



South Washington County Schools

Keith Jacobus, Ph.D., Superintendent

District Service Center

7362 E. Point Douglas Rd. S.

Cottage Grove, MN 55016

Phone: 651-425-6300 Fax: 651-425-6318

ADMINISTRATIVE REPORT

TO: Members of the School Board
Keith Jacobus, Superintendent

FROM: Dan Pyan, Director of Finance & Operations, 425-6260

DATE: June 12, 2018

TOPIC/PURPOSE OF REPORT: Establishment of Irrevocable Trust for OPEB Obligations

REFERENCE TO POLICY/STRATEGIC PLAN: Policy 701

RECOMMENDED BOARD ACTION: Approval of Investment Policy and Advisory Agreement

DATE FOR BOARD ACTION: June 21, 2018

REPORT

South Washington County Schools uses an Internal Service Fund to service payments of severance owed to employees and to pay Other Post Employment Benefits (OPEB) contractually due for former employees.

With changes to governmental reporting established in the Governmental Accounting Standards Board (GASB) Statement 75, when OPEB assets are held in an Internal Service Fund, the liabilities related to OPEB must be fully reported in the Internal Service Fund.

It is recommended that the OPEB portion of the Internal Service Fund be moved to an Irrevocable Trust Fund to service those obligations. The trust will allow more flexibility in investing than the ISF would, thus allowing more opportunity to earn higher interest returns. Administration recommends that \$4 million dollars of the approximately \$11 million ISF balance be transferred to the Trust.

In order to fulfill requirements of the Trust, the Board must approve the attached Advisory agreement, the Section 115 Trust Agreement, and SWCS OPEB Trust Investment Policy statement.

INVESTMENT ADVISORY AGREEMENT

THIS AGREEMENT, entered into as of the 21st day of June, 2018 (the "Agreement"), by and between SOUTH WASHINGTON COUNTY SCHOOLS ISD #833 (hereinafter the "Client") and PFM ASSET MANAGEMENT LLC, a Delaware limited liability company with an office in Minneapolis, Minnesota (hereinafter the "Advisor").

W I T N E S S E T H

WHEREAS, the Client maintains the South Washington County Schools ISD #833 OPEB Trust (the "Fund") in order to provide retiree health benefits and other post-employment benefits other than pension benefits; and

WHEREAS, the Fund has funds available for investment purposes; and

WHEREAS, the Client desires to avail itself of the experience, sources of information, advice, assistance and facilities available to the Advisor; to have the Advisor undertake certain duties and responsibilities; and to perform certain services as investment advisor on behalf of the Fund, as provided herein; and

WHEREAS, the Advisor is willing to provide such services on the terms and conditions hereinafter set forth.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the parties hereto, intending to be legally bound, agree as follows:

1. SERVICES OF ADVISOR.

The Client hereby engages the Advisor to serve as investment advisor with respect to the Fund under the terms of this Agreement, and the Advisor accepts such engagement. The Advisor will determine the asset allocation of investments for the Fund (the "Investment Strategy" of the Fund) on the basis of information provided by the Client or other service providers, including the anticipated amounts of cash required by the Fund for distributions and other expenses, and the appropriate risk tolerance for the Fund based upon the cash needs of the

Fund and the Client's resources. The Advisor will then execute the Investment Strategy of the Fund by buying and selling shares of the investment funds. Initially the Fund shall be invested in investment funds in specified proportions as set forth in a separate schedule delivered to the Client by the Advisor at or prior to the time the Fund is initially funded (as the same may be revised by the Advisor from time to time, the "Schedule").

The Advisor will reassess and may alter the Investment Strategy asset allocation at least annually and "rebalance" the investment funds as reflected in the Schedule at least annually to maintain the ratios of the Investment Strategy, and will consult with the Client at least annually to determine whether there are reasons to revise the Investment Strategy. The Advisor will conduct a review at least annually of the performance of the investment funds held by the Fund and, in its judgment, will add to or reduce allocations to each investment fund and will add or delete investment funds (within the parameters of the Investment Strategy). The Advisor will promptly advise the Client in writing of any revision of the Fund's Investment Strategy and any additions to or deletions from the investment funds held by the Fund. In addition, the Advisor will provide to the Client a quarterly analysis of the performance of the investment funds in which the Fund is invested together with notice of any reallocation of assets among investment funds; the asset balances and market values for such analysis shall be as supplied to the Advisor by the Custodian (as hereinafter defined). In connection with all of the foregoing, the Advisor will promptly give the Client written notice of any changes to the Schedule.

The Client agrees to legally appoint a custodian (the "Custodian") to take and have custody of cash, assets and securities of the Fund. The Custodian shall not be the Advisor and shall be independent of the Advisor. The Client agrees to enter, or that it has entered, into a custodian agreement with the Custodian. The Advisor is authorized to give instructions to the Custodian with respect to the Fund as to deliveries of securities and payments of cash for the payment of securities and as otherwise provided in Section 2(b) of this Agreement. The Advisor shall not take possession of or act as custodian for the cash, securities or other assets of the Fund and shall have no responsibility in connection therewith. The Advisor agrees to recommend and to monitor the Custodian so that the Client's custodial and transaction costs are appropriate for the level and

nature of services rendered by the Custodian to the Fund, the Client and the Advisor.

Authorized investments shall include only those investments which are permissible under applicable statutes and regulations and the Fund's written investment policy, if any, as provided by the Client to the Advisor. The Custodian or an affiliate of the Custodian may be the investment advisor of investment funds selected by the Advisor.

2. COMPENSATION.

(a) For all services provided by the Advisor to the Fund pursuant to this Agreement, the Fund shall incur an annual fee based on net assets under management in the Fund determined on a monthly basis as defined in the Investment Advisory Fee Schedule below. For purposes of this section, "net assets" means the net market value of all cash and investments assets as of the end of the most recent month.

Investment Advisory Fee Schedule

First \$10 million in net assets.....	0.45%
Next \$10 million in net assets.....	0.35%
Next \$30 million in net assets.....	0.25%
Next \$50 million in net assets.....	0.20%
Over \$100,000,000.....	0.15%

The minimum annual fee is \$20,000, to be applied in equal monthly installments.

(b) At the end of each calendar month, the Advisor will prepare and submit to the Client for approval a monthly invoice for its fee. Such invoice will include a statement of the basis upon which the fee was calculated. Unless instructed otherwise within 15 calendar days of the postmark on the invoices, the Client authorizes the Advisor to charge such invoices to the Fund's account and authorizes and instructs the Custodian to disburse funds from such account for the payment of the fees and costs to the Advisor. If sufficient funds are not available, the Client agrees to compensate the Advisor from other sources within 30 calendar days of the postmark date. If the Advisor shall serve for less than the whole month, the compensation shall be pro-rated.

(c) If and to the extent that the Client shall request the Advisor to render services other than those to be rendered by the Advisor hereunder, such additional services shall be compensated separately on terms to be agreed upon between the Advisor and the Client.

(d) Assets invested by the Advisor under the terms of this Agreement may from time to time be invested in mutual funds managed by the Advisor (a "Proprietary Fund"). With respect to any such investment, the Fund shall be entitled to a credit against fees described in this Section, in an amount at least equal to the amount of the investment advisory fee, then in effect and net of any fee waivers applicable to such investment advisory fee, which the Advisor receives from the Proprietary Fund for the investment of the Managed Funds. Expenses of the Proprietary Fund, including compensation for the Advisor, are described in the relevant prospectus or registration statement and are paid from the Proprietary Fund.

3. EXPENSES.

(a) The Advisor shall furnish at its own expense all necessary administrative services, office space, equipment, clerical personnel, telephone and other communication facilities, investment advisory facilities, and executive and supervisory personnel for managing the investments, inclusive of reasonable costs required to attend meetings with the Client.

(b) Except as expressly provided otherwise herein, the Fund shall pay all of its expenses including, without limitation, taxes, expenses (including front- or back-end charges) of an investment fund, fees and expenses of the Fund's independent auditors and legal counsel, if any, insurance premiums, fees and expenses of the Custodian appointed by the Client, as provided in Section 1, and the keeping of books and accounts.

4. REGISTERED ADVISOR; DUTY OF CARE.

The Advisor hereby represents it is a registered investment advisor under the Investment Advisers Act of 1940. The Advisor shall immediately notify the Client if at any time during the term of this Agreement it is not so registered or if its registration is suspended. The Advisor agrees to perform its duties and responsibilities under this Agreement with reasonable care. The federal

securities laws impose liabilities under certain circumstances on persons who act in good faith. Nothing herein shall in any way constitute a waiver or limitation of any rights which the Client or the Fund may have under any federal securities laws. The Client hereby authorizes the Advisor to sign an Internal Revenue Service Form W-9 on behalf of the Client and to deliver such form to broker-dealers or others from time to time as required in connection with securities transactions pursuant to this Agreement.

5. ADVISOR'S OTHER CLIENTS.

The Client understands that the Advisor performs investment advisory services for various other clients which may include investment companies, commingled trust funds and/or individual portfolios. The Client agrees that the Advisor, in the exercise of its professional judgment, may give advice or take action with respect to any of its other clients which may differ from advice given or the timing or nature of action taken with respect to the Fund. The Advisor shall not have any obligation to purchase, sell or exchange any security for the Client solely by reason of the fact that the Advisor, its principals, affiliates, or employees may purchase, sell or exchange such security for the account of any other client or for itself or its own accounts.

6. TERM.

This Agreement may be terminated by the Client in the event of any material breach of its terms immediately upon notice by certified mail, return receipt requested. This Agreement may be terminated by the Client at any time, on not less than thirty (30) days' written notice to the Advisor. The Advisor may terminate this Agreement immediately upon any material breach of its terms by the Client, or at any time after one year upon thirty (30) days' written notice.

7. FORCE MAJEURE.

The Advisor shall have no liability for any losses arising out of the delays in performing or inability to perform the services which it renders under this Agreement which result from events beyond its control, including interruption of the business activities of the Advisor or other financial institutions due to acts of God, acts of governmental authority, acts of war, terrorism, civil insurrection, riots, labor difficulties, or any action or inaction of any carrier or utility, or mechanical or other malfunction.

8. DISCIPLINARY ACTIONS.

The Advisor shall promptly give notice to the Client if the Advisor shall have been found to have violated any state or federal securities law or regulation in any final and unappealable judgment in any criminal action or civil suit in any state or federal court or in any disciplinary proceeding before the Securities and Exchange Commission (the "SEC") or any other agency or department of the United States, any registered securities exchange, the Financial Industry Regulatory Authority, or any regulatory authority of any State based upon the performance of services as an investment advisor.

9. INDEPENDENT CONTRACTOR.

The Advisor, its employees, officers and representatives, shall not be deemed to be employees, agents (except as to the purchase or sale of securities described in Section 1), partners, servants, and/or joint ventures of the Client or the Fund by virtue of this Agreement or any actions or services rendered under this Agreement.

10. BOOKS.

The Advisor shall maintain records of all transactions in the Fund. The Advisor shall use its best efforts to cause the Custodian to provide the Client with a statement, no less frequently than quarterly, showing deposits, withdrawals, purchases and sales (or maturities) of investments, earnings received, and the value of assets held on the last business day of the month all as provided for in the Custodian agreement between the Client and the Custodian.

11. ADVISOR'S BROCHURE AND BROCHURE SUPPLEMENT.

The Advisor warrants that it has delivered to the Client prior to the execution of this Agreement, the Advisor's current SEC Form ADV, Part 2A (brochure) and Part 2B (brochure supplement). The Client acknowledges receipt of such brochure and brochure supplement prior to the execution of this Agreement.

12. MODIFICATION.

This Agreement shall not be changed, modified, terminated or discharged in whole or in part, except by an instrument in writing signed by both parties hereto, or their respective successors or assigns.

13. SUCCESSORS AND ASSIGNS.

The provisions of this Agreement shall be binding on the Advisor and its successors and assigns, provided, however, that the rights and obligations of the Advisor may not be assigned without the consent of the Client.

14. NOTICE.

Written notices required under this Agreement shall be sent by regular mail, certified mail, overnight delivery or courier, and shall be deemed given when received at the parties’ respective addresses shown below. Either party must notify the other party in writing of a change in address.

Client’s Address

South Washington County Schools ISD #833
7362 East Point Douglas Rd S
Cottage Grove, MN 55016
Attn: Dan Pyan

Advisor’s Address

PFM Asset Management LLC
50 South Sixth Street
Suite 2250
Minneapolis, MN 55402
Attn: Donn Hanson

With a Copy to:

PFM Asset Management LLC
1735 Market Street
43rd Floor
Philadelphia, PA 19103
Attn: Controller

15. APPLICABLE LAW.

This Agreement shall be construed, enforced, and administered according to the laws of the State of Minnesota. The Advisor and the Client agree that, should a disagreement arise as to the terms or enforcement of any provision of this Agreement, each party will in good faith attempt to resolve said disagreement prior to filing a lawsuit.

16. APPROVAL; EXECUTION; SEVERABILITY.

(a) This Agreement has been approved by South Washington County Schools ISD #833 (the “Governing Body”) of the Client. The Governing Body hereby authorizes each designated person (a “Designated Person”) identified on Annex I hereto, acting on behalf of the Client, to interact with the Advisor regarding the Fund, and the Advisor may rely on any instructions received from

such Designated Person; provided however, that this Agreement may not be amended without the prior approval of the Governing Body. The Governing Body may designate additional Designated Persons or remove Designated Persons from time to time by written notice to the Advisor.

(b) Each party to this Agreement represents and warrants that the person or persons signing this Agreement on behalf of such party is authorized and empowered to sign and deliver this Agreement for such party.

(c) The invalidity in whole or in part of any provision of this Agreement shall not void or affect the validity of any other provision.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by their authorized representatives as of the date set forth in the first paragraph of this Agreement.

PFM ASSET MANAGEMENT LLC

By: _____

Name: _____

Title: _____

**SOUTH WASHINGTON COUNTY
SCHOOLS ISD #833**

By: _____

Name: _____

Title: _____

ANNEX I

DESIGNATED PERSONS

The following are Designated Persons pursuant to Section 16 of the foregoing Investment Advisory Agreement, and each such person's signature is set forth below.

<u>Name of Designated Person</u>	<u>Title</u>	<u>Signature</u>
Dan Pvan	Director of Finance	

THIS DOCUMENT IS A STANDARD AGREEMENT FOR USE WITH AN **OTHER POSTEMPLOYMENT BENEFITS PLAN**.

SECTION 115 TRUST AGREEMENT

This Section 115 Trust Agreement (the "Agreement") is between _____
(legal name of entity), a _____
(legal form of entity) organized under the laws of the State of _____
(the "Customer"), and U.S. Bank National Association, a national banking association organized under the laws of the United States with offices in Minneapolis, Minnesota (the "Bank"); and

WHEREAS, the Customer is the sponsor of the Plan (as defined below) and wishes to appoint the Bank as the trustee of certain assets of the Plan, and the Bank wishes to accept the appointment;

NOW, THEREFORE, the parties hereto do hereby agree as follows:

SECTION 1 DEFINITIONS

1.1. "**Account**" means (i) the trust maintained under this Agreement for the Assets (as defined below), which trust is known as the _____ (name of trust) and (ii) where the context requires, one or more Sub-accounts (as defined below).

1.2. "**Accounting Standards**" means Governmental Accounting Standards Board (GASB) Codification Statement No. 72, *Fair Value Measurement and Application*.

1.3. "**Assets**" means the securities, cash, and other property the Customer deposits, or causes to be deposited, from time to time under this Agreement, including contributions made under the Plan and amounts the Customer causes to be transferred to the Account from another funding medium maintained for the Plan; investments and reinvestments thereof; and income thereon, as provided herein.

1.4. "**Beneficiaries**" means beneficiaries of Participants (as defined below).

1.5. "**CFR**" means the Code of Federal Regulations.

1.6. "**Client-controlled Asset**" means an asset that is neither registered in the name of the Account (with the Bank designated as trustee), the Bank (with or without trust designation), or the Bank's nominee nor maintained by the Bank at a Depository (as defined below) or with a sub-custodian nor held by the Bank in unregistered or bearer form or in such form as will pass title by delivery.

1.7. "**Code**" means the Internal Revenue Code of 1986, as amended.

1.8. "**Depository**" means any central securities depository (such as the DTC), international central securities depository (such as Euroclear Bank SA/NV), or Federal Reserve Bank.

- 1.9. **“DTC”** means the Depository Trust Company.
- 1.10. **“Employer Securities”** means securities issued by an employer of employees covered by the Plan or issued by an affiliate of such employer.
- 1.11. **“ERISA”** means the Employee Retirement Income Security Act of 1974, as amended.
- 1.12. **“Funding Policy”** means a periodic written analysis of the Plan’s cash-flow history, short-term financial needs, long-term financial needs, sources of money for plan-administration expenses, expected levels and timing of contributions, expected levels and timing of distributions, liquidity needs (including but not limited to the anticipated liquidity required to make benefit distributions), sponsor’s ability to provide future funding, and other significant information which could affect cash-flow or the exercise of discretion to manage the Assets.
- 1.13. **“Guidelines”** means the written investment objectives, policies, strategies, and restrictions for the Account (or for any Sub-accounts therein), including but not limited to proxy-voting guidelines, as amended from time to time.
- 1.14. **“Harm”** means claims, costs, damages, delayed payment or non-payment on Assets sold, expenses (including attorneys’ and other professional fees), fines, interest, liabilities, losses, penalties, stockholders’ assessments (asserted on account of asset registration), and taxes.
- 1.15. **“Indemnified Person”** means the Bank and its affiliates and their directors, officers, employees, successors, and assigns.
- 1.16. **“Investment Advice”** means a recommendation, or a suggestion to engage in or refrain from taking a particular course of action, as to (i) the advisability of acquiring, holding, disposing of, or exchanging any Asset or any securities or other investment property or (ii) the Guidelines, the Funding Policy, the permissible investments set forth in this Agreement, the composition of the Plan’s portfolio, or the selection of persons to provide investment advice or investment management services with respect to the Assets.
- 1.17. **“Investment Advisers Act”** means the Investment Advisers Act of 1940, as amended.
- 1.18. **“Investment Company Act”** means the Investment Company Act of 1940, as amended.
- 1.19. **“Investment Manager”** means any person or firm (other than the Bank) which (i) has the power to manage, acquire, or dispose of any asset of a plan; (ii) is registered as an investment adviser under the Investment Advisers Act or is a bank as defined in the Investment Advisers Act or is an insurance company qualified to manage, acquire, or dispose of any asset of a plan under the laws of more than one state; (iii) has acknowledged in writing that it is a fiduciary with respect to the Plan; and (iv) has been appointed to manage Assets as provided under this Agreement.
- 1.20. **“Investment Powers”** means the powers set forth in Section 4.1 hereof.
- 1.21. **“IRS”** means the Internal Revenue Service.
- 1.22. **“Legal Action”** means any freeze order, garnishment, levy, restraining order, search warrant, subpoena, writ of attachment or execution, or similar order relating to the Account.
- 1.23. **“Messaging System”** means any financial-messaging system, network, or service acceptable to the Bank, such as the Society for Worldwide Interbank Financial Telecommunication messaging system.

- 1.24. **“Participants”** means Plan participants.
- 1.25. **“Plan”** means the plan listed in **Exhibit A (Covered Plan)** hereto.
- 1.26. **“Plan Administrator”** means the plan administrator listed in **Exhibit A (Covered Plan)** hereto.
- 1.27. **“Plan Type”** means the plan type listed in **Exhibit A (Covered Plan)** hereto.
- 1.28. **“Private Fund”** means an “investment company” that is not subject to registration with the SEC (as defined below) under the Investment Company Act, pursuant to Section 3(c)(1) or (7) thereof.
- 1.29. **“SEC”** means the United States Securities and Exchange Commission.
- 1.30. **“Securities Exchange Act”** means the Securities Exchange Act of 1934, as amended.
- 1.31. **“State”** means the State of the United States of America first written above.
- 1.32. **“Statement Recipient”** means the Plan Administrator, each Investment Manager, and anyone else the Plan Administrator so designates.
- 1.33. **“Sub-account”** means a separate portion of the Account.
- 1.34. **“Trustee Type”** means the trustee type listed in **Exhibit A (Covered Plan)** hereto.

SECTION 2 ABOUT THE PLAN

2.1. **Generally.** The Customer hereby represents and warrants that the Plan is a Plan Type, *the Customer is the sponsor of the Plan*, and *the Plan Administrator is the administrator (and not the third-party administrator) of the Plan*.

2.2. **Tax Status.** The Customer hereby represents and warrants as follows:

2.2.1. **The Account.** The Customer has obtained IRS approval, or an opinion from a lawyer licensed in the State, which approval or opinion states as follows: The Account satisfies all the requirements of Code Section 115 and is exempt from federal, state, and local income tax. The Account’s trustee is not required to file or furnish to any taxing authority or any taxpayer any federal, state, or local taxes, tax returns, or information returns with respect to the Plan or Account. No contribution to, or benefit distribution from, the Account is includible in the gross income of any Participant or Beneficiary under Code Section 61, state law, or local law or is wages for Federal Insurance Contributions Act (FICA), Federal Unemployment Tax Act (FUTA), or income-tax withholding purposes.

2.2.2. **The Plan.** The Plan is a “governmental plan” as defined in Section 414(d) of the Internal Revenue Code of 1986, as amended; is a “Section 401(a)(24) governmental plan” as defined in Revenue Ruling 2011-1; and is not subject to Federal income taxation. The Plan’s governing document expressly provides that it is impossible for any part of the corpus or income of the Plan to be used for, or diverted to, purposes other than for the exclusive benefit of the Plan participants and their beneficiaries. And, the Plan is prohibited from assigning any part of its equity or interest in the trust.

2.2.3. **Examination.** The Plan is not under examination by the IRS.

2.3. **Fiduciary Status.**

2.3.1. The Customer hereby represents and warrants as follows:

2.3.1.1. **ERISA.** The Plan is (i) a “governmental plan” within the meaning of ERISA Section 3(32) and (ii) pursuant to ERISA Section 4(b)(1), not subject to ERISA.

2.3.1.2. **Enabling Law.** The sections of state or local statute, rule, ordinance, or by-law listed in **Exhibit A (Covered Plan)** hereto authorize the Customer to establish the Plan and to establish a financial-institution trust (separate and apart from the State) for the Plan, including the authority to adopt this Agreement.

2.3.1.3. **Public Deposits.** None of the Assets is subject to a public-deposits, public-funds, or other State law that would require the Bank to set aside any direct government obligations, government-guaranteed obligations, surety bonds, letters of credit, or other assets as security, regardless of the type or amount of capital of the Bank, the amount of public deposits held by the Bank, or the extent to which the Assets are not insured by the Federal Deposit Insurance Corporation or exceed federal deposit insurance limits.

2.4. **GASB Status.** The Customer hereby represents and warrants that the Account (i) is a “qualifying trust” or “equivalent arrangement” as those terms are defined in GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*” and (ii) meets the “specified criteria” described in GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

2.5. **Full Faith and Credit; Taxing Power; Debts**

2.5.1. Neither the full faith and credit nor the taxing power of the Customer is pledged to the distribution of benefits under this Agreement. Except for contributions and other amounts under this Agreement, no other amounts are pledged to such distributions. Such distributions are neither general nor special obligations of the Customer but are payable solely from the Assets of the Account, as more fully described herein. No Participant, Beneficiary, or employee of the Customer may compel the exercise of the taxing power by the Customer.

2.5.2. Distributions of benefits under this Agreement are not debts of the Customer within the meaning of any constitutional or statutory limitation or restriction. Such distributions are not legal or equitable pledges, charges, liens, or encumbrances, upon any of the Customer's property, or upon any of its income, receipts, or revenues, except amounts in the Account which are, under the terms of the Plan and this Agreement, set aside for distributions. Neither the members of the governing body of the Customer nor its officers, employees, agents, or volunteers are liable under this Agreement.

2.6. *The following provisions apply if and only if the Trustee Type includes **discretionary**:* **Securities-law Status.** The Customer hereby represents and warrants that:

2.6.1. The Account is neither an “investment company” that is subject to registration with the SEC under the Investment Company Act nor a Private Fund.

2.6.2. (i) Its officer signing below is knowledgeable regarding the nature of “municipal securities” as defined in 15 U.S.C. Section 78c(a)(29); the nature of “municipal escrow investments” as

defined in 17 C.F.R. Section 240.15Ba1-1(h)(1); and the nature of the securities, cash, and other property deposited under this Agreement; and (ii) none of the securities, cash, or other property deposited under this Agreement constitutes “proceeds of municipal securities” as defined in 17 C.F.R. Section 240.15Ba1-1(m)(1) or “municipal escrow investments” as defined above for purposes of 17 C.F.R. Section 240.15Ba1-1 or Section 15B of the Securities Exchange Act (15 U.S.C. Section 78o-4) or otherwise. Furthermore, the Customer hereby agrees that such representations and warranties are deemed to be renewed each time securities, cash, or other property is deposited under this Agreement.

SECTION 3 APPOINTMENT AND ACCEPTANCE

3.1. **Appointment; Acceptance.** The Customer hereby represents and warrants that applicable law provides that the Customer may appoint a trustee of any assets of the Plan. Pursuant to that power of appointment, the Customer hereby appoints the Bank as trustee of the Assets, and the Bank hereby accepts such appointment, subject to the terms of this Agreement.

3.2. **Establishment of Account.**

3.2.1. **Assets Held in Account.** The Customer hereby deposits Assets, or causes Assets to be deposited, with the Bank. The Customer hereby represents and warrants that all Assets are Plan assets. The Bank holds Assets in trust. As directed by the Plan Administrator, the Bank will establish one (1) or more Sub-accounts and allocate Assets among Sub-accounts.

3.2.2. **Separate and Apart; Exclusive Benefit.** The principal and income of the Account will be held separate and apart from the assets of the Customer and, except as permitted by law, will never inure to the benefit of the Customer and will be held for the exclusive purposes of providing benefits to Participants and Beneficiaries and defraying reasonable expenses of administering the Plan. It will be impossible, whether by amending this Agreement or otherwise, at any time before the satisfaction of all liabilities to Participants and Beneficiaries for any part of the principal or income of the Account to be used for, or diverted to, other purposes. The Bank will keep the Assets (other than deposits at the Bank) separate and apart from the assets of the Bank, pursuant to paragraph (b) (Separation of fiduciary assets) of 12 CFR Section 9.13 and paragraph (c) (Segregation of fiduciary and general assets) of 12 United States Code Section 92a.

3.2.3. **Disposition of Certain Contributions.**

3.2.3.1. **Mistake of Fact.** If a Customer contribution to the Account was made by a mistake of fact, the Customer may direct the Bank to return the contribution to the Customer within one (1) year of such contribution. In such a case, the Customer will direct the return of no more than the excess of the amount contributed over the amount that would have been contributed had no mistake occurred, adjusted for the excess’s pro rata share of any net loss (but not any net gain) experienced by the Account while the excess was held in the Account.

3.2.3.2. **Not Qualified.** Customer contributions to the Account are conditioned upon the Trust’s initial qualification under Code Section 115. If the Trust receives an adverse determination with respect to its initial qualification, the Customer may direct the Bank to return Customer contributions to the Customer within one (1) year of such determination, provided such return is consistent with Code Section 115.

3.3. **Direction.** The Bank is subject to the directions of the Customer, the Plan Administrator, and any Investment Manager as set forth herein.

3.4. **Allocation of Duty to Manage the Assets.**

3.4.1. **Plan Administrator.**

3.4.1.1. **Guidelines; Funding Policy.** The Customer hereby reserves to the Plan Administrator sole discretion to determine the Guidelines; to establish and carry out a Funding Policy consistent with the objectives of the Plan and the requirements of applicable law; and to deliver the Guidelines, the Funding Policy, and this Agreement to each person that has discretion to manage Plan assets. The Customer hereby represents and warrants that (i) the Guidelines, the Funding Policy, and the permissible investments set forth herein are the only investment restrictions imposed upon the Account by the Customer and (ii) following such restrictions will not cause a violation of any applicable law.

3.4.1.2. **Power to Manage, Appoint.** The Customer hereby reserves to the Plan Administrator discretion to manage the Assets (subject to the Guidelines, the Funding Policy, and the permissible investments set forth herein) and to appoint an investment manager or managers to manage (including the power to acquire and dispose of) the Assets.

3.4.2. **Investment Manager.** The Customer hereby represents and warrants that any investment manager so appointed (i) is an Investment Manager and (ii) unless the Customer notifies the Bank to the contrary, has sole discretion to manage the Assets (subject to the Guidelines, the Funding Policy, and the permissible investments set forth herein).

3.4.3. *The following provisions apply if and only if the Plan Type includes DC:* **Plan Participants.** The Customer hereby represents and warrants that (i) Participants and Beneficiaries have individual accounts under the Plan; (ii) the Plan Administrator is responsible for establishing and maintaining the individual accounts; reconciling the aggregate balances of the individual accounts with the Asset holdings reflected in Account statements; selecting and monitoring any forfeiture fund for the Plan and any investment alternatives (including default investment alternatives) into which Participants or Beneficiaries may in their sole discretion direct the investment of assets held in, or contributed to, their individual accounts; and disclosing any plan-related, investment-related, or fee-and-expense information required to be disclosed to Participants or Beneficiaries. The Customer hereby acknowledges that (i) the Bank holds Assets on an omnibus basis, and the Bank does not know whether or how Assets are allocated among individual accounts; (ii) the Bank's duties with respect to investing assets ultimately held in individual accounts are limited to implementing investment directions received on an omnibus basis from the Plan Administrator; and (iii) and the Bank is not undertaking to provide Investment Advice or to give advice in a fiduciary capacity with respect to such selection or monitoring.

3.4.4. **Bank.**

3.4.4.1. With respect to Assets that are subject to an Investment Manager's discretion to manage, the Bank has no discretion to manage, and the Bank exercises the Investment Powers only as directed by the Investment Manager.

3.4.4.2. With respect to Assets that are not subject to an Investment Manager's discretion to manage,

The following provisions apply if and only if the Trustee Type includes directed: the Bank has no discretion to manage, and the Bank exercises the Investment Powers only as directed by the Plan

Administrator.

*The following provisions apply if and only if the Trustee Type includes **discretionary**:* the Bank has no discretion to manage to the extent the Bank has exercised the Investment Powers as directed by the Plan Administrator. Otherwise, the Bank has sole discretion to manage (subject to the Guidelines, the Funding Policy, and the permissible investments set forth herein) and to exercise the Investment Powers. Notwithstanding the foregoing, the Bank will not vote proxies with respect to any security in which it may have a direct or indirect interest but will instead forward such proxies to the Plan Administrator. The Customer hereby represents and warrants that a copy of the Guidelines as in effect on the date of this Agreement is attached as an **exhibit** hereto.

3.4.4.3. **Sweep Direction.** To the extent the Bank has no discretion and has received no such direction as to cash Assets held in the Account, the Bank will use such Assets to purchase a position in the sweep vehicle identified in an **exhibit** hereto or, if none is identified, will hold such Assets un-invested.

SECTION 4 POWERS OF THE BANK

4.1. **Investment Powers.** Subject to Section 3.4 hereof, the Bank has the power to:

4.1.1. **Purchase, Hold, and Sell Assets.** Purchase with, and hold as, Assets without distinction between principal and income any securities or property, without limitation by any rule of law limiting the investment of trust assets in or to certain kinds of investments or prescribing the portion of a trust which may be invested in any kind of investment, including, but not limited to, any securities or property administered, advised, custodied, held, issued, offered, sponsored, supported by the credit of, underwritten, or otherwise serviced by the Bank or by the Bank's affiliate, and to sell the same. Without limiting the generality of the foregoing:

4.1.1.1. **Examples of Permissible Investments.** The Bank may so invest and reinvest in any real or personal property, including, but not limited to, DTC-eligible securities; Fed book-entry securities; domestic open-end mutual funds; global securities; American depositary receipts; closely-held or restricted stock; collective investment funds; deposit accounts at a bank, such as certificates of deposit, demand deposit accounts, or money market deposit accounts; derivatives (forwards, futures, options, or swaps); life-insurance or annuity contracts; loan agreements or notes; real-estate deeds, leases, or mortgages; Private Funds; or Employer Securities.

4.1.1.2. **81-100 Group Trusts.** The Bank may deposit and hold Assets in, pool Assets with other participating trusts in, and withdraw Assets from, a group trust which is exempt from taxation under Code Section 501(a) pursuant to the principles of Revenue Ruling 81-100, as amended, subject to the group-trust instrument. Any such group-trust instruments, including those listed on an **exhibit** hereto, are hereby incorporated herein by reference and prevail over contrary provisions of this Agreement, and the subject group trusts are hereby adopted as part of the Plan.

4.1.2. **Process Corporate Actions.**

4.1.2.1. Respond to voluntary corporate actions (such as proxies, redemptions, or tender offers) and mandatory corporate actions (such as class actions, mergers, stock dividends, or stock splits)

affecting shareholders of an Asset, after providing notice of any such action to any person authorized under this Agreement to direct the exercise of the Investment Powers with respect to the Asset.

4.1.2.2. Notwithstanding anything herein to the contrary, the Bank will, without providing notice, (i) cause Assets to participate in any mandatory exchange transaction that neither requires nor permits approval by the owner of the Assets and (ii) file any proof of claim received by the Bank regarding class-action litigation over a security held in the Account during the class-action period, regardless of any waiver, release, discharge, satisfaction, or other condition that might result from such filing.

4.1.3. **Lend Securities.** Engage in securities-lending transactions with Assets, to the extent the Customer and the Bank have entered into a separate securities-lending agreement with respect to the Assets.

4.1.4. **Hire Service Providers.** Hire service providers (including, but not limited to, investment managers, investment advisers, and brokers) to assist the Bank in exercising the foregoing powers, including any service provider that is affiliated with the Bank.

4.1.5. **Do Other Things.** Perform other acts necessary to the proper discharge of its duties under this Agreement.

4.2. **Administrative Powers.** The Bank has the power to:

4.2.1. **Safe-keep Assets.** Safe-keep Assets as set forth herein.

4.2.2. **Exchange Foreign Currency.** Exchange foreign currency into and out of United States dollars through customary channels, including the Bank's foreign-exchange department.

4.2.3. **Borrow Money.** As directed by the Plan Administrator, borrow funds on an interest-free basis to the extent expressly permitted under applicable law.

4.2.4. **Settle Purchases and Sales.** Settle purchases and sales as set forth herein.

4.2.5. **Register Assets.** Register any Asset in the name of the Account (with the Bank designated as trustee), the Bank (with or without trust designation), or the Bank's nominee or to hold any Asset in unregistered or bearer form or in such form as will pass title by delivery, provided that the Bank's records at all times show that all such assets are part of the Account.

4.2.6. **Maintain Assets at a Depository or with a Sub-custodian.** Maintain Assets that are (i) book-entry securities at any Depository or with any sub-custodian and to permit such Assets to be registered in the name of the Account (with the Bank designated as trustee), the Bank (with or without trust designation), the Bank's nominee, the Depository, the Depository's nominee, the sub-custodian, or the sub-custodian's nominee and (ii) physical securities at the Bank's office in the United States and in a safe place.

4.2.7. **Collect Income.** Collect income as set forth herein.

4.2.8. **Advance Funds or Securities.** Advance funds or securities in furtherance of settling securities transactions and other financial-market transactions under this Agreement.

4.2.9. **Sign Documents.** Make, execute, acknowledge, and deliver any and all documents of transfer and conveyance and any or all other instruments that may be necessary or appropriate to the proper discharge of its duties under this Agreement.

4.2.10. **Distribute Assets.** As directed by the Plan Administrator, distribute Assets, including benefit distributions to or for the benefit of Participants and Beneficiaries (or to a guardian, conservator, or other legal representative on behalf of a Participant or Beneficiary that the Plan Administrator has determined to be incompetent) and distributions in payment of Plan expenses.

4.2.11. **Retain Disputed Funds.** Withhold delivery or distribution of Assets that are the subject of a dispute pending final adjudication of the dispute by a court of competent jurisdiction.

4.2.12. **Hold Assets Un-invested.** Hold Assets un-invested pending investment, distribution, resolution of a dispute, or for other operational reasons, and to deposit the same in an interest-bearing or noninterest-bearing deposit account of the Bank, notwithstanding any sweep direction for the Account.

4.2.13. **Litigate.** Bring or defend lawsuits involving the Account at the sole expense of the Account and to settle the same.

4.2.14. **Provide Statements.** Provide statements as set forth herein.

4.2.15. **Provide Ancillary Services.** Provide ancillary services to the Account for no more than reasonable compensation.

4.2.16. **Hire Service Providers.** Hire service providers (including, but not limited to, attorneys, depositories, and sub-custodians) to assist the Bank in exercising the foregoing powers, including any service provider that is affiliated with the Bank.

4.2.17. **Do Other Things.** Perform other acts necessary to the proper discharge of its duties under this Agreement.

SECTION 5 SAFE-KEEP ASSETS

5.1. **Safe-keeping.** As directed by the Customer, the Bank will from time to time receive Assets. The Bank will safe-keep the Assets.

SECTION 6 SETTLE PURCHASES AND SALES

6.1. The Bank will settle purchases made with Assets and sales of Assets, according to the Bank's instruction-deadline schedule, provided that the Bank has all the information and the Account has all the assets necessary for the purchase or sale.

6.2. The Customer hereby represents and warrants that neither the Customer nor the Plan Administrator will (i) notify any third party that, despite the fact that the Account has insufficient assets for the transaction, the Bank will settle the purchase of an asset nor (ii) direct anyone else to provide such notice.

SECTION 7 COLLECT INCOME

7.1. The Bank will collect all income, principal, and other distributions due and payable on Assets.

7.2. If the Plan Administrator or an Investment Manager directs the Bank to search the DTC's Legal Notice System for notice that a particular Asset is in default or has refused payment after due demand, then the Bank will conduct such a search and notify such directing party of any such notice the Bank finds therein.

SECTION 8 PROVIDE STATEMENTS

8.1. **Accounting.** The Bank will maintain proper books of account and complete records of Assets and transactions in the Account, including increases or decreases in the value of the Account due to contributions to the Account, distributions from the Account, investment experience on Assets, and expenses and fees actually charged to the Account.

8.2. **Statements.**

8.2.1. **Account Statements.** The Bank will furnish each Statement Recipient with (i) an Account statement with the frequency designated below (or as subsequently agreed upon by the Bank and the Customer) within thirty (30) calendar days after the end of the reporting period and (ii) a final Account statement within thirty (30) calendar days after the Bank has transferred all Assets from the Account as provided under this Agreement. Such Account statements will reflect Asset transactions during the reporting period and ending Asset holdings. To the extent the Plan Administrator has established an account in the Bank's on-line portal and granted access thereunder to Statement Recipients, the Bank will furnish such Account statements by way of such system. If no frequency is so designated or agreed upon, the Customer will be deemed to have designated "Monthly".

(Check at least one):

- Monthly
- Quarterly
- Semi-annually
- Annually

8.2.2. **Client-controlled Assets.** The Bank will exclude Client-controlled Assets from the Account statements. The Customer hereby acknowledges that (i) such assets are not held in the Account and (ii) the Bank is not trustee of such assets and not responsible for performing any duties under this Agreement with respect to such assets.

8.2.3. *The following provisions apply if and only if the Trustee Type includes **discretionary:***
Proxy-voting Reports. The Bank will furnish each Statement Recipient with reports of how the Bank voted proxies with respect to the Assets, in the form and frequency as the Customer and the Bank may agree from time to time.

8.3. **Confirmations; Notification by Agreement.** Except to the extent the Assets are subject to the Bank's discretion to manage, the Account statements described above (including their timing and form) serve as the sole written notification of any securities transactions effected by the Bank for the Account. Even so, the Customer has the right to demand that the Bank provide written notification of such transactions pursuant to 12 CFR Sections 12.4(a) or (b) at no additional cost to the Customer.

8.4. **Valuation.** For purposes of reporting the value of an Asset on an Account statement:

8.4.1. **Pricing, If Available.** The Bank will report a value that is (i) provided to the Bank by a third-party pricing vendor or (ii) readily determinable on an established market, if such value is available to the Bank when preparing the statement.

8.4.2. **Pricing, If Unavailable.** If such value is unavailable, the Customer will, upon the Bank's request, direct the Bank as to the value; the Bank will then report such value. Absent such a direction, the Bank will report the most recent value that the Bank received from the Asset's broker, fund accountant, general partner, issuer, manager, transfer agent, or other service provider (commonly known as a pass-through price).

8.4.2.1. To the extent the value of an Asset is so reported, the Customer hereby represents and warrants as follows: (i) The Customer received, read, and understood any governing documents (such as a limited liability company agreement, limited partnership agreement, trust agreement, or declaration of trust), offering documents (such as a fact sheet, offering circular, offering memorandum, private placement memorandum, prospectus, or summary description), and subscription documents (such as an adoption agreement or subscription agreement) for the Asset; understands the Asset's eligibility requirements, fees and expenses, transfer and withdrawal limitations, type, category, issuer, objectives, principal strategies and risks, current underlying investments, and the identity of the Asset's administrator, investment advisor, auditor, and other service providers (and any affiliations among them) and the services they provide, respectively, to the Asset and the compensation they receive therefor. (ii) Such value reflects such documents, investment-related information, service-provider information, and fee-and-expense information.

8.4.2.2. To the extent an Asset is (i) an Employer Security the value of which is not readily determinable on an established market or (ii) real estate, the Customer hereby covenants as follows: The Customer will obtain a written valuation of such property from an independent third-party appraiser whenever required by applicable law and, regardless of whether required by applicable law, at least annually. Each appraiser will be independent of all parties other than the Plan and will have the facilities and expertise to do the valuation. Each valuation will state the appraiser's qualifications, the property's value (and the methods used to determine it), a description of the property, the factors considered in making the valuation, the purpose of the valuation, the significance of the valuation methods, the effective date of the valuation, the economic and industry outlook, the property's book value, and the property's marketability. If the property is an Employer Security, each valuation will also state the issuer's nature, history, and financial condition, as well as the actively-traded market-price of similar issuers' securities. Before relying on the valuation, the Customer will read and understand the valuation, verify the accuracy of the underlying information, make sure the appraiser's assumptions and methods are reasonable, discuss the appraisal with the appraiser, determine that reliance on the appraiser's advice is reasonably justified, and determine that the Customer need not hire a second independent third-party appraiser to review the valuation or to prepare another valuation.

8.4.3. **Limitations.** The Customer hereby acknowledges that the Bank is performing a routine, ministerial, non-discretionary valuation function; that the reported value might be neither fair market value nor fair value (under Accounting Standards or applicable law); and that the reported value is not a substitute for (i) investigating the Asset's value in connection with a decision to acquire, hold, dispose of, or exchange any securities or other investment property; (ii) obtaining and ensuring the reliability of an independent third-party appraisal with respect to such a decision; or (iii) obtaining Investment Advice.

8.4.4. **Pricing Sources; Methodology.** Upon the Customer's request, the Bank will provide the Customer (or the certified public accountant engaged by the Plan Administrator to opine on the Plan's financial statements) with information about the Bank's pricing sources and methodologies.

8.5. **Statement Review.** The Plan Administrator will review the Account statements promptly upon delivery.

SECTION 9 LIMITATIONS ON DUTIES; INDEMNIFICATION

9.1. **Limitations on Duties.** The duties of the Bank will be strictly limited to those set forth in this Agreement, and no implied covenants, duties, responsibilities, representations, warranties, or obligations will be read into this Agreement against the Bank. Without limiting the generality of the foregoing, the Bank has no duty to:

9.1.1. Request or obtain a ruling or other guidance from the IRS or any other governmental authority as to (or otherwise determine, monitor, or question) the tax character or consequences of the form and operation of the Account, provided that the Plan Administrator may direct the Bank to sign a request for such guidance where the Plan trustee's signature is required by law (such as certain applications for recognition of exemption from income tax).

9.1.2. Act as the administrator of the Plan, including, but not limited to, construing the terms of the Plan; determining eligibility for Plan benefits (including, but not limited to, eligibility for participation, vesting, or distribution, as well as the timing, amount, or form thereof); resolving benefit claims or claim appeals; prescribing forms (including, but not limited to, forms for electing participation, distribution, or withdrawal or for providing notices to Participants or Beneficiaries); establishing, maintaining, or reconciling to any individual accounts; selecting or monitoring any forfeiture funds or any investment alternatives (including default investment alternatives) into which Participants or Beneficiaries may direct the investment of assets held in, or contributed to, their individual accounts; disclosing any plan-related, investment-related, or fee-and-expense information required to be disclosed to Participants or Beneficiaries; or receiving investment, distribution, or other directions from Participants or Beneficiaries.

9.1.3. Act as trustee of any Plan assets other than the Assets.

9.1.4. Act as investment manager of, or take notice of the management of, any Plan assets other than Assets that are subject to the Bank's discretion to manage (if any).

9.1.5. Provide Investment Advice.

9.1.6. Act as record-keeper or broker that makes the Plan's designated investment alternatives available to Participants or Beneficiaries (such as on a record-keeping platform or similar mechanism).

9.1.7. Determine, monitor, or collect Plan contributions; rather, the Bank will be subject to the Plan Administrator's direction regarding such matters; or monitor compliance with any applicable funding requirements.

9.1.8. Inspect, review, or examine any Client-controlled Asset or governing, offering, subscription, or similar document with respect thereto, to determine whether the asset or document is authentic, genuine, enforceable, properly signed, appropriate for the represented purpose, is what it purports to be on its face, or for any other purpose, or to execute such document, or to take physical possession of such asset or document.

9.1.9. (i) Collect any income, principal, or other distribution due and payable on an Asset if the Asset is in default or if payment is refused after due demand or (ii) except as expressly provided herein, to notify the Customer in the event of such default or refusal.

9.1.10. Provide notice of, or forward, mini-tenders (which are tender offers for less than 5% of an outstanding equity or debt issue) for any equity issue or, if any of the following is true, for any debt issue: The debt issue is not registered with the SEC. The debt issue has a “first received, first buy” basis with no withdrawal privilege and includes a guarantee of delivery clause. Or, the tender offer includes the statement that “the purchase price includes all accrued interest on the note and has been determined in the sole discretion of the buyer and may be more than or less than the fair market value of the notes” or similar language.

9.1.11. Question whether any direction received under this Agreement is prudent or consistent with the terms of the Plan; to solicit or confirm directions; or to question whether any direction received under this Agreement by email or Messaging System, or entered into the Customer’s or Plan Administrator’s account in the Bank’s on-line portal, is unreliable or has been compromised, such as by identity-theft.

9.1.12. Calculate, withhold, prepare, sign, disclose, file, report, remit, or furnish to any taxing authority or any taxpayer any federal, state, or local taxes, tax returns, or information returns that may be required to be calculated, withheld, prepared, signed, disclosed, filed, reported, remitted, or furnished with respect to the Plan (such as paying Plan benefits) or Account, except to the extent such duties are required by law to be performed only by the Bank in its capacity as trustee under this Agreement or are expressly set forth herein.

9.1.13. Monitor service providers hired by the Customer or by the Plan Administrator.

9.1.14. Maintain or defend any legal proceeding in the absence of indemnification, to the Bank’s satisfaction, against all expenses and liabilities which it may sustain by reason thereof.

9.1.15. Advance funds or securities or otherwise expend or risk its own funds or incur its own liability in the exercise of its powers or rights or performance of its duties under this Agreement.

9.1.16. Escheat any Asset, whether in connection with a benefit-distribution check issued by the Bank under this Agreement or in any other circumstance, except to the extent the Plan Administrator directs the Bank to the contrary.

9.2. **Indemnification.**

9.2.1. The Customer hereby indemnifies and releases each Indemnified Person, and holds each Indemnified Person harmless from and against, and an Indemnified Person will incur no liability to any person for, any Harm that may be imposed on, incurred by, or asserted against an Indemnified Person by reason of the Indemnified Person’s action or omission in connection with this Agreement or the Account (including, but not limited to, an action or omission that is consistent with directions provided under this Agreement), except to the extent that a court of competent jurisdiction has made a final judgment that the Harm resulted directly from the Indemnified Person’s willful misconduct, gross negligence, bad faith, material breach of this Agreement, or breach of fiduciary duty.

9.2.2. The foregoing provisions will survive the Indemnified Person’s termination as such and the termination of this Agreement.

9.3. **Force Majeure.** No party is liable for any delay or failure in performing its obligations under this Agreement caused by wars (whether declared or not and including existing wars), revolutions, insurrections, riots, civil commotion, acts of God, accidents, fires, explosions; stoppages of labor, strikes, or other differences with employees (other than the Bank's disputes with its employees); laws, regulations, orders, or other acts of any governmental authority; or any other circumstances beyond its reasonable control. Nor will any such failure or delay give any party the right to terminate this Agreement.

9.4. **Damages.** No party is liable for any indirect, incidental, special, punitive, or consequential damages arising out of or in any way related to this Agreement or the performance of its obligations under this Agreement. This limitation applies even if the party has been advised of, or is aware of, the possibility of such damages.

9.5. **Statements.** The Bank is not liable with respect to the propriety of the Bank's actions or omissions reflected in a statement provided under this Agreement, except to the extent (i) a Statement Recipient objects to the Bank within ninety (90) calendar days after delivery of such statement or (ii) such acts or omissions could not be discovered through reasonable examination of such statement.

SECTION 10 FEES AND EXPENSES

10.1. **Fees.** The Bank is entitled to receive compensation for providing services under this Agreement. A schedule of that compensation is attached as **Exhibit B (Fee Schedule for Plans)** hereto.

10.2. **Expenses.** Reasonable expenses, fees, costs, and other charges incurred by the Bank in providing services under this Agreement (including, but not limited to, compensation, expenses, fees, costs, and other charges payable to service providers hired under this Agreement) are expenses of the Account, and the same will not be offset from the Bank's compensation unless required by applicable law.

10.3. **Outstanding Fees and Expenses.** To the extent of any outstanding compensation, expenses, fees, costs, or other charges incurred by the Bank in providing services under this Agreement, the Customer hereby grants the Bank a first-priority lien and security interest in, and right of set-off against, the Assets. The Bank may execute that lien and security interest, and exercise that right, at any time.

10.4. **Advance of Funds or Securities.** To the extent of any advance of funds or securities under this Agreement, the Customer hereby grants the Bank a first-priority lien and security interest in, and right of set-off against, the Assets. The Bank may execute that lien and security interest, and exercise that right, at any time. Furthermore, nothing in this Agreement constitutes a waiver of any of the Bank's rights as a securities intermediary under Uniform Commercial Code §9-206.

SECTION 11 TERMINATION

11.1. **Termination of Agreement.** This Agreement terminates upon the effective date of the Bank's resignation or removal under this Agreement.

11.2. **Resignation; Removal.**

11.2.1. The Bank may resign under this Agreement by notice to the Customer. The Customer may remove the Bank under this Agreement by notice to the Bank. The resignation or removal will be effective

thirty (30) calendar days after delivery of the notice, except to the extent the parties agree in writing to a different effective date. By such effective date, the Customer will appoint a new trustee and provide the Bank with the new trustee's signed, written acknowledgment of trusteeship. If the Customer fails to do so, the Bank will have the right to petition a court at Account expense for appointment of a new trustee.

11.2.2. Upon receiving such acknowledgment or notice of such court-appointment, the Bank will transfer Assets to the new trustee as directed by the Customer or by the court, as the case may be. However, the Bank will not be required to transfer any Assets until the Bank has received payment or reimbursement for all (i) compensation, expenses, fees, costs, or other charges incurred by the Bank in providing services under this Agreement and (ii) funds or securities advanced under this Agreement.

11.3. **Reversion.** Upon Plan termination, the Plan Administrator may direct the Bank to return Assets to the Customer, provided (i) Assets were sufficient to satisfy all Plan benefits; (ii) Assets were first distributed to satisfy all such benefits; and (iii) such return is consistent with Code Section 115. The Customer hereby represents and warrants that the Plan Administrator will not give such a direction unless all applicable conditions under law for reversion have already been satisfied.

SECTION 12 MISCELLANEOUS

12.1. **Freedom to Deal with Third Parties.** The Bank is free to render services to others, whether similar to those services rendered under this Agreement or of a different nature.

12.2. **Binding Obligations.** The Customer and the Bank each hereby represent and warrant that (i) it has the power and authority to transact the business in which it is engaged and to execute, deliver, and perform this Agreement and has taken all action necessary to execute, deliver, and perform this Agreement and (ii) this Agreement constitutes its legal, valid, and binding obligation enforceable according to the terms hereof.

12.3. **Complete Agreement; Amendment; Prevalence.**

12.3.1. **Complete Agreement.** This Agreement contains a complete statement of all the arrangements between the parties with respect to its subject matter and supersedes any existing agreements between them concerning the subject.

12.3.2. **Amendment.** This Agreement may be amended at any time, in whole or in part, by a written instrument signed by the Customer and the Bank. Notwithstanding the foregoing, the terms of **Exhibit B (Fee Schedule for Plans)** hereto alone govern amendments thereto.

12.3.3. **Prevalence of This Agreement.** The Customer hereby represents and warrants that the Plan document, as amended from time to time, is (i) not relevant to the powers, rights, and duties of the Bank under this Agreement and (ii) not inconsistent with this Agreement (including, but not limited to, with regard to the identity of any fiduciary). In the event of such an inconsistency, this Agreement prevails with respect to the powers, rights, and duties of the Bank.

12.4. **Governing Law; Venue.** This Agreement will be governed, enforced, and interpreted according to the laws of the State without regard to conflicts of laws, except where pre-empted by federal law. All legal actions or other proceedings directly or indirectly relating to this Agreement will be brought in federal court (or, if unavailable, state court) sitting in the State. The parties hereby submit to the jurisdiction of any such court in any such action or proceeding and waive any immunity from suit in such court or

execution, attachment (whether before or after judgment), or other legal process in or by such court.

12.5. Successors and Assigns.

12.5.1. This Agreement binds, and inures to the benefit of, the Customer, the Bank, and their respective successors and assigns.

12.5.2. No party may assign any of its rights under this Agreement without the consent of each other party, which consent will not be unreasonably withheld. The Customer hereby acknowledges that the Bank will withhold consent unless and until the Bank verifies an assignee's identity according to the Bank's Customer Identification Program and, to that end, the Customer hereby agrees to notify the Bank of such assignment and provide the Bank with the assignee's name, physical address, EIN, organizational documents, certificate of good standing, and license to do business, as well as other information that the Bank may request. No consent is required if a party merges with, consolidates with, or sells substantially all of its assets to another entity, provided that such other entity assumes without delay, qualification, or limitation all obligations of that party under this Agreement by operation of law or by contract.

12.6. Severability. The provisions of this Agreement are severable. The invalidity of a provision herein will not affect the validity of any other provision.

12.7. No Vested Benefits. Neither the creation nor the operation of the Account causes the vesting of any Participant's or Beneficiary's right to Plan benefits.

12.8. Solvency. The Customer hereby represents and warrants that the Customer is neither insolvent nor subject to any pending bankruptcy proceeding. The Customer will promptly notify the Bank of any such insolvency or proceeding.

12.9. Tax-Lot Selection-Method. The Customer hereby directs the Bank to use the following tax-lot selection-method for the Account, except to the extent the Customer directs the Bank to the contrary: Average Federal Tax Cost (in which shares are sold across all tax lots using the average cost) and, to the extent such method is not permitted for Account investments, First In First Out (in which shares are sold from tax lots having the earliest federal tax acquisition date).

12.10. Shareholder Communications Act Election. Under the Shareholder Communications Act of 1985, as amended, the Bank must try to permit direct communications between a company that issues a security held in the Account (the "Securities-Issuer") and any person who has or shares the power to vote, or the power to direct the voting of, that security (the "Voter"). Unless the Voter registers its objection with the Bank, the Bank must disclose the Voter's name, address, and securities positions held in the Account to the Securities-Issuer upon the Securities-Issuer's request ("Disclosure"). To the extent that the Customer is the Voter, the Customer hereby (i) acknowledges that failing to check one and only one box below will cause the Customer to be deemed to have consented to Disclosure and (ii) registers its (*check only one*):

- Consent to Disclosure .
- Objection to Disclosure.

12.11. Authorized Persons. With respect to this Agreement:

12.11.1. The Customer will notify the Bank of the identity of each (i) employee of the Customer who is authorized to act on the Customer's behalf, (ii) third-party agent that is authorized to act on the Customer's behalf, and (iii) employee of each third-party agent who is authorized to act on such agent's behalf. In no event is any such agent authorized to amend this Agreement or to terminate this Agreement.

12.11.2.If the Plan Administrator is the Customer, then any such employee or agent has the same authority with respect to the Plan Administrator as such employee or agent has with respect to the Customer. If the Plan Administrator is not the Customer, then the Customer will notify the Bank of the identity of each (i) employee of the Customer who is authorized to act on the Plan Administrator’s behalf, (ii) third-party agent that is authorized to act on the Plan Administrator’s behalf, and (iii) employee of each third-party agent who is authorized to act on such agent’s behalf. In no event is any such agent authorized to amend this Agreement or to terminate this Agreement.

12.11.3.The Bank may assume that any such employee or agent continues to be so authorized, until the Bank receives notice to the contrary from the Customer (or, with respect to any such employee of any such agent, from such agent).

12.11.4.The Customer hereby represents and warrants that any such employee or agent was duly appointed pursuant to a procedure specified in the Plan and is appropriately monitored and covenants that the Customer (or the Plan Administrator, as the case may be) will furnish such employee or agent with a copy of this Agreement, as amended from time to time, and with a copy of any communications given under this Agreement to the Customer (or to the Plan Administrator, as the case may be). The Customer hereby acknowledges that (i) such employee’s or agent’s actions or omissions are binding upon the Customer (or upon the Plan Administrator, as the case may be) as if the Customer (or the Plan Administrator, as the case may be) had taken such actions or made such omissions itself and (ii) the Bank is indemnified, released, and held harmless accordingly.

12.12. Delivery of Directions.

12.12.1.Any direction, notice, or other communication provided for in this Agreement will be given in writing and (i) unless the recipient has timely delivered a superseding address under this Agreement, addressed as provided under this Agreement, (ii) entered into the Customer’s or Plan Administrator’s account, as the case may be, in the Bank’s on-line portal, or (iii) sent to the Bank by Messaging System.

If to the Bank:

Authorized Officer: c/o _____,
Vice President and Relationship Manager

U.S. Mailing Address: _____

Phone Number: _____

Email Address: _____

If to the Customer:

Authorized Officer: c/o _____

U.S. Mailing Address: _____

Phone Number: _____

Email Address: _____

If to the Plan Administrator:

See Exhibit A (Covered Plan) hereto.

12.12.2. Any direction received under this Agreement by email or Messaging System, or entered into the Customer's or Plan Administrator's account in the Bank's on-line portal, is deemed to be given in a writing signed by the sender. The Customer hereby represents and warrants that the Customer and the Plan Administrator maintain commercially reasonable security measures for preventing unauthorized access to their respective portal accounts; to the email accounts of their employees, agents, and agents' employees; and to any Messaging System used by their employees, agents, and agents' employees, and the Customer hereby assumes all risk to the Account of such unauthorized access. The Customer hereby acknowledges that the Customer is fully informed of the protections and risks associated with the various methods of transmitting directions to the Bank and that there may be more secure methods of transmitting directions than the methods selected by the Customer, the Plan Administrator, and their agents.

12.13. **Plan Expenses; Benefit-payment Account.**

12.13.1. **Plan Expenses.** The Plan Administrator may direct the Bank from time to time to charge an expense, or type of expense, against the Account. The Customer hereby represents and warrants that any expense, or type of expense, so directed to be charged is a permissible Plan expense (and is not a settlor expense).

12.13.2. **Benefit-payment Account.** The Customer hereby covenants that (i) any direction under this Agreement to distribute Assets to or for the benefit of Participants and Beneficiaries through any benefit-payment account will comply with any applicable trust requirement and anti-inurement requirement; (ii) any such benefit-payment account will be registered in the name of the Account (with the Bank designated as trustee and with only Bank personnel designated as authorized signers), the Bank (with only Bank personnel designated as authorized signers), or a Plan trustee other than the Bank (with no Bank personnel designated as authorized signers) or will be maintained by an insurance company qualified to do business in a state of the United States and regulated and supervised and subject to periodic examination by an agency of such state pursuant to an administrative services only (ASO) contract between such insurance company and the Customer (with no Bank personnel as authorized signers); and (iii) any such other trustee will be a bank or trust company that has been granted trust powers under state or federal law. If any such benefit-payment account is so registered in the name of another trustee, then the Customer hereby acknowledges that (x) the benefit-payment account is a Client-controlled Asset, (y) the Bank is not a co-trustee with the other trustee; no asset is held by the Bank and the other trustee; the Bank will not use reasonable care to prevent the other trustee from committing a breach; and the Bank is not liable with respect to the actions or omissions of the other trustee; and (z) the Customer alone has the duty to appoint and monitor the other trustee, and the Customer will indemnify, release, and hold harmless the Bank under this Agreement for the actions and omissions of the other trustee.

12.14. **Co-fiduciary Responsibility.** Except as may be required by applicable law, no fiduciary with respect to the Plan (i) is responsible for the actions or omissions under this Agreement of any other fiduciary with respect to the Plan or (ii) has a duty to question whether any other fiduciary with respect to the Plan is fulfilling its own responsibilities under this Agreement.

12.15. **Spendthrift.** Except as expressly permitted by the terms of the Plan and applicable law, (i) no

Participant or Beneficiary has the power to assign or alienate a beneficial interest in the Account; (ii) neither the Bank, the Customer, nor the Plan Administrator will recognize an assignment or alienation of a beneficial interest in the Account; and (ii) no beneficial interest in the Account is subject to attachment, garnishment, execution following judgment, or other legal process.

12.16. **Uncashed Benefit-Distribution Checks.** To the extent the Bank holds cash Assets un-invested pending distribution to a Participant or Beneficiary in an interest-bearing or noninterest-bearing deposit account of the Bank on the void-after date imprinted on the underlying benefit-distribution check issued by the Bank under this Agreement, the Customer hereby directs the Bank to use such Assets promptly thereafter as provided in any sweep direction for the Account.

12.17. **Legal Advice.** The Customer hereby acknowledges that it (i) did not receive legal advice from the Bank concerning this Agreement, (ii) had an adequate opportunity to consult an attorney of its choice before executing this Agreement, and (iii) executed this Agreement upon its own judgment and, if sought, the advice of such attorney.

12.18. **Waiver of Jury Trial.** Each party hereby irrevocably waives all right to a trial by jury in any action, proceeding, claim, or counterclaim (whether based on contract, tort, or otherwise) directly or indirectly arising out of or relating to this Agreement.

12.19. **Legal Action.** If the Bank is served with a Legal Action, then the Bank will, to the extent permitted by law, use commercially reasonable efforts to notify the Customer of such service. The Customer will reimburse the Bank for any expenses, fees, costs, or other charges incurred by the Bank in responding to the Legal Action, including, but not limited to, any fees charged by an attorney of the Bank's choice. If the Customer notifies the Bank that the Customer is seeking a protective order to resist the Legal Action, then the Bank will provide reasonable cooperation at the Customer's request and sole cost and expense. In any event, the Bank may comply with the Legal Action at any time, except to the extent the Bank has received a protective order that prevents the Bank from complying.

12.20. **Interpleader.** With respect to Assets that are the subject of a dispute, the Bank may file an interpleader action or other petition with a court of competent jurisdiction for directions with respect to the dispute. The Customer will reimburse the Bank for any expenses, fees, costs, or other charges incurred by the Bank in filing such petition and implementing such directions, including, but not limited to, any fees charged by an attorney of the Bank's choice. Before disbursing Assets pursuant to such directions, the Bank will deduct therefrom an amount in payment or reimbursement for all (i) compensation, expenses, fees, costs, or other charges incurred by the Bank in providing services under this Agreement and (ii) funds or securities advanced under this Agreement.

12.21. **Representations and Warranties.** The Customer hereby covenants that, if any of the representations or warranties that it provides in this Agreement becomes inaccurate or incomplete, it will promptly notify the Bank thereof and of any fact, omission, event, or change of circumstances related thereto.

12.22. **Publicity.** No party will disclose the existence of this Agreement or any terms thereof in advertising, promotional, or marketing materials without obtaining, in each case, the prior written consent of each other party.

12.23. **Counterparts and Duplicates.** This Agreement may be executed in any number of counterparts, each of which, without production of the others, will be deemed to be an original, but all of which together will constitute the same instrument. This Agreement, and any direction, notice, or other communication given under this Agreement, may be proved either by an executed original or by a reproduced copy thereof

(including, but not limited to, an electronic file copy thereof).

12.24. **Effective Date.** This Agreement will become effective when all parties have signed it. The date of this Agreement will be the date this Agreement is signed by the last party to sign it (as indicated by the date associated with that party's signature).

12.25. *The following provisions apply if and only if the Trustee Type includes **discretionary**: **Exempt from Registration.*** The Bank hereby represents and warrants that it is a "bank" as that term is defined in Section 202(a)(2) of the Investment Advisers Act and therefore exempt, under Section 202(a)(11)(A) of the Investment Advisers Act, from registering with the SEC as an investment adviser.

IN WITNESS WHEREOF, an authorized officer of each party hereby executes this Agreement on the date stated beneath that party's signature.

THE CUSTOMER (AS DEFINED IN THIS AGREEMENT)

By: _____
(Signature of the Customer's authorized officer)

(Printed name of the Customer's authorized officer)

Its: _____
(Title of the Customer's authorized officer)

Dated: _____

U.S. BANK NATIONAL ASSOCIATION

By: _____
(Signature)

(Printed name)

Its: Vice President and Relationship Manager

Dated: _____

SECTION 115 TRUST AGREEMENT

Exhibit A

Covered Plan

Trustee Type

(Check only one):

- Directed trustee Discretionary trustee

Plan:

Plan Type

(Check only one):

- DC other postemployment benefits
 DB other postemployment benefits

Plan Type

Governmental; the enabling law is:

§§ _____

Plan Administrator

(Check only one):

- The Plan Administrator is the Customer.
 The Plan Administrator is not the Customer; see below instead.

Plan Administrator:

_____ Committee
(Do not enter the name of any third-party administrator.)

Authorized Officer:

c/o _____

U.S. Mailing Address:

Phone Number:

Email Address:

Effective Date. This Exhibit will become effective when all parties have signed it. The date of this Exhibit will be the date this Exhibit is signed by the last party to sign it (as indicated by the date associated with that party's signature).

IN WITNESS WHEREOF, an authorized officer of each party hereby executes this Exhibit on the date stated beneath that party's signature.

THE CUSTOMER (AS DEFINED IN THIS AGREEMENT)

By:

(Signature of the Customer's authorized officer)

(Printed name of the Customer's authorized officer)

Its: _____
(Title of the Customer's authorized officer)

Dated: _____

U.S. BANK NATIONAL ASSOCIATION

By: _____
(Signature)

(Printed name)

Its: Vice President and Relationship Manager

Dated: _____

SECTION 115 TRUST AGREEMENT

Exhibit B

Fee Schedule for Plans

INVESTMENT POLICY STATEMENT

FOR

**SOUTH WASHINGTON COUNTY SCHOOLS ISD #833
OTHER POST-EMPLOYMENT BENEFITS TRUST**

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The South Washington County Schools Independent School District #833 has established the South Washington County Schools Other Post-Employment Benefits Trust (the “Trust”). This Trust is intended to provide funding of non-pension post-employment benefits (“OPEB”) for those employees who meet the age and service requirements outlined in the plan document. The Trustees of the Trust hereby adopt this Investment Policy Statement (“Policy Statement”) for the following purposes.

Purpose

The main investment objective of the Trust is to achieve long-term growth of Trust assets by maximizing long-term rate of return on investments and minimizing risk of loss to fulfill the South Washington County Schools’ current and long-term OPEB obligations.

The purpose of this Policy Statement is to achieve the following:

1. Document investment objectives, performance expectations and investment guidelines for Trust assets.
2. Establish an appropriate investment strategy for managing all Trust assets, including an investment time horizon, risk tolerance ranges and asset allocation to provide sufficient diversification and overall return over the long-term time horizon of the Trust.
3. Establish investment guidelines to control overall risk and liquidity.
4. Establish periodic performance reporting requirements to monitor investment results and confirm that the investment policy is being followed.
5. Comply with fiduciary, prudence, due diligence and legal requirements for Trust assets.

Investment Authority

South Washington County Schools has appointed the Audit and Finance Committee (the “Committee”) to oversee certain policies and procedures related to the operation and administration of the Trust. The Committee will have authority to implement the investment policy and guidelines in the best interest of the Trust to best satisfy the purposes of the Trust. In implementing this Policy Statement, the Committee believes it may delegate certain functions to:

1. An investment advisor (“Advisor”) to assist the Committee in the investment process and to maintain compliance with this Policy Statement. The Advisor may assist the Committee in establishing investment policy objectives and guidelines. The Advisor will adjust asset allocation for the Trust subject to the guidelines and limitations set forth in this Policy Statement. The Advisor will also select investment managers (“Managers”) and strategies consistent with its role as a fiduciary for the Trust. The investment vehicles allowed may include mutual funds, commingled trusts, separate accounts, limited partnerships and other investment vehicles deemed to be appropriate by the Advisor. The Advisor is also responsible

for monitoring and reviewing investment managers; measuring and evaluating performance; and other tasks as deemed appropriate in its role as Advisor for Trust assets. The Advisor may also select investments with discretion to purchase, sell, or hold specific securities, such as Exchange Traded Funds, that will be used to meet the Trust's investment objectives. The Advisor shall never take possession of securities, cash or other assets of the Trust, all of which shall be held by the custodian. The Advisor must be registered with the Securities and Exchange Commission.

2. A custodian selected by the Trust to maintain possession of physical securities and records of street name securities owned by the Trust, collect dividend and interest payments, redeem maturing securities, and effect receipt and delivery following purchases and sales. The custodian may also perform regular accounting of all assets owned, purchased, or sold, as well as movement of assets into and out of the Trust.
3. A trustee appointed by the Trust, such as a bank trust department, if the Trust does not have its own Trustees, to assume fiduciary responsibility for the administration of Trust assets; provided, however, that if the Committee shall have appointed an investment advisor, then any trustee appointed under this paragraph shall have no authority with respect to selection of investments.
4. Specialists such as attorneys, auditors, actuaries and, retirement plan consultants to assist the Committee in meeting its responsibilities and obligations to administer Trust assets prudently.

Statement of Investment Objectives

The investment objectives of the Trust are as follows:

1. To invest assets of the Trust in a manner consistent with the following fiduciary standards: (a) all transactions undertaken must be for the sole interest of Trust beneficiaries, and (b) assets are to be diversified in order to minimize the impact of large losses from individual investments.
2. To provide for funding and anticipated withdrawals on a continuing basis for payment of benefits and reasonable expenses of operation of the Trust.
3. To enhance the value of Trust assets in real terms over the long-term through asset appreciation and income generation, while maintaining a reasonable investment risk profile.
4. Subject to performance expectations over the long-term, to minimize principal fluctuations over the Time Horizon (as defined below).
5. To achieve a long-term level of return commensurate with contemporary economic conditions and equal to or exceeding the investment objective set forth in this Policy Statement under the section labeled "Performance Expectations".

Investment Guidelines

Within this section of the Policy Statement, several terms will be used to articulate various investment concepts. The descriptions are meant to be general and may share investments otherwise considered to be in the same asset class. They are:

"Growth Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on capital appreciation. Investments within the Growth Assets category can include income and risk mitigating characteristics, so long as the predominant investment risk and return characteristic is capital appreciation. Examples of such investments or asset classes are: domestic and international equities or equity funds, private or leveraged equity, certain real estate investments, and hedge funds focused on equity risk mitigation or equity-like returns.

"Income Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on income generation. Investments within the Income Assets category can include capital appreciation and risk mitigating characteristics, so long as the primary investment risk and return characteristic is income generation. Examples of such investments or asset classes are: fixed income securities, guaranteed investment contracts, certain real estate investments, and hedge funds focused on interest rate risk mitigation or income investment-like returns.

"Real Return Assets" - a collection of investments and/or asset classes whose primary risk and return characteristics are focused on real returns after inflation. Investments within the Real Return category can include inflation protected securities, commodities, certain real estate investments and hedge funds.

Time Horizon

The Trust's investment objectives are based on a long-term investment horizon ("Time Horizon") of five years or longer. Interim fluctuations should be viewed with appropriate perspective. The Committee has adopted a long-term investment horizon such that the risks and duration of investment losses are carefully weighed against the long-term potential for appreciation of assets.

Liquidity and Diversification

In general, the Trust may hold some cash, cash equivalent, and/or money market funds for near-term Trust benefits and expenses (the "Trust Distributions"). Remaining assets will be invested in longer-term investments and shall be diversified with the intent to minimize the risk of long-term investment losses. Consequently, the total portfolio will be constructed and maintained to provide diversification with regard to the concentration of holdings in individual issues, issuers, countries, governments or industries.

Asset Allocation

The Committee believes that to achieve the greatest likelihood of meeting the Trust's investment objectives and the best balance between risk and return for optimal diversification, assets will be

invested in accordance with the targets for each asset class as follows to achieve an average total annual rate of return that is equal to or greater than the Trust’s target rate of return over the long-term, as described in the section titled “Performance Expectations”.

<u>Asset Classes</u>	<u>Asset Weightings</u>	
	<u>Range</u>	<u>Target</u>
Growth Assets		
Domestic Equity	19% - 59%	39%
International Equity	1% - 41%	21%
Other	0% - 20%	0%
Income Assets		
Fixed Income	20% - 60%	40%
Other	0% - 20%	0%
Real Return Assets	0% - 20%	0%
Cash Equivalents	0% - 20%	0%

The Advisor and each Manager will be evaluated against their peers on the performance of the total funds under their direct management.

Rebalancing Philosophy

The asset allocation range established by this Policy Statement represents a long-term perspective. As such, rapid unanticipated market shifts or changes in economic conditions may cause the asset mix to fall outside Policy Statement ranges. When allocations breach the specified ranges, the Advisor will rebalance the assets within the specified ranges. The Advisor may also rebalance based on market conditions.

Risk Tolerance

Subject to investment objectives and performance expectations, the Trust will be managed in a style that seeks to minimize principal fluctuations over the established Time Horizon.

Performance Expectations

Over the long-term, five years or longer, the performance objective for the Trust will be to achieve an average total annual rate of return that is equal to or greater than the Trust’s actuarial discount rate. Additionally, it is expected that the annual rate of return on Trust assets will be commensurate with the then prevailing investment environment. Measurement of this return expectation will be judged by

reviewing returns in the context of industry standard benchmarks, peer universe comparisons for individual Trust investments and blended benchmark comparisons for the Trust in its entirety.

Selection of Investment Managers

The Advisor shall prudently select appropriate Managers to invest the assets of the Trust. Managers must meet the following criteria:

- The Manager must provide historical quarterly performance data compliant with Global Investment Performance Standards (GIPS[®]), Securities & Exchange Commission (“SEC”), Financial Industry Regulatory Agency (“FINRA”) or industry recognized standards, as appropriate.
- The Manager must provide detailed information on the history of the firm, key personnel, support personnel, key clients, and fee schedule (including most-favored-nation clauses). This information can be a copy of a recent Request for Proposal (“RFP”) completed by the Manager or regulatory disclosure.
- The Manager must clearly articulate the investment strategy that will be followed and document that the strategy has been successfully adhered to over time.
- The investment professionals making the investment decisions must have a minimum of three (3) years of experience managing similar strategies either at their current firm or at previous firms.
- Where other than common funds such as mutual funds or commingled trusts are utilized, the Manager must confirm receipt, understanding and adherence to this Policy Statement and any investment specific policies by signing a consent form provided to the Manager prior to investment of Trust assets.

Guidelines for Portfolio Holdings

Direct Investments by Advisor

Every effort shall be made, to the extent practical, prudent and appropriate, to select investments that have investment objectives and policies that are consistent with this Policy Statement (as outlined in the following sub-sections of the “Guidelines for Portfolio Holdings”). However, given the nature of the investments, it is recognized that there may be deviations between this Policy Statement and the objectives of these investments.

Limitations on Managers’ Portfolios

EQUITIES

No more than the greater of 5% or weighting in the relevant index (Russell 3000 Index for U.S. issues and MSCI ACWI ex-U.S. for non-U.S. issues) of the total equity portfolio valued at market may be invested in the common equity of any one corporation; ownership of the shares of one company shall not exceed 5% of those outstanding; and not more than 40% of equity valued at market may be held in any one sector, as defined by the Global Industry Classification Standard (GICS).

Domestic Equities. Other than the above constraints, there are no quantitative guidelines as to issues, industry or individual security diversification. However, prudent diversification standards should be developed and maintained by the Manager.

International Equities. The overall non-U.S. equity allocation should include a diverse global mix that is comprised of the equity of companies from multiple countries, regions and sectors.

FIXED INCOME

Fixed income securities of any one issuer shall not exceed 5% of the total bond portfolio at time of purchase. The 5% limitation does not apply to issues of the U.S. Treasury or other Federal Agencies. The overall rating of the fixed income assets as calculated by the Advisor shall be investment grade, based on the rating of one Nationally Recognized Statistical Rating Organization (“NRSRO”).

OTHER ASSETS (ALTERNATIVES)

Alternatives may consist of non-traditional asset classes such as hedge funds, private equity, real estate and commodities, when deemed appropriate. The total allocation to this category may not exceed 30% of the overall portfolio.

Hedge Funds: Primary objective shall be to enhance the risk-return profile of the overall portfolio. This can be accomplished by using a combination of hedge fund strategies that may enhance returns at a reasonable level of risk or reduce volatility while providing a reasonable level of return. These asset classes may differ from traditional public market asset classes due to the use of certain strategies including short-selling, leverage, and derivatives. Hedge funds may also invest across asset classes. The use of direct hedge funds and fund-of-hedge funds are allowed. For purposes of asset allocation targets and limitations, single strategy hedge funds will be categorized under the specific asset class of the fund. For example, a long/short U.S. equity fund will be categorized as “Other” in the Growth Assets category while a long/short credit fund will be categorized as “Other” in the Income Assets category. Multi-strategy hedge funds that cannot be easily categorized under one asset class will be included in “Other” under either the Growth Assets or Income Assets category depending on the risk-return profile of the strategy.

Private Equity: Private equity is less liquid than publicly traded equity securities and can provide returns that are greater than what is available in publicly traded markets. The private equity portfolio may include investments in a variety of commingled/partnership and direct investment vehicles including, but not limited to, venture capital, buyout, turnaround, mezzanine, distressed security, and special situation funds. The private equity portfolio is recognized to be long-term in nature and highly illiquid. Due to their higher risk, private equity investments are expected to provide higher returns than publicly traded equity securities. For purposes of asset allocation targets and limitations, these funds will be categorized as “Other” under the Growth Assets category.

Real Estate: Consists of publicly traded Real Estate Investment Trust (“REIT”) securities and/or non-publicly traded private real estate and shall be diversified across a broad array of property types and

geographic locations. Investments of this type are designed to provide a stable level of income combined with potential for price appreciation, particularly in periods of unexpected inflation. For private real estate, the illiquid, long-term nature should be considered. For purposes of asset allocation targets and limitations, publicly traded REITs will be categorized as “Other” under the Growth Assets category. Depending on the investment characteristics of a private real estate fund, the fund will be categorized as “Other” under either the Income Assets category, for example, a core real estate fund, or under the Growth Assets category, for example, an opportunistic real estate fund where capital gains are expected to make up a significant portion of the total return.

Inflation Hedge: Shall consist of pooled vehicles holding among other assets: Treasury Inflation Protected Securities (“TIPS”), commodities or commodity contracts, index-linked derivative contracts, certain real estate or real property funds and the equity of companies in businesses thought to hedge inflation. Inflation hedge assets will be reported in the Real Return Assets category.

CASH EQUIVALENTS

Cash equivalents shall be held in funds complying with Rule 2(a)-7 of the Investment Company Act of 1940.

Portfolio Risk Hedging

Portfolio investments designed to hedge various risks including volatility risk, interest rate risk, etc. are allowed to the extent that the investments are not used for the sole purpose of leveraging Trust assets. One example of a hedge vehicle is an exchange traded fund (“ETF”) which takes short positions.

Prohibited Investments

Except for purchase within authorized investments, securities having the following characteristics are not authorized and shall not be purchased: letter stock and other unregistered securities, direct commodities or commodity contracts, or private placements (with the exception of Rule 144A securities). Further, derivatives, options, or futures for the sole purpose of direct portfolio leveraging are prohibited. Direct ownership of real estate, natural resource properties such as oil, gas or timber and the purchase of collectibles is also prohibited.

Safekeeping

All assets of the Trust shall be held by a custodian approved by the Committee for safekeeping of Trust assets. The custodian shall produce statements on a monthly basis, listing the name and value of all assets held, and the dates and nature of all transactions in accordance with the terms in the Trust Agreement. Investments of the Trust not held as liquidity or investment reserves shall, at all times, be invested in interest-bearing accounts. Investments and portfolio securities may not be loaned.

Control Procedures

Review of Investment Objectives

The Advisor shall review annually and report to the Committee the appropriateness of this Policy Statement for achieving the Trust's stated objectives. It is not expected that this Policy Statement will change frequently. In particular, short-term changes in the financial markets should not require an adjustment in this Policy Statement.

Review of Investment Performance

The Advisor shall report on a quarterly basis to the Committee to review the investment performance of the Trust. In addition, the Advisor will be responsible for keeping the Committee advised of any material change in investment strategy, Managers, and other pertinent information potentially affecting performance of the Trust.

The Advisor shall compare the investment results on a quarterly basis to appropriate peer universe benchmarks, as well as market indices in both equity and fixed income markets. Examples of benchmarks and indexes that will be used include the Russell 3000 Index for broad U.S. equity strategies; S&P 500 Index for large cap U.S. equities, Russell 2000 Index for small cap U.S. equities, MSCI ACWI ex-U.S. Index for broad based non-U.S. equity strategies; MSCI Europe, Australasia, and Far East (EAFE) Index for developed markets international equities, Barclays Capital Aggregate Bond Index for fixed income securities, and the U.S. 91 Day T-bill for cash equivalents. The Russell 3000 Index will be used to benchmark the U.S. equities portfolio; the MSCI ACWI ex-U.S. Index will be used to benchmark the non-U.S. equities portfolio; the Barclays U.S. Aggregate Bond Index will be used to benchmark the fixed income portfolio. The categories "Other" will be benchmarked against appropriate indices depending on the specific characteristics of the strategies and funds used.

Voting of Proxies

The Committee recognizes that proxies are a significant and valuable tool in corporate governance. The voting rights of individual stocks held in separate accounts or collective, common, or pooled funds will be exercised by the investment managers in accordance with their own proxy voting policies. The voting rights of funds will be exercised by the Advisor.

Adoption of Investment Policy Statement

Any changes and exceptions to this Policy Statement will be made in writing and adopted by the Committee. Once adopted, changes and exceptions will be delivered to each Manager, as appropriate, by the Advisor.

Approved by the Audit & Finance Committee:

Member

Member

Date

Date

Member

Member

Date

Date

