegate, from time-to-time, to one or more of their number (who may be designated as constituting a Committee of the Board) or to officers, employees, or agents of the Trust (including without limitation the Program Administrator, the Custodian, or the Investment Advisor) the doing of such acts and things and the execution of such instruments as the Board may, from time-to-time, deem expedient and appropriate in the furtherance of the business affairs and purposes of the Trust. The Board may adopt and, from time-to-time, amend or repeal bylaws, policies, or procedures for the conduct of the business of the Trust. Such bylaws, policies, or
procedures may, among other things, define the duties of the respective officers, agents, employees, and representatives of the Trust.

3.8 Term - The term of office for Trustees elected pursuant to Section 3.1 (a) hereof shall commence thirty days after the notice specified in Section 3.1 (c) is sent to the Participants and the Custodian. The term of office for Trustees selected pursuant to Section 3.5 hereof shall commence immediately upon such selection. Each Trustee shall hold office until the first to occur of (a) the Trustee resigning, (b) the Trustee ceasing to be a representative of a Participant, (c) the Trustee's death, (d) the Trustee being adjudicated incompetent or otherwise losing the capacity to discharge the duties of the office of a Trustee, and (e) the term of office of the Trustee's successor having begun pursuant to this Section 3.8.

3.9 Vacancies - If any Trustee resigns, is removed, or otherwise ceases to serve, the remaining Trustees may designate a qualified successor to fill such vacancy until the next annual meeting of Participants.

3.10 Costs - The expenses of each representative to attend the annual meeting shall be borne by each Participant. The reasonable out-of-pocket expenses of the Trustees incurred in the performance of their duties hereunder and of attending a meeting of the Board of Trustees shall be Investment Property Liabilities.

3.11 Investment Officer - The chairman of the Board of Trustees, ex officio (or in the absence of the chairman, the vice chairman, if any), shall be the investment officer for the Trust as required by Section 2256.005 (f) of the Act.

3.12 Public Proceedings - Notwithstanding anything contained in this Agreement, the Board of Trustees shall comply with the applicable provisions of Chapter 552 of the Texas Government Code.

3.13 Telephone Participation - Upon the occurrence of an emergency or unforeseeable circumstances requiring immediate action, a representative may participate in a meeting of Participants and a Trustee may participate in a meeting of the Board of Trustees through the use of a conference telephone provided that such representative or Trustee is able to hear the deliberations of the other representatives or Trustees, respectively, and the other representatives or Trustees are able to hear such representative or Trustee, respectively, simultaneously.
3.14 **Liability** - No Trustee or officer of the Board shall be subject to any personal liability whatsoever to any person, in connection with the Investment Property or affairs of the Board, other than liability arising from the bad faith, willful misfeasance, gross negligence, or reckless disregard of duty by such Trustee or officer; and all persons shall look solely to the Investment Property for satisfaction of claims of any nature arising in connection with the affairs of the Board. No member or officer of the Board who is made a party to any suit or proceeding to enforce any such liability shall on account thereof be held to any personal liability.

3.15 **Insurance** - The Board shall have full and complete power to purchase and pay for, entirely out of Trust property, insurance policies insuring the Trust, the Trustees, officers, employees, and agents of the Trust individually against all claims and liabilities of every nature arising by reason of holding or having held any such office or position or by reason of any action alleged to have been taken or omitted by the Trust or any such person, officer, employee, and agent including any action taken or omitted that may be determined to constitute negligence whether or not the Trust would have the power to indemnify such person against such liability. The Board may instruct the Program Administrator to obtain such insurance on behalf of the Board in such amount as the Board and the Program Administrator shall deem adequate to cover all foreseeable liabilities to the extent available at reasonable rates.

**ARTICLE IV**

**Program Administrator**

4.1 **Appointment; General Provisions**

(a) The Participants hereby appoint Public Trust Advisors, LLC as the Program Administrator under this Agreement, subject to the overall supervision of the Board of Trustees, for the period and on the terms set forth in this Agreement.

(b) Public Trust Advisors, LLC accepts such appointment and agrees to render the services and to assume the obligations set forth herein for the compensation herein provided.

(c) The Participants and the Board of Trustees agree that the Program Administrator shall invest the Investment Property in investments meeting the criteria set forth in Exhibit E and in the Investment Policy applicable to each pool or portfolio established pursuant to this Trust Agreement, and in a manner that maintains the 'AAAm' or equivalent rating of Texas CLASS and any other pool or portfolio established pursuant to this Trust Agreement. The Program Administrator is directed to cause Investment Property of each Participant to be invested in investments meeting the criteria set forth in Exhibit E and in the Investment...
Policy applicable to each pool or portfolio established pursuant to this Trust Agreement and in a manner that maintains the 'AAAm' or equivalent rating of any pool or portfolio established pursuant to this Agreement. The Board and the Participants delegate no investment discretion to the Program Administrator hereunder to invest in investments not meeting the criteria set forth in Exhibit E, and the Program Administrator expressly refuses to accept any delegation of such discretion. The decision concerning which criteria shall be contained on Exhibit E shall remain at all times under the control of the Board of Trustees. The Board of Trustees shall ensure that the criteria set forth on Exhibit E are permitted by and consistent with the standards and the duty of care set forth in the Act.

(d) Each Participant directs the Custodian to act and the Custodian agrees to act in accordance with the instructions of the Program Administrator that shall act in a manner consistent with this Agreement. The Program Administrator shall at no time have custody of, possession of, or physical control over any of the Investment Property. If a Participant in error delivers Investment Funds for investment to the Program Administrator instead of to the Custodian, the Program Administrator shall immediately transfer such Investment Funds to the Custodian. The Program Administrator shall not be liable for any act or omission of the Custodian but shall be liable for the Program Administrator's acts and omissions as provided herein. Under no circumstance shall the Program Administrator be authorized or permitted to withdraw or instruct the Custodian to withdraw Investment Property maintained with the Custodian unless acting upon the request of a Participant pursuant to Section 2.2 (a).

4.2 Monthly Statements

(a) Within 15 days subsequent to the end of each month, the Program Administrator shall, on behalf of the Board of Trustees, prepare and submit to each Participant who was a Participant during such month a statement setting forth the information required by Section 2256.016(c)(2) of the Act.

(b) The Program Administrator, upon the request of a Participant, shall furnish to the Participant a statement of such Participant's balance(s) as of the date of such request subject only to account activity as of such date, provided that such request is received by the Program Administrator by 5:00 p.m. CT on a given date.

4.3 Reports

(a) The Program Administrator shall prepare or cause to be prepared:

(i) at least annually a report of operations containing a statement of the Investment Property and the Investment Property Liabilities and statements of operations and of net changes in net assets prepared in conformity with generally accepted accounting principles consistently applied and;
(ii) at least annually an opinion of an independent certified public accountant on such financial statements based on an examination of the books and records of the Program Administrator with respect to the Investment Property performed in accordance with generally accepted auditing standards. A copy of such signed report of operations and accountant’s opinion shall be filed with the Board of Trustees and the Participants within ninety (90) days after the close of the period covered thereby.

(b) The Program Administrator shall provide to the Board, on an annual basis, the Certification substantially as set forth in Exhibit H.

(c) The Program Administrator shall provide to the Board the Securities and Exchange Commission form ADV filing of Public Trust Advisors, LLC within ninety (90) days of such filing.

(d) The Program Administrator shall provide to the Board, on an annual basis, the Public Trust Advisors, LLC disaster/contingency plan for the protection of the assets of Texas CLASS and any other pool or portfolio established pursuant to this Trust Agreement.

4.4 Investment Activities and Powers - Subject to the supervision of the Board of Trustees and consistent with Section 4.1(c), the investment criteria set forth in Exhibit E, and the Investment Policies, the Program Administrator shall perform the following services:

(a) advise the Board of Trustees concerning investments that appear to the Program Administrator to be advantageous to the Participants within the investment criteria set forth in Exhibit E and within all applicable law provided, however, the Board of Trustees shall have the duty to inform the Program Administrator of any changes to the Act;

(b) implement or cause to be implemented securities transactions for the Trust on behalf of the Board of Trustees and the Participants as permitted by the investment criteria set forth in Exhibit E (including without limitation by executing or causing to be executed on behalf of and as an agent of the Trust agreements and other documents containing representations, warranties, and covenants that are common or standard for such agreements and documents within the investment industry) or, despite the intention of the parties hereto to always have the Investment Property fully invested, cause the Custodian to hold the Investment Property uninvested in a custodial account maintained for the benefit of the Trust;

(c) from time-to-time, review the permitted investments and the investment criteria set forth in Exhibit E and, if circumstances and applicable law permit, recommend changes in such permitted investments and such investment criteria;

(d) provide such advice and information to the Participants and the Board of Trustees on matters related to investments as the Participants or the Board of Trustees may
reasonably request including, without limitation, research and statistical data concerning the Investment Property and other matters within the scope of the permitted investments and investment criteria set forth in Exhibit E;

(e) advise whether and in what manner all rights conferred by the Investment Property should be exercised;

(f) prepare such information and material as may be required in the implementation of the Valuation Procedures or the computation of the balance(s) and the preparation of any and all records and reports required by this Agreement or applicable laws; and

(g) employ, consult with, obtain advice from, and exercise any of the Program Administrator's rights or powers under this Agreement through the use of agents including investment advisors, brokers, dealers, auditors and legal counsel (who may be counsel to the Program Administrator or the Board of Trustees), or other advisors. Notwithstanding Section 10.9 hereof, the Program Administrator may transmit information concerning the Investment Property and the Participants to such agents.

4.5 **Daily Calculation of Program Value and Rate of Return**

(a) The Program Administrator shall calculate the Investment Property Value once on each business day at the time and in the manner provided in the Valuation Procedures.

(b) Upon performing the valuation specified in Section 4.5(a) hereof, the Program Administrator shall calculate (rounding off to the nearest whole cent) the balance of each Participant, and each balance of each of the Participants shall be adjusted proportionately so that the total balances of all the Participants equals the Investment Property Value.

(c) For purposes of calculating the Investment Property Value, the amount of any uncertain or contingent Investment Property Liability shall be deemed to be equal to the amount of the reserve, if any, against such Investment Property Liability that has been approved from time-to-time by the Program Administrator.

(d) For purposes of calculating the Investment Property Value, if the value of any part of the Investment Property is uncertain or contingent, the value of such part of the Investment Property shall be deemed to be equal to the amount determined from time-to-time by the Program Administrator.

(e) The Program Administrator shall calculate daily the rate of return earned on the Investment Property.

4.6 **Administration of Program** - The Program Administrator shall perform the following administrative functions on behalf of the Board of Trustees in connection with the implementation of this Agreement:
(a) collect and maintain for such time period as may be required under any applicable Federal or Texas law written records of all transactions affecting the Investment Property or the balances including but not limited to (a) investments by and payments to or on behalf of each Participant; (b) acquisitions and dispositions of Investment Property; (c) pledges and releases of collateral securing the Investment Property; (d) determinations of the Investment Property Value; (e) adjustments to the Participants' Balances; and (f) the current Balance and the Balances at the end of each month for each Participant. There shall be a rebuttable presumption that any such records are complete and accurate. On behalf of each Participant, the Program Administrator shall maintain the records relating to such Participant in a manner that subdivides the Participant's balance into subaccounts or other special accounts to accommodate the desire of such Participant to segregate a portion of its Investment Funds;

(b) assist in the organization of the annual meeting required by Section 3.1 (a) hereof and of meetings of the Board of Trustees including preparation and distribution of the notices and agendas therefore;

(c) respond to all inquiries and other communications of Participants, if any, that are directed to the Program Administrator or, if any such inquiry or communication is more properly addressed by an officer of the Custodian, referring such inquiry or communication to such person and coordinating his response thereto;

(d) pay all Investment Property Liabilities in accordance with this Agreement from the Investment Property and engage in marketing activities to promote participation of Texas governmental entities in the Trust.

(e) engage in marketing activities to promote participation of Texas governmental entities in the Trust.

4.7 Resignation and Removal

(a) The Program Administrator may resign as Program Administrator upon the giving of at least sixty (60) days' prior written notice of such resignation to the Board of Trustees and the Custodian.

(b) A majority of the Board of Trustees may remove the Program Administrator upon the giving of at least sixty (60) days' prior written notice to the Program Administrator and the Custodian.

(c) In the event that the Program Administrator shall give notice of its resignation or if the Board of Trustees shall give notice of the removal of the Program Administrator, a majority of the Board of Trustees shall appoint a successor.

(d) Upon notification of the removal or resignation of the Program Administrator, the Program Administrator shall deliver to the Board all data and records pertaining to Texas
CLASS and its Participants within 60 days of the notification of removal or resignation provided, however, that the Program Administrator may retain copies of any such data and records required to be retained by it by law or in compliance with the requirements of its corporate records retention policy. The Program Administrator shall continue to administer Texas CLASS until a successor program administrator is appointed by the Board under the terms of this Agreement.

(e) If a new program administrator is not appointed by the Board within 60 days of a notification of removal or resignation of the Program Administrator, the Program Administrator shall continue to administer Texas CLASS until a successor program administrator is selected but shall be compensated for such administration pursuant to an agreement to be negotiated between the Program Administrator and the Board.

4.8 Liability

(a) Each Participant agrees that the Program Administrator and its officers, directors, agents, and employees shall not be liable for any action performed or omitted to be performed or for any errors of judgment made in good faith in connection with any matters to which this Agreement relates provided that such disclaimer shall not relieve any of them for liability arising from negligence, malfeasance, material breach of this Agreement by the Program Administrator, or violation of applicable law by any of them (Program Administrator Liabilities). Nothing herein shall constitute a waiver or limitation of any rights that the Participants may have under any Federal or state securities laws.

(b) Each Participant, the Board of Trustees, and the Custodian understand that in performing its services hereunder, the Program Administrator will rely on information provided by others and agree that the Program Administrator is not responsible for the accuracy of such information.

4.9 Power to Receive Investment Advice - The Program Administrator shall have the right, at its own cost, to receive investment advice concerning the Investment Property from any other third party. Notwithstanding the provisions of Section 10.9 hereof, the Program Administrator may transmit information concerning the Investment Property and the Participants to such other third parties in order to obtain such investment advice. The Program Administrator shall notify the Board of Trustees if any third parties are retained pursuant to this Section 4.9 within 45 days of such retention.

4.10 Advice to Other Clients - It is understood that the Program Administrator performs investment advisory services for various clients. The Participants agree that the Program Administrator may give advice and take action with respect to any of its other clients that may differ
from the advice given to or the timing or nature of action taken with respect to the Investment Property provided that the policy and practice of the Program Administrator is not to favor or disfavor consistently or consciously any client or class of clients in the allocation of investment opportunities and that, to the extent practical, such opportunities are allocated among clients over a period of time on a fair and equitable basis. Nothing herein contained shall be construed so as to prevent the Program Administrator or any of its directors, officers, employees, shareholders, or affiliates in any way from purchasing or selling any securities for its own accounts prior to, simultaneously with, or subsequent to any recommendation or actions taken with respect to the Investment Property or impose upon the Program Administrator any obligation to purchase or sell or to recommend for purchase or sale for the Investment Property any security that the Program Administrator or any of its shareholders, directors, officers, employees, or affiliates may purchase or sell for its or their own accounts or for the account of any other client, advisory or otherwise, provided, however, that the Program Administrator shall always use its best efforts to maximize the gains for the Investment Property in a manner consistent with the investment criteria set forth in Exhibit E hereof.

4.11 **Special Subaccounts** - Notwithstanding anything in this Agreement to the contrary, the Program Administrator may, from time-to-time, propose to the Participants that the Participants establish specially designated subaccounts with investment, payment procedures, fees, or other characteristics different from those set forth in this Agreement. Such characteristics may include, without limitation, certain restrictions on amounts to be invested, holding periods prior to payments, or certain other conditions to be met for payments such as possible payment penalties or additional fees for administering such specially designated subaccounts. In its sole discretion, a Participant may create any such special subaccount using the same procedures for establishing other subaccounts set forth in this Agreement. The establishment of such special subaccounts shall not be deemed an amendment of this Agreement. Any special subaccount that is created pursuant to this Section 4.11 shall be subject to the terms set forth in the proposal of the Program Administrator until the terms governing such special subaccount are amended pursuant to this Agreement. The Program Administrator may calculate the return realized by such special subaccounts separate and apart from the returns realized by other subaccounts maintained for each Participant.

4.12 **Intellectual Property**

(a) The Trust will own all Intellectual Property related to the name Texas Cooperative Liquid Assets Securities System Trust and Texas CLASS. For purposes of this section, Intellectual Property shall mean all of the rights relating to the names Texas Cooperative Liquid Assets Securities System Trust and Texas CLASS including copyrights, trademark and service mark rights, trade dress rights, rights of publicity, website, and the Internet domain rights. Public Trust Advisors, LLC makes no representation or warranty that it owns any Intellectual Property rights in those names and that there are no third parties who may claim
rights to intellectual property rights in or associated with the names.

(b) Public Trust Advisors, LLC hereby assigns all Intellectual Property rights that it has or may have that are not otherwise conveyed by other instrument or party to the Trust. Public Trust Advisors, LLC represents and warrants to the Board that it has the right and authority to transfer to the Trust all Intellectual Property that it has or may have in each case to the extent such Intellectual Property is reasonably necessary for the Trust's ownership, operating, and full enjoyment of the name Texas Cooperative Liquid Assets Securities System Trust and Texas CLASS. The Board assigns to Public Trust Advisors, LLC an irrevocable license curing the term of the Public Trust Advisors, LLC tenure as Program Administrator to use all Intellectual Property rights described herein in connection with the administration of the Trust.

ARTICLE V

The Custodian

5.1 Appointment and Acceptance; Sub-Custodians

(a) Wells Fargo Bank, N.A., as Custodian, is appointed by each of the Participants to be the Custodian for the collective interests of the Participants under this Agreement for the period and on the terms set forth herein. The Participants hereby delegate to the Custodian the authority to hold legal title to investments purchased with their funds pursuant to Section 2256.016(d) of the Act. Wells Fargo Bank, N.A., as Custodian, accepts such appointment and agrees to render the services and to assume the obligations set forth herein for the compensation herein provided.

(b) The Custodian may employ other banks and trust companies as subcustodians including without limitation affiliates of the Custodian. The appointment of a subcustodian under this Section shall not relieve the Custodian of any of its obligations under this Agreement.

(c) No Investment Funds or Investment Property received or held by the Custodian pursuant to this Agreement shall be accounted for in any manner that might cause such Investment Funds or Investment Property to become assets or liabilities of the Custodian.

5.2 Resignation and Removal; Successors

(a) The Custodian may resign upon the giving of at least sixty (60) days' prior written notice to the Board of Trustees and the Program Administrator. A majority of the Board of Trustees may remove the Custodian upon at least sixty (60) days' prior written notice to the
Custodian and the Program Administrator. Notwithstanding the foregoing, the resignation or removal of the Custodian shall not be deemed effective unless a successor has been chosen pursuant to Section 5.2(b) hereof. In the event that assets remain in the possession of the Custodian due to the failure of the Board of Trustees to appoint a successor custodian, the Custodian shall be entitled to compensation for its services during such period, and the provisions of this Agreement relating to the duties and obligations of the Custodian shall remain in full force and effect. Alternatively, the Custodian shall have the right to commence an action in the nature of an interpleader and seek to deposit the assets in a court of competent jurisdiction.

(b) In the event that the Custodian shall give notice of its resignation or if the Board of Trustees shall give notice of the removal of the Custodian, a majority of the Board of Trustees shall appoint a successor provided, however, that so long as the Program Administrator is required to pay the fees of the Custodian pursuant to Article VI hereof, the appointment of such successor custodian shall require the prior written consent of the Program Administrator.

5.3 Powers

(a) (i) The Custodian is authorized and directed to open and maintain, and the Custodian shall open and maintain, one or more custody accounts for the benefit of the Trust (the Account) in the name of "[Name of Custodian] as Custodian for the Benefit of Texas CLASS" (and/or the name of such other pool or portfolio as established pursuant to this Trust Agreement) and will accept for safekeeping and for credit to the accounts, in accordance with the terms hereof, all securities representing the investment of Investment Funds pursuant to Section 2.1 hereof and the income or earnings derived therefrom. The Custodian may accept funds hereunder for the purpose of purchases to be held by the Custodian and shall not be required to make an independent determination whether such funds are Investment Funds.

(ii) Except as provided in Section 5.3(c)(iii), all securities and other non-cash Investment Property held in each account shall be physically segregated from other securities in the possession of the Custodian and from other pools or portfolios established pursuant to this Trust Agreement and shall be identified as subject to this Agreement.

(b) In accordance with instructions of the Program Administrator who shall act in a manner consistent with this Agreement, the Custodian shall, for the account and benefit and burden of the Participants:

(i) receive and deliver Investment Funds and all other Investment Property in accordance with the requests of Participants pursuant to Article II and Exhibits A and B hereof;

(ii) exchange securities in temporary or bearer form for securities in definitive
or registered form and surrender securities at maturity or earlier when advised of a call for redemption;

(iii) make, execute, acknowledge, and deliver as Custodian any and all documents or instruments (including but not limited to all declarations, affidavits, and certificates of ownership) that may be necessary or appropriate to carry out the powers granted herein;

(iv) make any payments incidental to or in connection with this Section 5.3(b);

(v) sell, exchange, or otherwise dispose of any and all Investment Property free and clear of any and all interests of the Trust and any and all Participants at public or private sale, with or without advertisement; and execute and deliver any deed, power, assignment, bill of sale, or other instrument in connection therewith;

(vi) with respect to enforcing rights in connection with the Investment Property: (a) collect, sue for, receive, and receipt for all sums of money or other personal property due; (b) consent to extensions of the time for payment or to the renewal of any securities, investments, or obligations; (c) engage or intervene in, prosecute, defend, compromise, abandon, or adjust by arbitration or otherwise any actions, suits, proceedings, disputes, claims, demands, or things relating to the Investment Property; (d) foreclose on any personal property, security, or instrument securing any investments, notes, bills, bonds, obligations, or contracts that are part of or relate to the Investment Property; (e) exercise any power of sale and convey good title thereunder free of any and all interests of any and all Participants and in connection with any such foreclosure or sale, purchase, or otherwise acquire title to any personal property; (f) be a party to the reorganization of any person and transfer to and deposit with any corporation, committee, voting trustee, or other person any securities, investments, or obligations of any person that form a part of the Investment Property for the purpose of such reorganization or otherwise; (g) participate in any arrangement for enforcing or protecting the interests of the holders of such securities, investments, or obligations and to pay any assessment levied in connection with such reorganization or arrangement; (h) extend the time (with or without security) for the payment or delivery of any debts or personal property and to execute and enter into releases, agreements, and other instruments; (i) pay or satisfy any debt or claims; and (j) file any financing statements concerning the Investment Property with the appropriate authorities to protect the Investment Property from any potential claim of any creditors of any of the Participants; and

(vii) exercise all other rights and powers to take any action in carrying out the purposes of this Agreement.
(c) (i) with respect to Investment Property held by the Custodian hereunder, the Custodian shall collect all income or other payments, release and deliver such Investment Property, and take any other action as directed by the Program Administrator with respect to dividends, splits, distributions, spinoffs, puts, calls, conversions, redemptions, lenders, exchanges, mergers, reorganizations, rights, warrants, or any other similar activity relating to the Investment Property held in the Account. The Custodian shall request direction of the Program Administrator upon receipt of actual notice of any such activity. For purposes of this paragraph, the Custodian shall be deemed to have actual notice if the Program Administrator informs the Custodian of such activity or if information concerning any such activity is published in one or more of the following publications: J.J. Kenny's Munibase System, Financial Card Service, Xcitek, Inc., Standard & Poor's Called Bond Listing, Depository Trust Reorganization Notices, and The Wall Street Journal. If the Custodian does not have actual notice of such activity, any such activity will be handled by the Custodian on a "best efforts" basis.

The Custodian shall not be under any obligation or duty to take action to effect collection of any amount if the assets on which such amount is payable are in default and payment is refused after due demand or presentation. The Custodian will, however, promptly notify the Program Administrator in writing of such default and refusal to pay.

The Custodian is not authorized and shall not disclose the name, address, or security positions of the Participants in response to requests concerning shareholder communications under Section 14 of the Securities Exchange Act of 1934, the rules and regulations thereunder, and any similar statute, regulation, or rule in effect from time-to-time;

(ii) the Custodian shall promptly deliver or mail to the Program Administrator all forms of proxies and all notices of meetings received by the Custodian relating to Investment Property held under this Agreement and, upon receipt of instructions from the Program Administrator, shall execute and deliver such proxies or other authorizations as may be required. Neither the Custodian nor its nominee shall vote any Investment Property or execute any proxy to vote the same or give any consent to take any other action with respect thereto (except as otherwise herein provided) unless directed to do so by Program Administrator upon receipt of instructions;

(iii) the Custodian shall hold the Investment Property (a) in its vaults physically segregated and held separate and apart from other property of the Custodian; (b) in its account at The Depository Trust Company or other depository, sub-custodian, or clearing corporation; or (c) in a book entry account with the Federal Reserve Bank in which case a separate accounting of the Investment Property shall be maintained by the Custodian at all times. The Investment Property held by any such depository, sub-custodian, clearing corporation, or Federal Reserve Bank may be held in the name of their respective nominees provided, however, that the custodial relationship and the interests of the Trust or the Participants regarding such Investment Property shall be
noted on the records kept by the Program Administrator and the custodial relationship on behalf of the Trust or the Participants shall be noted on the records of the Custodian and, to the extent possible, the Custodian shall cause the custodial relationship on behalf of Trust or the Participants to be noted on the records of such depository, sub-custodian, clearing corporation or Federal Reserve Bank. The Custodian shall not be obligated or liable for costs, expenses, damages, liabilities, or claims (including attorneys’ or accountants’ fees) that are sustained or incurred by reason of any action or inaction of the Federal Reserve Bank book entry system, The Depository Trust Company, or any other central depository or clearing agency which is or may become standard market practice to use for the comparison and settlement of securities trades provided, however, that nothing in this sentence shall relieve the Custodian of its obligations set forth in Section 5.1 (b) hereof regarding banks or trust companies selected as sub-custodians; and

(iv) the Custodian shall hold and physically segregate for each account all Investment Property owned by each account other than Investment Property held pursuant to 5.3(c)(iii)(b) and (c) above. Investment Property physically held by the Custodian (other than bearer securities) may be registered in the name of any nominee of Custodian, provided that the records of the Custodian provide that such Investment Property is held in a custodial capacity and that such Investment Property is not an asset of the Custodian or such nominee. All Investment Property accepted by Custodian under the terms of this Agreement shall be in negotiable form.

5.4 Custodial Relationship: Custodian Records

(a) The Custodian shall hold the Investment Property in its capacity as custodian for the benefit of the Trust. The Investment Property shall be custodial property of the Custodian and shall not be or be deemed to be an asset of the Custodian. Each Participant has an undivided beneficial interest in the Investment Property to the extent of such Participant's balance.

(b) The Custodian shall maintain its own internal records concerning the account(s) and the transactions contemplated by this Agreement, and the Custodian shall cause all of such records to reflect the custodial relationship created by this Agreement and the fact that the Investment Property in each account belongs to the Trust for the collective benefit of the Participants in each pool or portfolio established pursuant to this Trust Agreement, respectively. Notwithstanding the foregoing, the Program Administrator shall maintain all records regarding each Participant's beneficial interest in such Investment Property, and such records shall conclusively determine the beneficial interests of each Participant in the Investment Property segregated between the pools or portfolios in which such Investment Property is held. The records maintained by such Program Administrator shall be conclusively determinative of the beneficial interests of the Participants in each pool or portfolio.
established pursuant to this Trust Agreement, it being understood that the Custodian shall not be obligated to maintain records concerning the beneficial interest of individual Participants in the Investment Property.

5.5 Reliance on Instructions

(a) The Custodian is authorized to accept and shall be fully protected if it relies upon the instructions given by any authorized officer, employee, or agent of the Program Administrator including any oral instructions that the individual receiving such instructions on behalf of the Custodian believes in good faith to have been given by an authorized officer, employee, or agent of the Program Administrator, and all authorizations shall remain in full force and effect until canceled or superseded by subsequent instructions received by the appropriate account officer of the Custodian. The authorized officers, employees, or agents of the Program Administrator shall be only such persons as are designated in writing to the Custodian by the Program Administrator. The Custodian may rely on instructions received by telephone, tested telex, TWX, facsimile transmission, or by bank wire that the Custodian believes in good faith to have been given by an authorized person. The Custodian may also rely on instructions transmitted electronically through a customer data entry system or any similar electronic instruction system acceptable to the Custodian. Any instructions delivered to the Custodian by telephone shall promptly thereafter be confirmed in writing by an authorized person, but the Custodian will incur no liability for the Program Administrator’s failure to send such confirmation in writing. Instructions are deemed given to the Custodian when actually received by the Custodian.

(b) In the absence of bad faith or negligence on its part, the Custodian may conclusively rely on the truth and correctness of the statements expressed in notices, certificates, or documents submitted to it, and the Custodian need not investigate any fact or matter stated in any such notice, certificate, or document submitted to it or verify the accuracy of the contents thereof.

5.6 Degree of Care

(a) The Custodian shall hold the Investment Property in the account(s) with the same degree of care and protection with which it holds its own property. The Custodian agrees that it shall be responsible for any loss of Investment Property caused solely by the negligence or bad faith of the Custodian or its agents or any material breach of this Agreement by the Custodian. The Custodian is hereby released from liability except for liability arising from the negligence or bad faith of the Custodian or its agents or from any material breach of this Agreement by the Custodian. In the event of any such loss of Investment Property, the Custodian shall promptly replace the Investment Property or the value thereof and the value of any such loss of rights or privileges resulting from such loss. The Custodian shall not be
responsible for the acts or omissions or solvency of any broker or agent selected by the Program Administrator to affect any transactions for the account(s).

(b) The Custodian shall not be liable for any error of judgment made in good faith by an employee, officer, or agent of the Custodian unless it was proved that the Custodian was negligent in ascertaining the pertinent facts.

(c) Except as provided in Section 5.6(a), the Custodian shall not be required to expend or risk its own funds or otherwise incur any financial liability in the performance of any of its duties hereunder or in the exercise of any of its rights or powers unless it receives indemnity satisfactory to it for repayment of such funds or against such risk of liability.

(d) The Custodian shall have no discretion whatsoever with respect to the management, disposition, or investment of Investment Property and is not a fiduciary to the Program Administrator or the Participants. During the term of this Agreement, the Custodian may, with respect to questions of law and construction of this Agreement, apply for and obtain, at the cost of the Custodian, the advice and opinion of counsel of its choice and shall be fully protected with respect to anything done or omitted by it in good faith in conformity with such advice or opinion. The Custodian shall have no duties except those that are specifically set forth in this Agreement. The Custodian shall only be responsible for custody hereunder of Investment Property delivered to it and then only while such Investment Property is held in the Account.

5.7 **Subrogation** - At the election of a majority of the Board of Trustees, the Trust shall be entitled to be subrogated to the rights of the Custodian with respect to any claim against any other person or institution that the Custodian may have as a consequence of any loss or damage to the Investment Property. In such event, the Board of Trustees shall consult with the Custodian concerning selection of counsel and management of any litigation to recover for such loss.

5.8 **Insurance**

(a) The Custodian shall maintain insurance coverage the following types and amounts with limits agreed to by the Board of Trustees:

(b) Financial Institution Bond - $100,000,000

(c) Professional Liability - $100,000,000

5.9 **Setoff** - The Custodian shall not have, and shall not seek to enforce, any right of setoff, recoupment, or similar rights against the Investment Property for any amounts owed to the Custodian pursuant to this Agreement.
ARTICLE VI

Trust Expenses

6.1 Expenses

(a) In consideration of the performance of its obligations hereunder, the Program Administrator shall receive a fee from the Trust as set forth on Exhibit F, which fee shall be paid from the earnings of the Trust. The Program Administrator's fee shall be an Investment Property Liability. The Program Administrator shall submit a monthly bill to the chairman of the Board of Trustees for approval stating the amount of the fee for the previous month and providing sufficient information to demonstrate that the fee was calculated in accordance with Exhibit F. The chairman of the Board of Trustees is hereby given the authority to approve or disapprove the bills submitted by the Program Administrator. After receiving the approval of the chairman of the Board of Trustees of such bills, the Program Administrator shall submit such bills to the Custodian for payment, and the Custodian shall pay such bills from the earnings of the Trust. If the chairman of the Board of Trustees does not approve the bills submitted by the Program Administrator within 60 days of their submittal, the Program Administrator may present the bills to the Board of Trustees for review and approval.

(b) From its fee, the Program Administrator shall pay the following costs and expenses:

1. the Custodian's fee as set forth in Exhibit I;
2. all custodial and securities clearance transaction charges;
3. the costs of third parties retained by the Program Administrator to render investment advice pursuant to Section 4.9;
4. all Investment Property record-keeping expenses;
5. the costs of preparing monthly and annual reports;
6. the costs related to sales, marketing, and client service (including website maintenance and certain conference sponsorships);
7. the cost of valuing the Investment Property;
8. outgoing wire charges of the Custodian and the costs of Participant communications including Participant surveys and mailings;
9. the costs of the Trust's auditors and legal counsel;
10. the costs of meetings of the Participant or the Board of Trustees;
11. outgoing wire charges of the Custodian and the cost of obtaining a rating, if any;
12. expenses for Board and Participant meetings including Board travel and education expenses; and

13. the costs of Insurance for the Board and the Trust.

The Program Administrator and the Board of Trustees shall annually establish a budget for the Board's expenses including without limitation the expenses of the Board and committee meetings, the Participant meeting(s), Board travel and education expenses, legal fees, audit fees, and insurance the Program Administrator shall facilitate the payment of these expenses on behalf of the Board from its fee.

(c) Any expenses not paid by Public Trust Advisors, LLC above shall be as mutually agreed upon by the Program Administrator and the Board of Trustees.

ARTICLE VII

Representations and Warranties

7.1 **Representations and Warranties of Each Participant** - Each Participant hereby represents and warrants that:

(a) the Participant has taken all necessary actions and has received all necessary approvals and consents and adopted all necessary resolutions including without limitation as required by Section 2256.016(a) of the Act in order to execute and deliver this Agreement and to perform its obligations hereunder including without limitation the appointment of the Trustees as Trustees, the appointment of the Custodian as Custodian, and the appointment of the Program Administrator as Program Administrator; and

(b) the execution, delivery, and performance of this Agreement by the Participant is within the power and authority of the Participant and does not violate the laws of the state of Texas applicable to the Participant itself and not to the other parties hereto or the Participant's charter or its organizational statute, instrument, or documents or any other applicable local ordinance, resolution, rule, or regulation; and

(c) the execution, delivery, and performance of this Agreement has been duly authorized, and this Agreement is the legal, valid, and binding obligation of the Participant enforceable against the Participant in accordance with its terms subject to applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization, and similar laws now or hereafter in effect relating to creditors' rights generally and subject to general principles of equity (whether applied in a proceeding at law or in equity); and

(d) the certificates delivered heretofore or hereafter by the Participant pursuant to this Agreement, as of the date specified therein, are true and complete and contain no material misstatements of fact or omissions that render them misleading; and
(e) the execution, delivery, and performance of this Agreement do not conflict with or result in the breach or termination of, or otherwise give any other person the right to terminate, or constitute a default, event of default, or an event with notice or lapse of time or both would constitute a default or an event of default under the terms of any contract or permit to which the Participant is a party or by which the Participant or its properties are bound; and

(f) the proposed investment strategies of the Trust are consistent with and are contemplated by the investment strategy adopted by the Participant pursuant to Section 2256.005(d) of the Act.

7.2 **Representations and Warranties of the Custodian** - The Custodian hereby represents and warrants that:

(a) the Custodian is a duly organized and validly existing national banking organization organized under the laws of the United States with an office in Dallas, Texas, and is duly qualified to conduct business in the state of Texas; and

(b) the execution, delivery, and performance of this Agreement have been duly authorized by all necessary action on the part of the Custodian and this Agreement is the legal, valid, and binding obligation of the Custodian enforceable against the Custodian in accordance with its terms subject to applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization, and similar laws now or hereafter in effect relating to creditors' rights generally or the rights of creditors of banks, and subject to general principles of equity (whether applied in a proceeding at law or in equity); and

(c) the performance by the Custodian of its obligations under this Agreement does not violate any laws, rules or regulations of the State of Texas applicable to the Custodian itself and not to the other parties hereto.

7.3 **Representations and Warranties of the Program Administrator** - The Program Administrator hereby represents and warrants that:

(a) the Program Administrator is a duly organized and validly existing Colorado limited liability company, and is an investment advisor duly registered under the Investment Advisers Act of 1940; and

(b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of the Program Administrator and this Agreement is the legal, valid and binding obligation of the Program Administrator, enforceable against the Program Administrator, in accordance with its terms subject to applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and similar laws now or hereafter in effect relating to creditors' rights generally, and subject to
general principles of equity (whether applied in a proceeding at law or in equity); and

(c) the performance by the Program Administrator of its obligations under this Agreement does not violate any laws, rules, or regulations of the state of Texas applicable to the Program Administrator itself and not to the other parties hereto.

ARTICLE VIII
Covenants

8.1 **Source of Investments** - Each Participant hereby covenants that it will invest, pursuant to Section 2.2, only Investment Funds that are permitted to be invested by it pursuant to the laws of the state of Texas and any charter, instrument, organizational document, or organizational statute applicable to such Participant and any state or local ordinance, resolution, rule, or regulation applicable to such Participant and that it will perform all actions required by the laws of the state of Texas and any charter, instrument, organizational document, or organizational statute applicable to such Participant and any state or local ordinance, resolution, rule, or regulation applicable to such Participant to be done prior to such investment.

8.2 **Truth of Representations and Warranties** - Each party to this Agreement hereby covenants that it shall withdraw from this Agreement prior to the time any of the representations and warranties made by it in Article VII hereof ceases to be true.

ARTICLE IX
Amendment and Termination

9.1 **Amendment**

(a) Unless explicitly set forth otherwise herein, this Agreement may be amended only by a writing consented to by the Program Administrator, the Custodian, and the Trust acting through the Board of Trustees.

(b) Any amendment executed pursuant to Section 9.1(a) hereof will be effective thirty (30) days after notice is mailed to the Participants setting forth such amendment and stating that the last consent required by Section 9.1(a) hereof has been obtained.

(c) Notwithstanding the foregoing, Exhibit E may be amended by the written consent of a majority of the Board of Trustees. Any such amendment shall become effective thirty (30) days after notice is mailed to the Program Administrator, the Custodian, and the Participants.
setting forth such amendment and stating that such amendment has been consented to by a majority of the Board of Trustees.

(d) Notwithstanding the foregoing, Exhibits A, B, and C may be amended by the Program Administrator. Any such amendment shall become effective thirty (30) days after notice is mailed to the Participants and the Custodian setting forth such amendment.

(e) Notwithstanding the foregoing, Exhibit G may be amended by an amendment consented to by the Program Administrator and the Custodian. Any such amendment shall become effective upon the obtaining of such consents.

(f) All Participants that remain Participants after any amendment becomes effective shall be deemed to have consented to the amendment.

9.2 Termination

(a) This Agreement shall continue in full force and effect unless terminated as set forth in this Section 9.2. This Agreement may be terminated at any time pursuant to a duly adopted amendment hereto. This Agreement shall terminate automatically if this Agreement is not amended to name a new Custodian or Program Administrator on or before the day that is immediately prior to the date on which the resignation, withdrawal, or removal of the Custodian or Program Administrator would otherwise become effective.

(b) Upon the termination of this Agreement pursuant to this Section 9.2:

(i) The Custodian, the Board of Trustees, the Trust, and the Program Administrator shall carry on no business in connection with the Investment Property except for the purpose of satisfying the Investment Property Liabilities and winding up their affairs in connection with the Investment Property;

(ii) The Custodian, the Board of Trustees, the Trust, and the Program Administrator shall proceed to wind up their affairs in connection with the Investment Property, and all of the powers of the Custodian, the Board of Trustees, the Trust, and the Program Administrator under this Agreement shall continue until the affairs of the Custodian, the Board of Trustees, the Trust, and the Program Administrator in connection with the Investment Property shall have been wound up including but not limited to the power to collect amounts owed, sell, convey, assign, exchange, transfer, or otherwise dispose of all or any part of the remaining Investment Property to one or more persons at public or private sale for consideration that may consist in whole or in part of cash, securities, or other property of any kind, discharge or pay Investment Property Liabilities and do all other acts appropriate to liquidate their affairs in connection with the Investment Property; and

(iii) After paying or adequately providing for the payment of all Investment
Property Liabilities and upon receipt of such releases, indemnities, and refunding agreements as each of the Custodian, the Board of Trustees, the Trust, and the Program Administrator deem necessary for their protection, the Program Administrator shall direct the Custodian to distribute the remaining investment property, in cash or in kind or partly in each, among the Participants according to their respective proportionate balances.

(c) Upon termination of this Agreement and distribution to the Participants as herein provided, the Program Administrator shall execute and lodge among the records maintained in connection with this Agreement an instrument in writing setting forth the fact of such termination, and the Program Administrator, the Custodian, the Board of Trustees, and the Participants shall thereupon be discharged from all further liabilities and duties hereunder; the Trust shall cease, and the rights and benefits of all Participants hereunder shall cease and be canceled and discharged; provided that Sections 4.6(a), 4.8 and 5.6 hereof shall survive any resignation or termination of the Program Administrator or the Custodian or any termination of this Agreement.

(d) If this Agreement is terminated pursuant to Section 9.2 (a) hereof because of the resignation and/or removal of the Program Administrator, such resignation and/or removal shall be postponed until the instrument contemplated by Section 9.2(c) hereof has been executed and lodged among the records maintained in connection with this Agreement.

(e) Notwithstanding the above, one or more separate pools or portfolios established pursuant to this Trust Agreement may be terminated and its assets distributed to the Participants of that pool or portfolio. The dissolution of a pool or portfolio established pursuant to this Trust Agreement does not affect any other pool or portfolio established pursuant to this Trust Agreement. No pool or portfolio established pursuant to this Agreement shall have any right to or claim on the assets of any other pool or portfolio established pursuant to this Agreement.

ARTICLE X

Miscellaneous

10.1  Governing Law - This Agreement is executed by the Participants and delivered in the state of Texas and with reference to the laws thereof, and the rights of all parties and the validity, construction, and effect of every provision hereof shall be subject to and construed according to the laws of the state of Texas.

10.2  Counterparts - This Agreement may be executed in several counterparts, each of which when so executed shall be deemed to be an original, and such counterparts together shall
constitute but one and the same instrument that shall be sufficiently evidenced by any such original counterpart.

10.3 **Severability** - The provisions of this Agreement are severable, and if any one or more of such provisions (the Conflicting Provisions) are in conflict with any applicable laws, the conflicting provisions shall be deemed never to have constituted a part of this Agreement, and this Agreement may be amended pursuant to Section 9.1 hereof to remove the conflicting provisions; provided, however, that such conflict or amendment shall not affect or impair any of the remaining provisions of this Agreement or render invalid or improper any action taken or omitted prior to the discovery or removal of the conflicting provisions.

10.4 **Pools Separately Managed** - Separate pools or portfolios established and operated pursuant to the Trust Agreement shall be managed and operated separately and independently by the Program Administrator. There shall be no co-mingling of funds between pools or portfolios, and Participants in one pool or portfolio established pursuant to this Trust Agreement shall have no claim on the funds or assets of another pool or portfolio established pursuant to this Trust Agreement, and investment earnings shall remain in the pool or portfolio in which they are realized.

10.5 **Gender Section Headings and Table of Contents**

(a) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders, and words importing the singular number shall mean and include the plural number and vice versa.

(b) Any headings preceding the texts of the several Articles and Sections of this Agreement and any table of contents or marginal notes appended to copies hereof shall be solely for convenience of reference and shall neither constitute a part of this Agreement nor affect its meaning, construction, or effect.

10.6 **No Assignment** - No party hereto may sell, assign, pledge, or otherwise transfer any of its rights or benefits under this Agreement to any other person, and any purported sale, assignment, pledge, or other transfer shall be null and void.

10.7 **No Partnership** - Other than the creation of the Trust by the Participants hereunder, no provision of this Agreement shall create or constitute an association of two or more persons to carry on as co-owners a business for profit, and none of the parties intends this Agreement to constitute a partnership or any other joint venture or association.
10.8 **Notice** - Unless oral notice is otherwise allowed in this Agreement, all notices required to be sent under this Agreement:

(a) shall be in writing;

(b) shall be deemed to be sufficient if given by (i) depositing the same in the United States mail, postage prepaid, or (ii) electronically transmitting such notice by any means such as by facsimile transmission, telegraph, telex, or computer hookup; or (iii) by depositing the same with a courier delivery service, addressed to the person entitled thereto at his address or phone number as it appears on the records maintained by the Program Administrator;

(c) shall be deemed to have been given on the day of such mailing, transmission, or deposit; and

(d) any of the methods specified in Section 10.7(b) shall be sufficient to deliver any notice required hereunder notwithstanding that one or more of such methods may not be specifically listed in the sections hereunder requiring such notice.

10.9 **Entire Agreement** - Except with respect to the letter described in Exhibit G between the Custodian and the Program Administrator, this Agreement shall constitute the entire agreement of the parties with respect to the subject matter and shall supersede all prior oral or written agreements in regard thereto.

10.10 **Confidentiality**

(a) All information and recommendations furnished by the Program Administrator to the Participants or the Board of Trustees that is marked confidential and all information and directions furnished by the Program Administrator to the Custodian shall be regarded as confidential by each such person to the extent permitted by law. The Program Administrator and the Custodian shall regard as confidential all information concerning the Investment Property and the affairs of the Trust and Participants. Nothing in this paragraph shall prevent any party from divulging information as required by law or from divulging to civil, criminal, bank, or securities regulatory authorities where such party may be exposed to civil or criminal proceedings or penalties for failure to comply or to prevent the Program Administrator from distributing copies of this Agreement or the aggregate value of the Trust to third parties provided, however, confidential information shall not include (i) information that is independently developed or obtained by a party without the use of information provided by any other party; or (ii) information that is otherwise available to the public.

(b) In the event that online terminals or similar electronic devices are used for communication from the Program Administrator to the Custodian or from the Participants to either the Program Administrator or the Custodian, the Program Administrator and the Participants agree to safeguard and maintain the confidentiality of all passwords or numbers.
and to disclose them only to such of its employees and agents as reasonably require access to the information concerning the Investment Property. The Custodian agrees to safeguard and maintain the confidentiality of all passwords or numbers and to limit access to this information for the purpose of acting pursuant to this Agreement. The Custodian and the Program Administrator may electronically record any instructions given by telephone and any other telephone discussions with respect to the Account or transactions pursuant to this Agreement.

10.11 **Disputes** - In the event of any dispute between the parties, the parties agree to attempt to resolve the dispute through negotiation or a method of alternative dispute resolution. No litigation shall be commenced without a certification by an authorized officer, employee, or agent of any party that the dispute cannot be resolved by negotiation or alternative dispute resolution provided in writing at least ten days before commencing legal action.

10.12 **Majority of Participants** - Whenever any provision hereof refers to a majority of the Participants, such majority shall be determined based upon the number of Participants at that time and shall not be determined by a reference to the balance of each Participant.

10.13 **Writings** - Whenever this Agreement requires a notice, instruction, or confirmation to be in writing or a written report to be made or a written record to be maintained, it shall be sufficient if such writing is produced or maintained by electronic means or maintained by any other photo static, photographic, or micrographic data storage method such as microfiche as well as on paper.

10.14 **Effective Date** - This Agreement shall become effective on the effective date.
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in its name and on its behalf as of the date first written above.

Public Trust Advisors, LLC

By: __________________________
Name: Randy S. Palomba
Title: Managing Director

By: __________________________
Name: Thomas D. Jordan
Title: Chief Executive Officer
Wells Fargo Bank, N.A.

as Custodian

By: __________________________
Name: _________________________
Title: __________________________

THE PARTICIPANTS IN THE TRUST THAT HAVE ENTERED INTO THIS AGREEMENT

[Signature]

By: __________________________
Chair, Board of Trustees of the Trust

[Signature]

By: __________________________
Secretary, Board of Trustees of the Trust
Wells Fargo Bank, N.A.
as Custodian

By: [Signature]

Name: [Signature]
Title: [Signature]

THE PARTICIPANTS IN THE TRUST THAT HAVE ENTERED INTO THIS AGREEMENT

By: [Signature]

Chair, Board of Trustees of the Trust

By: [Signature]

Secretary, Board of Trustees of the Trust
EXHIBIT A

Investment Procedures

1) A Participant shall provide notification to the Program Administrator via methods acceptable to the Program Administrator indicating the amount to be invested and, if more than one fund or account with Texas CLASS has been established, into which fund or account such amount shall be invested (there is no minimum investment). The Participant shall instruct its bank depository to wire Investment Funds to the corresponding account at the Custodian.

2) Receipt of the Program Administrator prior to the cut-off time established pursuant to the Texas CLASS website, accessible at https://www.texasclass.com, of notification of Investment Funds being deposited will cause the value of the Investment Funds to be credited and earn interest on the same business day.

3) Receipt by the Program Administrator after the cut-off time established pursuant to the Texas CLASS website, accessible at https://www.texasclass.com, of notification of Investment Funds being deposited will cause the value of the Investment Funds to be credited and earn interest on the next business day.

4) If Investment Funds for which notification of deposit has been given are not received (except if the Participant can show the contribution procedures have been followed) by the end of the business day on which such notification is given, the Program Administrator shall deduct the value of such Investment Funds from the Participant's balance if previously credited.

If the Participant fails to instruct its bank depository to wire Investment Funds before the cut-off time established pursuant to the Texas CLASS website, accessible at https://www.texasclass.com, on the day notice of the deposit is provided to the Program Administrator, the Participant's balance shall be charged interest equal to any interest earned on such failed deposit for each day the Participant's balance was credited with the deposit before the date the deposit was received. If the Participant can show the contribution procedures have been followed and, notwithstanding, the Investment Funds are not received, then the Program Administrator shall seek to obtain such Investment Funds from the party responsible for the failure of delivery.

5) Participants are prohibited from withdrawing Investment Funds credited to their balance(s) pursuant to (2) and (3) above until such Investment Funds are received by the Custodian.

6) These investment procedures may be amended from time-to-time pursuant to Section 9.3(d) hereof provided, however, that the Program Administrator will only change the times set forth above after consulting with the Custodian.
EXHIBIT B

Payment Procedures

1) The Participant shall provide notification to the Program Administrator via methods acceptable to the Program Administrator indicating the amount to be withdrawn and, if more than one fund or account within Texas CLASS has been established, from which fund or account such amount shall be withdrawn.

2) The Participant shall indicate the payee and include wire or ACH instructions.

3) Requests for withdrawals received by the Program Administrator by the cut-off time established pursuant to the Texas CLASS website, accessible at https://www.texasclass.com, will be processed to permit payment on the business day.

4) Requests for withdrawals received by the Program Administrator after the cut-off time established pursuant to the Texas CLASS website, accessible at https://www.texasclass.com, will be processed the following business day.

5) Participants may only request withdrawals from an account of an amount not to exceed their balance in such account at the time payment is made pursuant to such request.

6) Requests for withdrawals received in accordance with (3) above by the Program Administrator shall be wired or processed through ACH in accordance with the Participant's instructions after noon on such business day, and the funds so wired or processed through ACH shall be immediately available funds.

7) These payment procedures may be amended from time to time pursuant to Section 9.1 (d) hereof, provided, however, that the Program Administrator will only change the times set forth above after consulting with the Custodian.
EXHIBIT C

Valuation Procedures

1. Portfolio Valuation
   a. Amortized Cost Valuation - On a daily basis, normally at 3:00 p.m. ET, the Investment Property Value shall be determined using the amortized cost valuation method. The amortized cost valuation method involves initially valuing a security at its cost and thereafter accreting to maturity any discount or amortizing to maturity any premium, regardless of the impact of fluctuating interest rates on the market value of the instrument.

   b. Mark-to-Market - At least daily, the Investment Property Value shall be determined on a mark-to-market basis as follows:

   The Program Administrator shall determine the market value of the specific investment holdings for the Texas CLASS pool or portfolio. The market values shall be obtained from one or more sources that the Program Administrator believes to be reliable for providing such information. A credible pricing source will be used by the Program Administrator to price the underlying securities on a daily basis.

   The market value of the collateral supporting repurchase agreements that are "delivery versus payment" shall be determined by the portfolio manager for each portfolio using the current bid price of the collateral securities obtained from Bloomberg L.P.

   The market value of the collateral supporting tri-party repurchase agreements shall be determined by the tri-party custodian. The tri-party custodian will forward a collateral report to the Texas CLASS operations team every business day.

2. Amendment

These Valuation Procedures may be amended from time-to-time pursuant to Section 9.1 (d) hereof.
EXHIBIT D

Participation Certificate

The undersigned ___________________________ does hereby request that it be admitted as a Participant pursuant to Section 2.3 of the Eighth Amended and Restated Trust Agreement (the Agreement) dated as of April 8, 2019, by and between the Participants, Wells Fargo Bank, N.A. as Custodian, and Public Trust Advisors, LLC. By executing this Participation Certificate, the undersigned agrees that, upon the execution hereof by the Program Administrator, it will become subject to the same obligations and shall have the same rights as if it had executed the Agreement.

The undersigned hereby certifies that ___________________________ is the duly designated representative of the undersigned as required by the Agreement.

The undersigned hereby certifies that its governing body has taken all actions required by Section 2256.016 of the Public Funds Investment Act, Texas Government Code, in order for it to participate in the Trust created by the Agreement.

__________________________
(Name of Participant)

PARTICIPANT EXECUTION DATE

By: ___________________________
Name: ___________________________
Title: ___________________________

Accepted:
Public Trust Advisors, LLC

By: ___________________________
Name: ___________________________
Title: ___________________________
EXHIBIT E

Investment Criteria

1. General Objectives
   a. Legality: invest only in investments legally permissible under Texas law.
   b. Safety: minimize risk by managing portfolio investments so as to preserve principal and maintain a stable asset value. The Trust shall be managed so that the Trust shall receive the highest rating for a local government investment pool from a nationally recognized statistical rating organization for so long as such a rating is required by Texas law.
   c. Liquidity: manage portfolio investments to ensure that cash will be available as required to finance Participants' operations.
   d. Yield: maximize current income to the degree consistent with legality, safety, and liquidity.

2. General Standard - All investments made on behalf of the Trust shall be made with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation but for investment, considering the probable safety of capital and the probable income to be derived. Investment of funds shall be governed by the following investment objectives in order of priority:

1. preservation of safety of principal;
2. liquidity; and
3. yield.

3. Investments - Investment Funds may be invested in any or all of the legal investments specified in Sections 2256.009 through 2256.016, Public Funds Investment Act, Texas Government Code, as the same may be hereafter amended or in any successor statute but only to the extent that such investments would be permitted by Rule 2a-7, as amended from time-to-time, promulgated by the United States Securities and Exchange Commission pursuant to the Investment Company Act of 1940, as amended (the Rule) if the Rule were applicable to the Trust. The investment criteria for any additional pools or portfolios established pursuant to the Agreement may provide for a more limited investment criteria or investment in only certain investments specified in the Public Funds Investment Act.

4. Amendments - These Investment Criteria may be amended from time-to-time pursuant to Section 9.1 (c) hereof.
EXHIBIT F

Program Administrator's Fee

For the performance of its obligations under this Agreement, the Program Administrator will charge a fee from the Investment Property Value (the Daily Fee) for each pool or portfolio established pursuant to this Agreement. This Daily Fee will accrue on a daily basis and be paid monthly in arrears and prorated for any portion of the month in which this Agreement is in effect.

The Daily Fee shall be calculated as follows: The Investment Property Value is multiplied by the Applicable Fee Rate and is divided by 365 or 366 days in the event of a leap year to equal the Daily Fee accrual. The Investment Property Value shall be based on the current day’s shares outstanding. For weekend days and holidays, the shares outstanding for the previous business day will be utilized for the calculation of fees.

The Applicable Fee Rate shall be determined monthly on the first business day of each month for each pool or portfolio established pursuant to this Agreement and shall be calculated according to the schedule below which is applicable to each pool or portfolio established pursuant to this Agreement:

<table>
<thead>
<tr>
<th>Cumulative Balance</th>
<th>Fee Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>$1,000,000,000</td>
<td>0.120%</td>
</tr>
<tr>
<td>$1,000,000,000</td>
<td>0.110%</td>
</tr>
<tr>
<td>$1,000,000,000</td>
<td>0.100%</td>
</tr>
<tr>
<td>Over $3,000,000,000</td>
<td>0.090%</td>
</tr>
</tbody>
</table>

Fees may be waived or abated at any time, or from time-to-time, at the sole discretion of the Program Administrator. Any such waived fees may be restored by the written agreement of the Board of Trustees in its sole discretion.

In the event that the Investment Property Value for each pool or portfolio established pursuant to this Agreement declines at any time to a level that would cause the Program Administrator’s fee to equal an amount equal to or in excess of the remaining Investment Property Value, the fee shall be reduced to zero.

The blended fee shall never be greater than the yield to the Participants in the corresponding pool or portfolio.
EXHIBIT G

Custodian's Fee

Rate Schedule - The Program Administrator shall pay to the Custodian the costs and fees specified in the Fee Schedule effective April 1, 2013, from the Custodian to the Program Administrator as amended from time-to-time by the Program Administrator and the Custodian pursuant to Section 91(e) hereof.
Model Resolution or Ordinance:

Participation Agreement

**Authorizing Participation in TexasTERM**

WHEREAS ________________________________ ("Participant") is a local government of the State of Texas and is empowered to delegate to a public funds investment pool the authority to invest funds and to act as custodian of investments purchased with local investment funds; and

WHEREAS, it is in the best interest of the Participant to invest local funds in investments that provide for the preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act; and

WHEREAS, the TexasTERM Local Government Investment Pool ("TexasTERM"), a public funds investment pool, was created on behalf of entities whose investment objectives in order of priority are preservation and safety of principal, liquidity, and yield consistent with the Public Funds Investment Act.

NOW THEREFORE, be it resolved as follows:

A. That Participant shall enter into a Participation Agreement to establish an account in its name in TexasTERM, for the purpose of transmitting local funds for investment in TexasTERM.

B. The Participant shall designate one or more individuals to act as “Authorized Representatives” of the Participant, in the manner provided in the form attached to this Participation Agreement, to transmit funds for investment in the Pool and to withdraw funds from the Pool from time to time, to issue letters of instruction, and take such other actions deemed necessary or appropriate for the investment of local funds.

C. That this Resolution and its authorization shall continue in full force and effect until amended or revoked by the Participant, and until TexasTERM receives a copy of any such amendment or revocation.

This Resolution is hereby introduced and adopted by the Participant at its regular/special meeting held on the ______ day of ______, 20__.

NAME OF PARTICIPANT: ____________________________________________

BY: ___________________________ ATTEST: __________________________

Signature

Printed Name

Title

Seal:

Signature

Printed Name

Title
dae Report

DATE: June 18, 2019

RECOMMENDATION
This is a briefing item. No action is required at this time.

BUSINESS PURPOSE

- The Quarterly Operating and Financial Performance Report provides updated information on DART's financial and operating performance as well as progress toward strategic initiatives. The FY 2019 Second Quarter report was provided to the Board on June 14, 2019.

- The purpose of this item is to review the FY 2019 Second Quarter Operating & Financial Performance Report. A recap of the FY 2019 Second Quarter Actuals vs. Budget is included as Attachment 1.

- The discussion of this item will help achieve Board Strategic Priority 6: Innovate to improve levels of service, business processes, and funding.
# ACTUAL VS. BUDGET SUMMARY

<table>
<thead>
<tr>
<th>Revenues</th>
<th>FY19 YTD Actual</th>
<th>FY19 YTD Budget</th>
<th>(Under) / over Budget</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Sales Tax</td>
<td>$315,531</td>
<td>$314,020</td>
<td>$1,511</td>
<td>0.5%</td>
</tr>
<tr>
<td>Passenger</td>
<td>31,755</td>
<td>35,818</td>
<td>(4,063)</td>
<td>-11%</td>
</tr>
<tr>
<td>Advertising/Rental Income/Misc.</td>
<td>5,520</td>
<td>5,090</td>
<td>430</td>
<td>8%</td>
</tr>
<tr>
<td>Operating Federal Grants</td>
<td>304</td>
<td>368</td>
<td>(64)</td>
<td>-17%</td>
</tr>
<tr>
<td>Non-Operating Revenue</td>
<td>6,279</td>
<td>6,473</td>
<td>(194)</td>
<td>-3%</td>
</tr>
<tr>
<td><strong>Total Revenues</strong></td>
<td><strong>$359,389</strong></td>
<td><strong>$361,769</strong></td>
<td><strong>($2,380)</strong></td>
<td><strong>-1%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses at EVP level (YTD)</th>
<th>FY18 YTD Actual</th>
<th>FY18 YTD Budget</th>
<th>Under/ (over) Budget</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Care and Service Delivery</td>
<td>$207,082</td>
<td>$209,993</td>
<td>$2,911</td>
<td>1.4%</td>
</tr>
<tr>
<td>Business Solutions and Innovation</td>
<td>20,056</td>
<td>21,733</td>
<td>1,677</td>
<td>8%</td>
</tr>
<tr>
<td>Growth and Regional Development</td>
<td>20,414</td>
<td>22,570</td>
<td>2,156</td>
<td>10%</td>
</tr>
<tr>
<td>Executive and Deputy Executive Director</td>
<td>15,230</td>
<td>16,340</td>
<td>1,110</td>
<td>7%</td>
</tr>
<tr>
<td>Board Direct Reports</td>
<td>2,590</td>
<td>3,194</td>
<td>604</td>
<td>19%</td>
</tr>
<tr>
<td>Capital P&amp;D</td>
<td>(4,908)</td>
<td>(5,820)</td>
<td>(912)</td>
<td>16%</td>
</tr>
<tr>
<td>Agency Wide [1]</td>
<td>87</td>
<td>(1,039)</td>
<td>(1,126)</td>
<td>108%</td>
</tr>
<tr>
<td>Fuel Incentives</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Total Operating Expenses at EVP Level (YTD)</strong></td>
<td><strong>$260,551</strong></td>
<td><strong>$266,971</strong></td>
<td><strong>$6,420</strong></td>
<td><strong>2%</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Operating Expenses at EVP level (FY19 Projection)*</th>
<th>FY19 Projection</th>
<th>FY19 Budget[2]</th>
<th>Under/ (over) Budget</th>
<th>% Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer Care and Service Delivery</td>
<td>$413,160</td>
<td>$415,150</td>
<td>$1,990</td>
<td>0.5%</td>
</tr>
<tr>
<td>Business Solutions and Innovation</td>
<td>44,208</td>
<td>45,358</td>
<td>1,150</td>
<td>2.5%</td>
</tr>
<tr>
<td>Growth and Regional Development</td>
<td>45,526</td>
<td>46,254</td>
<td>728</td>
<td>1.6%</td>
</tr>
<tr>
<td>Executive and Deputy Executive Director</td>
<td>33,460</td>
<td>34,217</td>
<td>757</td>
<td>2.2%</td>
</tr>
<tr>
<td>Board Direct Reports</td>
<td>5,555</td>
<td>6,044</td>
<td>489</td>
<td>8.1%</td>
</tr>
<tr>
<td>Capital P&amp;D</td>
<td>(12,207)</td>
<td>(12,207)</td>
<td>-</td>
<td>0.0%</td>
</tr>
<tr>
<td>Agency Wide [1]</td>
<td>8,950</td>
<td>9,450</td>
<td>500</td>
<td>5.3%</td>
</tr>
<tr>
<td>Fuel Incentives</td>
<td>-</td>
<td>-</td>
<td>-</td>
<td>n/a</td>
</tr>
<tr>
<td><strong>Total Operating Expenses at EVP Level (YTD)</strong></td>
<td><strong>$538,652</strong></td>
<td><strong>$544,266</strong></td>
<td><strong>$5,614</strong></td>
<td><strong>1.0%</strong></td>
</tr>
</tbody>
</table>


---

[1] Benefits are allocated to each department based on the budgeted ratio for salary driven benefits and for staff driven benefits. If the agency is experiencing actuals that are under/over budget, this variance is not allocated to departments.

AGENDA ITEM NO. 5

Agenda Report

DATE: June 18, 2019

SUBJECT: FY 2020 Budget and Financial Planning Process - Operating Budget Overview

RECOMMENDATION

This is a briefing item. No action is required at this time.

BUSINESS PURPOSE

. In order to obtain direction and input from the Board, a series of briefings and discussions is being provided as the FY 2020 Budget and Twenty-Year Financial Plan are developed (see Attachment 1).

. The purpose of this item is to provide an overview of DART’s draft FY 2020 operating budget.

. This discussion will help achieve Board Strategic Priority 6: Innovate to improve levels of service, business processes, and funding.
<table>
<thead>
<tr>
<th>Date</th>
<th>Subject</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Review of Financial Standards for FY 2020 Budget and Financial Planning Process</td>
</tr>
<tr>
<td></td>
<td>Briefing on Fare Structure</td>
</tr>
<tr>
<td>April 23</td>
<td>Approval of Financial Standards for FY 2020 Budget and Financial Planning Process</td>
</tr>
<tr>
<td></td>
<td>Call for Public Hearing Regarding Proposed Amendment to Fare Structure</td>
</tr>
<tr>
<td>May 28</td>
<td>FY 2020 Budget and Financial Planning Process – Capital Budget Overview</td>
</tr>
<tr>
<td>June 18</td>
<td><strong>FY 2020 Budget and Financial Planning Process – Operating Budget Overview</strong></td>
</tr>
<tr>
<td></td>
<td>Public Hearing Regarding Proposed Amendment to Fare Structure</td>
</tr>
<tr>
<td>August 13</td>
<td>Approval to Distribute FY 2020 Annual Budget and Twenty-Year Financial Plan to Municipalities within DART’s Service Area for Review</td>
</tr>
<tr>
<td></td>
<td>FY 2020 Budget and Financial Planning Process – Departmental Budget Presentations</td>
</tr>
<tr>
<td>August</td>
<td>Briefing for Service Area City Managers and Finance Directors</td>
</tr>
<tr>
<td>August 27</td>
<td>FY 2020 Budget and Financial Planning Process – Departmental Budget Presentations</td>
</tr>
<tr>
<td></td>
<td>Approval of FY 2020 Annual Budget and Twenty-Year Financial Plan</td>
</tr>
<tr>
<td></td>
<td>Approval of Amendment to DART Fare Structure</td>
</tr>
</tbody>
</table>
Agenda Report

DATE:       June 18, 2019

SUBJECT:   Update on Activities Relating to Financing of Cotton Belt Regional Rail Project

RECOMMENDATION

This is a briefing item. No action is required at this time.

BUSINESS PURPOSE

. Staff will brief the Budget and Finance Committee on the status of activities related to DART’s Railroad Rehabilitation and Improvement Financing (RRIF) Loan for the Cotton Belt Corridor Regional Rail Project.

. On December 20, 2018, DART closed on a $908 million RRIF loan, enabling DART to draw up to this amount, on a reimbursement basis, for project costs.

. As of April 23, 2019 DART has received project cost reimbursements totaling $11,706,343.

. The discussion will help achieve Board Strategic Priority 3: Optimize DART’s influence in regional transportation planning; Priority 4: Expand DART’s transportation system to serve cities inside and outside the current service area; and Priority 6: Innovate to improve levels of service, business processes, and funding.
DATE:       June 18, 2019

SUBJECT:    Briefing on the Current Status of 1401 Pacific Space Utilization, Remodeling, and Relocation Options Analysis

RECOMMENDATION

This is a briefing item. No action is required at this time.

BUSINESS PURPOSE

. The purpose of this item is to brief the Committee on items regarding the analysis of space utilization, remodeling, and relocation options for 1401 Pacific.

. The presentation will include a review of previous analyses and a discussion of upcoming steps to examine the costs and benefits of keeping the DART Headquarters in this building, as well as relocation options.

. The discussion of this item will help achieve Board Strategic Priority 6: Innovate to improve levels of service, business processes, and funding.