



LOWER PLATTE SOUTH natural resources district

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Item #6

Memorandum

Date: May 12, 2023
To: Each Director
From: Paul D. Zillig, General Manager
Subject: Finance & Planning Subcommittee Meeting Minutes

The Finance & Planning Subcommittee met at 5:30 pm on Thursday, May 11, 2023, in the NRD Office. Subcommittee members in attendance included Chelsea Johnson, Ray Stevens, Christine Lamberty, Deborah Eagan, Melissa Baker, Luke Peterson and Ken Vogel. Others attending included Aaron Bos of Public Trust Advisors/Nebraska CLASS Trust, David Potter, Mike Sousek, Kristin Buntmeyer and myself.

Johnson opened the meeting and welcomed all those participating. The first agenda item was to consider participation in the Nebraska CLASS Investment Trust. Aaron Bos of Public Trust Advisors presented the attached information on Nebraska CLASS, Bos presented additional information and answered questions of the Subcommittee. Questions were in regard to the number and election of Nebraska CLASS board members, investment options, liquidity, and insured funds, Bos reported that Lincoln, Bellevue, Kearney, Papio-Missouri River and Central Platte NRDs, and 4 smaller public power districts have all signed up for Nebraska CLASS Investment Trust.

I reported that the benefits to the NRD would be the liquidity of the funds, a potential higher interest rate, having another investment option and competition is good, and being a participant opens up the option of a smaller starting investment and then to see how it goes.

It was moved by Vogel, seconded by Stevens, and unanimously approved by the Subcommittee to **recommend the Board of Directors approve Resolution 5-17-2023 authorizing the NRD to become a participant of the Nebraska CLASS Trust, and the Declaration of Trust and Interlocal Agreement.**

The next item on the agenda was to answer any questions on the FY'23 Accomplishments for the District Operations or Planning program areas. I reviewed the process for LRIP & Budget Codes, Master Plan Goals & Objectives, the Measurable Goals and Natural Resources Benefits for several NRD Programs and Projects.

The Subcommittee then reviewed each of the proposed FY 24 Actions & Budget requests and FY 25-28 Actions for each F&P program area (District Operations and Planning). The Subcommittee reviewed and discussed the proposed actions and budget requests.

It was moved by Vogel, seconded by Baker, and unanimously approved by the Subcommittee to include an additional \$15,000 for an external evaluation of the security for our data/cyber/physical system and submit the final FY 24 Actions and Budget Requests and the FY 25-28 Actions and proposed expenditures for inclusion in the first draft of the FY 2024 Budget and LRIP. (The budget requests will be emailed out to the Subcommittee).

The Subcommittee then generally discussed budget goals, anticipated changes in the assessed valuation, cash reserve needs, sinking fund limits, and the need to see the subcommittee's budget requests and then know our financial status as of June 30th.

There being no further business the meeting adjourned at 6:55 pm.

PDZ/pz

Encl. 3

pc: Steve Seglin
Corey Wasserburger

What is Nebraska CLASS?

Nebraska Cooperative Liquid Assets Securities System (Nebraska CLASS) is a commingled investment pool established by interlocal agreement in accordance with Nebraska law permitting local governments to pool idle funds in order to invest such funds and earn interest in accordance with, and as permitted by, the provisions of the Nebraska R.S. §§ 13-801 to 13-827 (Interlocal Cooperation Act) or other laws of the State of Nebraska governing the investment of monies of a local government. Nebraska CLASS was organized in 2023 and provides a professionally managed investment program. Funds of the Participants are invested in prime or high-grade, short-term fixed income instruments selected with the goal of providing program safety, liquidity, and competitive rates of return as further defined within the Nebraska CLASS Information Statement.

Who oversees and manages Nebraska CLASS?

Investments made on behalf of the Participants are subject to the overall direction of the Nebraska CLASS Board of Trustees which is comprised of public finance professionals who represent Nebraska local governments that participate in Nebraska CLASS. The Board of Trustees has entered into an Investment Advisor and Administrator Agreement with Public Trust Advisors, LLC (Public Trust). Public Trust is responsible to the Board for all program investment and administrative activities as well as the many services provided on behalf of the Participants.

How can you participate in Nebraska CLASS?

Enrolling in Nebraska CLASS is simple. After reading the Declaration of Trust and Interlocal Agreement and the Information Statement available at www.nebraskaclass.com, follow these steps:

- 1 Pass a resolution authorizing participation in Nebraska CLASS (a model resolution is provided in the registration packet for your convenience).
- 2 Complete the Nebraska CLASS registration packet.
- 3 Submit your local government's completed registration packet to the Nebraska CLASS Client Service team for processing at clientservices@nebraskaclass.com.
- 4 Upon review and approval, you will receive confirmation that you have been accepted as a Nebraska CLASS Participant.

Nebraska CLASS FEATURES

As a Nebraska CLASS Participant, you have access to many convenient features:

- Same-day availability of funds (1:00 p.m. CT cut-off)
- Deposits by wire or ACH
- Professionally managed portfolio
- Competitive daily yields
- Unlimited subaccounts
- No minimum balance requirements
- No transaction fees*
- Dedicated client service representatives available via phone, fax, or email on any business day
- Audited annually by an independent auditing firm**
- Direct deposit of state payments

*You may incur fees associated with wires and/or ACH transactions by your bank, but there will be no transaction fees charged from Nebraska CLASS for such transactions. **External audits may not catch all instances of accounting errors and do not provide an absolute guarantee of accuracy.



What are the objectives of Nebraska CLASS?

Safety

The primary investment objective of Nebraska CLASS is the safety of public funds. The Nebraska CLASS portfolio is professionally managed by a team of investment professionals who are solely focused on the management of public funds nationwide. The custodian for all Nebraska CLASS investment holdings is UMB Bank, N.A.

Liquidity

When you invest with Nebraska CLASS, you have access to your funds on any business day. You must notify Nebraska CLASS of your transaction requests by 1:00 p.m. CT via the Nebraska CLASS Participant Portal. By offering daily liquidity, we provide you with the flexibility you need to meet your daily cash needs.

Convenience

To make cash management simple and efficient, Nebraska CLASS includes many features that make it easy to access account information and simplify record keeping. Participants may make account transactions on any business day via the Nebraska CLASS Online Transaction Portal at www.nebraskaclass.com. Our dedicated Client Service team is available to assist you with your unique investment needs and can be reached by email at clientservices@nebraskaclass.com or by phone number at (866) 256-6460.

Flexibility

You may establish multiple Nebraska CLASS accounts to track and parallel your own internal fund accounting structures. You will receive email notification of the availability of your comprehensive monthly statement via email. Statements show all of your transaction

activity, interest postings, and rate summaries. These statements have been specifically designed to facilitate public sector fund accounting and to establish a clear accounting and audit trail for your investment records.

Competitive Returns

While adhering to the primary objectives of safety and liquidity, Nebraska CLASS strives to provide competitive returns. Participants will receive daily interest on each individual Nebraska CLASS account that has been established. Accrued dividends are reinvested at month-end.

Legality

Nebraska CLASS investments are limited to those qualifying for investment under the Nebraska Investment Act.

Have Questions?

Contact us or visit www.nebraskaclass.com for more information.



Aaron Bos

Director, Investment Services

aaron.bos@nebraskaclass.com

(402) 960-7711

Any financial and/or investment decision should be made only after considerable research, consideration, and involvement with an experienced professional engaged for the specific purpose. The information presented should not be used in making any investment decisions. This material is not a recommendation to buy, sell, implement, or change any securities or investment strategy, function, or process. All comments and discussion presented are purely based on opinion and assumptions, not fact. These assumptions may or may not be correct based on foreseen and unforeseen events. **Past performance is not an indication of future performance. Any financial and/or investment decision may incur losses.** Please see the Information Statement for further details on the fee calculation and other key aspects about Nebraska CLASS.



Resolution 5-17-2023

WHEREAS, NEB. Const. art. XV, § 18(1) authorizes local government entities to exercise their powers and functions, including financing, jointly or in cooperation with other governmental entities and Nebraska law express allows public agencies to invest surplus or excess funds;

WHEREAS, NEB. REV. STAT. § 13-804 authorizes public agencies to enter into interlocal agreements in order for such agencies to take joint or cooperative action;

WHEREAS, the Nebraska Cooperative Liquid Assets Securities System Trust (“Nebraska CLASS Trust”) has been formed pursuant to the provisions of the Interlocal Cooperation Act, NEB. REV. STAT. §§ 13-801 to 13-827;

WHEREAS, the Declaration of Trust and Interlocal Agreement and an Information Statement relating to the Nebraska CLASS Trust have been presented to this Governing Body;

WHEREAS, the Declaration of Trust authorizes public agencies to adopt and enter into the Declaration of Trust and become Participants of such trust;

WHEREAS, this Governing Body deems it advisable for this Public Agency to adopt and enter into the Declaration of Trust and become a participant of the Nebraska CLASS Trust for the purpose of the joint investment of this Public Agency’s money with those other public agencies so as to enhance the investment earnings accruing to each such public agency,

NOW THEREFORE, be it resolved as follows:

1. This Public Agency shall and does hereby join with other Nebraska public agencies in accordance with the provisions of Nebraska law and in accordance with the Interlocal Cooperative Act, as applicable, by becoming a Participant of the Nebraska CLASS Trust, and the Declaration of Trust and Interlocal Agreement, as amended from time to time, is hereby adopted by this reference with the same effect as if it had been set out verbatim in this Resolution. A copy of the Declaration of Trust is attached hereto and incorporated herein by this reference and shall be filed with the minutes of the meeting at which this Resolution was adopted.
2. The Trustees of the Nebraska CLASS Trust are hereby designated as having official custody of this Public Agency’s monies which are invested in accordance with the Declaration of Trust.
3. Authorization is hereby given for members of this Governing Body and officials of this Public Agency to serve as Trustees of the Nebraska CLASS Trust from time to time if elected as such pursuant to the Declaration of Trust.
4. The Key Contact and Authorized Signatories are those persons listed on the Trust Registration Form attached hereto and incorporated herein. The Authorized Signatories



are authorized by the Participant to direct the investment of such Participants' investment funds and to take all such actions deemed necessary or desirable to carry out the activities otherwise authorized by this Resolution, subject to the Authorized Signatories' obligation to take such actions only in the name of and for the benefit of this Participant.

5. The Key Contact and Authorized Signatories may be changed from time to time by written notice to Nebraska CLASS.
6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution being the same are hereby rescinded.

Passed and adopted this ____ day of _____, 2023 by the Lower Platte South Natural Resources District.

David Landis, Board Chair

Attest:

Lisa Lewis, Board Secretary

DECLARATION OF TRUST AND INTERLOCAL AGREEMENT

WITNESSETH:

WHEREAS, this Declaration of Trust and Interlocal Agreement (“Declaration”) is adopted pursuant to the provisions of the Interlocal Cooperation Act, NEB. REV. STAT. §§ 13-801 to 13-827;

WHEREAS, NEB. Const. art. XV, § 18(1) authorizes local government entities to exercise their powers and functions, including financing, jointly or in cooperation with other governmental entities;

WHEREAS, NEB. REV. STAT. § 13-804 authorizes public agencies to enter into interlocal agreements in order for such agencies to take joint or cooperative action; and

WHEREAS, this Declaration is intended to be an Interlocal Agreement entered into pursuant to the Interlocal Cooperation Act for the purpose of providing for the investment of funds by public agencies;

WHEREAS, the governing body of each of the Initial Participants has duly adopted a resolution authorizing the respective Initial Participants to become parties to this Declaration for the purpose of exercising jointly their respective power to invest in an authorized commingled fund of eligible securities pursuant to NEB. REV. STAT. § 13-801 *et seq.* and NEB. Const. art. XV, § 18(1) (“Authorizing Statutes”); and

WHEREAS, the beneficial interests in the assets of the trust fund created pursuant to the provisions of this Declaration shall be divided into non-transferable shares; and

WHEREAS, the Initial Participants anticipate that other public agencies of the State of Nebraska may wish to become Participants by adopting this Declaration;

NOW, THEREFORE, in consideration of the mutual promises, covenants, and agreements contained herein, the parties hereto, now and hereafter added pursuant to the provisions herein, mutually undertake, promise, and agree for themselves, their respective representatives, successors, and assigns that all moneys, assets, securities, funds, and property now or hereafter acquired by the Trust under this Declaration shall be held and managed in trust for the equal and proportionate benefit of the holders of record from time-to-time of shares of beneficial interests herein, without privilege, priority, or distinction among such holders, and subject to the terms, covenants, conditions, purpose, and provisions hereof.

ARTICLE I. The Trust

1.1. Name. The name of the trust created by this Declaration shall be the “Nebraska Cooperative Liquid Assets Securities System” and the Board shall conduct the Trust’s activities, execute all documents, and sue or be sued under that name. The Board may use such other designations, including “Nebraska CLASS,” or “NECLASS,” and may adopt such other name(s) for the Trust as the Board deems proper, and the Trust may hold property and conduct its activities under such designations or names. The Board shall take such action as they, acting with the advice of counsel, deem necessary or appropriate to file or register such names in accordance with the laws of the State of Nebraska or the United States of America so as to protect and reserve the right of the Trust in and to such names.

1.2. Purpose; Participant Requirements; and Changes of Incumbency.

(a) The purpose of the Trust is to provide a local government investment pool trust pursuant to the Authorizing Statutes through which a Public Agency may commingle moneys with other Public Agencies in order to take advantage of short-term investments and maximize net investment earnings.

(b) Only those Public Agencies that have adopted this Declaration by resolution and have complied with the provisions thereof are Participants.

(c) Each Public Agency adopting and executing this Declaration after the effective date hereof, and otherwise complying with the provisions hereof, shall become a Participant upon depositing into the Trust the minimum total investment as that amount is set, from time-to-time, by the Board.

1.3. Location. The Trust shall maintain an office of record in the State of Nebraska and may maintain such other offices or places of business as the Board may from time-to-time determine. The office of record may be changed from time-to-time by resolution of the Board, and notice of such change of the office of record shall be given to each Participant.

1.4. Nature and Declaration of Trust.

(a) The Trust shall be a statutory trust organized and existing under the laws of the State of Nebraska. The Trust is not intended to be, shall not be deemed to be, and shall not be treated as a general partnership, limited partnership, joint venture, corporation, investment company, limited liability company, joint stock company, or business venture of any other sort. The Participants shall be beneficiaries of the Trust, and their relationship to the Trust shall be solely in their capacity as Participants and beneficiaries in accordance with the rights conferred upon them hereunder.

(b) The Declaration is an agreement of indefinite term regarding deposit, redeposit, investment, reinvestment, and withdrawal of local government funds in accordance with the Authorizing Statutes and other laws of the State of Nebraska.

(c) The Board may authorize the creation of one or more different portfolios provided that each such portfolio shall conform in all respects to the requirements of this Declaration.

(d) The Board may authorize the use of the names “Nebraska CLASS” and “NECLASS” in conjunction with other products and services that provide investment, financial, or other cash management services to Public Agencies.

1.5. Definitions. As used in this Declaration, the following terms shall have the following meanings. These definitions are intended to supplement the definitions contained in the Authorizing Statutes and in the event of any conflicts, the more restrictive shall apply.

(a) Administrative Agreement shall mean the agreement between the Board on behalf of the Trust and the Administrator.

(b) Administrator shall mean the person or persons appointed, employed, or contracted with by the Board on behalf of the Trust pursuant to Article IV hereof.

(c) Affiliate shall mean, with respect to any person, another person directly or indirectly controlled, controlled by, or under common control with such person, or any officer, director, partner, or employee of such person.

(d) Business Day means any day of the year other than (a) a Saturday or Sunday, (b) any day on which banks located in Omaha, Nebraska, are required or authorized by law to remain closed, or (c) any day on which the New York Stock Exchange is closed.

(e) Board shall mean the Board of Trustees as designated by the Initial Participants to administer and supervise the affairs of the Trust and such new or successor Trustees as shall be appointed as provided in this Declaration.

(f) Custodian shall mean any person or persons appointed, employed, or contracted with by the Investment Advisor on behalf of the Trust pursuant to Article V hereof.

(g) Custodian Agreement shall mean the agreement between the Investment Advisor on behalf of the Trust and the Custodian.

(h) Declaration means this Declaration of Trust and Interlocal Agreement as it may be amended from time-to-time.

(i) Information Statement shall mean an information statement or other descriptive document adopted as such by the Board from time-to-time and distributed to Participants and potential Participants.

(j) Investment Advisor shall mean any person or persons appointed, employed, or contracted with by the Board on behalf of the Trust pursuant to Article VII hereof.

(k) Investment Advisor Agreement shall mean the agreement between the Board on behalf of the Trust and the Investment Advisor.

(l) Key Contact shall mean the individual designated as such by the Participant in writing. Said Key Contact shall be the legal representative to act for and on behalf of each Participant.

(m) Participants shall mean the Public Agencies that are the Initial Participants as of the date this Declaration is adopted and the Public Agencies that thereafter adopt and execute this Declaration and that comply with its terms.

(n) Permitted Investments shall mean the investments authorized under the laws of the State of Nebraska for all Participants with investments in an account or subaccount, except for accounts, subaccounts, or investment pools whose purpose relates to the management of retirement or pension funds.

(o) Person shall mean and include individuals, corporations, limited partnerships, general partnerships, joint stock companies or associations, joint ventures, associations, companies, trusts, banks, trust companies, land trust, business trust, or other entities (whether or not legal entities) and governments and agencies and political subdivisions thereof.

(p) Public Agency shall mean any county, city, village, school district, any drainage district, sanitary and improvement district, or other municipal corporation or political subdivision of the State of Nebraska, and the Nebraska Investment Council.

(q) Responsible Person shall mean a person listed on the United States Treasury Department List of Primary Dealers or any equivalent successor to such list, or a savings and loan or a bank that is organized and existing under the laws of the United States of America or any state thereof and that has assets in excess of \$500 million.

(r) Share shall mean the unit used to denominate and measure the respective pro rata beneficial interests of the Participants in the Trust Property as described in Article X.

(s) Trust shall mean the trust created by this Declaration of Trust and Interlocal Agreement.

(t) Trust Property shall mean, as of any particular time, any and all property, real, personal, or otherwise, tangible or intangible, that is transferred, conveyed, or paid to the Trust and all income, profits, and gains therefrom and which, at such time, is owned or held by, or for the account of, the Trust.

(u) Trustee shall mean any member of the Board.

ARTICLE II. The Participants

2.1. General Powers. Subject to the provisions of this Declaration, the Participants shall have full, exclusive, and absolute power of supervision over the Trust and the affairs of the Trust.

2.2. Exercise of Participants' Rights. All rights of the Participants as set forth in this Declaration shall be exercised by their respective Key Contact. Wherever in this Declaration action is required by or allowed to a Participant, such action shall be taken by the Key Contact on behalf of the Participant. All notices required to be sent to Participants shall be sent to the Key Contact.

2.3. Voting. Each Participant, through its Key Contact, shall be entitled to one vote as a matter of right with respect to the following matters:

- (a) Certain Amendments of this Declaration;
- (b) Termination of the Trust; and
- (c) Reorganization of the Trust.

It shall not be necessary for any minimum number of shares other than one to be allocated to a Participant for the Participant to be entitled to vote.

2.4. Participant Right to Require a Vote of the Board. The Participants shall, by an instrument or concurrent instruments in writing delivered to the Board signed by the lesser of twenty-five (25) or ten percent (10%) of the Participants, have the right to require a vote by the Board related to questions or consideration of such matters as determined by such Participants. Within ninety (90) days of receipt of such instrument(s) or the following Board meeting, whichever occurs sooner, the Board shall be required to address the matters identified within the instrument(s) and be required to take action on the matter.

2.5. Inspection of Records. The records of the Trust shall be open to inspection by Participants at all reasonable times, provided that five (5) days written notice thereof is given to each of the Trustees.

2.6. Meetings of the Participants.

(a) Meetings of the Participants may be called at any time by a majority of the Board and shall be called upon written request of the lesser of twenty-five (25) or ten percent (10%) of the Key Contacts. Such request shall specify the purpose(s) for which such meeting is to be called. The Board shall designate a date, time, and place, whether in the State of Nebraska or virtually, if authorized by the Nebraska Open Meetings Act, NEB. REV. STAT. §§ 84-1407 to 84-1414. If a

meeting is requested by the Key Contacts, the meeting shall be held within sixty (60) days of such request or on such other date contained in the request.

(b) Thirty percent (30%) of the Key Contacts entitled to vote shall constitute a quorum. A Key Contact may vote in person or by proxy. Any Key Contact may attend by conference telephone or similar communication equipment if all persons participating are able to communicate with each other.

2.7. Notice to Participants.

(a) Any notice required to be given to the Participants including notice of all meetings of the Participants shall be given by delivering the notice by mail or electronically to the Key Contact of each Participant at the address shown in the records of the Trust.

(b) In the case of a meeting of the Participants, any notice shall be delivered at least 20 days before the meeting. The notice shall state the time, place, and purposes of the meeting. Only business stated in the notice of a meeting shall be considered at such meeting. Any adjourned meeting may be held as adjourned without further notice.

(c) Any notice required by the Nebraska Open Meetings Act shall also be given, including required publication or posting of the notice.

2.8. Proxies. At any meeting of the Participants, any Key Contact entitled to vote may vote by proxy, provided that no proxy shall be voted at any meeting unless it shall have been placed on file with the Secretary of the Trust or with such other officer or agent of the Trust as the Secretary of the Trust may direct. Pursuant to a resolution of a majority of the Board, proxies may be solicited in the name of one or more of the officers of the Trust. All proxies shall be revocable at the option of the Key Contact at any time prior to the vote.

2.9. Record Date of Meetings and Votes. For the purposes of determining the Participants that are entitled to vote or act at any meeting or any adjournment thereof, or for the purpose of any other action, the Board may fix a date no more than thirty (30) days prior to the date of any meeting or vote of the Participants or other action as a record date for delivering notice to the Participants. No Participant shall be entitled to vote at such meeting or any adjournment thereof, or to cast a ballot in such vote, unless it has a minimum of one dollar (\$1.00) allocated to it as of the record date. Any Participant becoming such prior to the meeting shall be entitled to vote at such meeting or any adjournment thereof or to cast a ballot in such vote and to be treated as a Participant for all purposes.

2.10. Number of Votes. Only Participants of record shall be entitled to vote, and each Participant shall be entitled to one vote without regard to the number of shares allocated to it. A proxy purporting to be executed by or on behalf of a Participant shall be deemed valid unless challenged at or prior to its exercise and the burden of proving invalidity shall rest on the challenger. Those Participants not involved in the challenge shall determine any such challenge, and their decision shall be final. The approval of a simple majority of those voting shall be sufficient to approve any action at a meeting of the Participants except as provided in Sections 8.8 and 15.1.

ARTICLE III. The Board of Trustees

3.1. General Powers. Subject to the rights of the Participants as provided herein, the Board shall have, without other or further authorization, power to administer the Trust and the affairs of the Trust. The Board may perform such acts and things as in their sole judgment and discretion are necessary and proper for the administration of the Trust and the investment of the Trust Property but shall invest with the degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of

the property of another, not in regard to speculation, but in regard to the permanent disposition of funds, considering the probable income as well as the probable safety of capital.

3.2. Annual Report. The Board shall cause to be prepared at least annually:

(a) A report of operations containing a statement of assets and liabilities and statements of operations and of changes in net assets of the Trust prepared in conformity with United States generally accepted accounting principles;

(b) An opinion of an independent certified public accountant on such financial statements based on an examination of the books and records of the Trust made in accordance with United States generally accepted auditing standards;

(c) Sufficient information to establish compliance with the investment policy established in the Information Statement(s); and

(d) Such other information as may be required by the Authorizing Statutes or by applicable regulations promulgated by State of Nebraska. The Board shall cause copies of the annual report to be delivered to all Participants of record within a reasonable time from the receipt thereof.

3.3. Other Reports. The Board may also furnish to the Participants quarterly reports of operations including a statement of assets and liabilities and statements of operations and of changes in net assets of the Trust and such other information as the Board may include or as may be required by the Authorizing Statutes or by regulations promulgated by the State of Nebraska.

3.4. Legal Title. Title to all of the Trust Property shall be vested in the Trust on behalf of the Participants who shall be the beneficial owners. The Trust shall have full and complete power to cause legal title to any Trust Property to be held, on behalf of the Participants, by or in the name of the Trust, or in the name of any other person as nominee, on such terms, in such

manner, and with such powers as the Board may determine, so long as in its judgment the interest of the Trust is adequately protected.

3.5. Execution of Documents. All documents or instruments that require a signature shall be signed by the Chairman or by such other person as so designated by resolution of the Board. The Board may authorize the use of facsimile signatures or other legal signatures.

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

3.7. Payment of Expenses.

(a) The Board shall have full and complete power:

- (i) To incur and pay any charges or expenses that, in the opinion of the Board, are necessary or incidental to or proper for carrying out any of the purposes of this Declaration;
- (ii) To reimburse others for the payment therefore; and
- (iii) To pay appropriate compensation or fees from the funds of the Trust to persons with whom the Board has contracted or transacted business.

(b) The members of the Board shall not be paid compensation for their general services as such. Board members may be reimbursed for expenses reasonably incurred on behalf of the Board and for attendance at Board meetings and other Trust-related activities.

3.8. Fiscal Year; Accounts. The Board shall have full and complete power to determine the fiscal year of the Trust and the method or form in which its accounts shall be kept and from time-to-time to change the fiscal year or method or form of accounts. Unless otherwise determined by the Board, the fiscal year of the Trust shall commence on October 1 and terminate on September 30.

3.9. Power to Contract, Appoint, Retain, and Employ.

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

- (i) Serve as Investment Advisor to the Trust;
- (ii) Serve as Administrator of the Trust;
- (iii) Furnish reports to the Trust and provide research, economic, and statistical data in connection with the Trust's investments;
- (iv) Act as consultants, accountants, technical advisors, attorneys, brokers, underwriters, corporate fiduciaries, escrow agents, depositories, custodians,

agents for collection, insurers or insurance agents, or in any other capacity deemed by the Board to be necessary or desirable;

- (v) Act as attorney-in-fact or agent in the purchase or sale or other disposition of investments and in the handling, prosecuting, or other enforcement of any lien or security securing investments; or
- (vi) Assist in the performance of such other functions necessary in the management of the Trust.

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

3.10. Insurance. The Board shall have full and complete power to instruct the Administrator to purchase and pay for, entirely out of Trust Property, insurance policies insuring the Trust, the Trustees, officers, employees, and agents of the Trust individually against all claims and liabilities of every nature arising by reason of holding or having held any such office or position or by reason of any action alleged to have been taken or omitted by the Trust or any such person, officer, employee, and agent including any action taken or omitted that may be determined to constitute negligence, whether or not the Trust would have the power to indemnify such person against such liability.

3.11. Seal. The Board shall have full and complete power to adopt and use a seal for the Trust, but, unless otherwise required by the Board, it shall not be necessary for the seal to be placed on, and its absence shall not impair the validity of, any document, instrument, or other paper executed and delivered by or on behalf of the Trust.

3.12. Remedies. Notwithstanding any provision in this Declaration, when the Board deems that there is a significant risk that an obligor to the Trust may default or is in default under the terms of any obligation to the Trust, the Board shall have full and complete power to pursue any remedies permitted by law that, in their sole judgment, are in the interests of the Trust, and the Board shall have full and complete power to enter into any investment, commitment, or obligation of the Trust resulting from the pursuit of such remedies as are necessary or desirable to dispose of property acquired in the pursuit of such remedies.

3.13. Information Statement(s). The Board shall have full and complete power to prepare, publish, and distribute Information Statement(s) regarding the Trust and to amend or supplement the same from time-to-time. Any Information Statement shall include but not be limited to the following:

- (a) Credit standards for Trust investments;
- (b) The safekeeping practices utilized for the Trust;
- (c) Maximum and minimum account sizes;
- (d) Maximum and minimum transaction sizes for deposits to and withdrawals from Participants' accounts;
- (e) Instructions for establishing accounts and making deposits to and withdrawals from Participants' accounts; and
- (f) The method for disclosure of administrative and associated costs incurred by the Trust.

3.14. Further Powers. The Board shall have full and complete power to take all such actions, do all such matters and things, and execute all such instruments as they deem necessary, proper, or desirable in order to carry out, promote, or advance the interests and purposes of the Trust although such actions, matters, or things are not herein specifically mentioned. Any

determination as to what is in the best interests of the Trust made by the Board in good faith shall be conclusive. In construing the provisions of this Declaration, the presumption shall be in favor of a grant of power to the Board.

ARTICLE IV. Administrator

4.1. **Appointment.** The Board may appoint one or more persons to serve as the Administrator of the Trust.

4.2. **Duties of the Administrator.** The duties of the Administrator shall be those set forth in an Agreement to be entered into between the Board on behalf of the Trust and the Administrator. Such duties may be modified by the Board from time-to-time. Any such agreement may authorize the Administrator to employ other persons to assist in the performance of its duties. Any such Agreement shall provide that it may be terminated without cause and without the payment of any penalty on at least 90 days written notice.

4.3. **Successors.** In the event that, at any time, the position of Administrator shall become vacant for any reason, the Board may appoint, employ, or contract with a successor.

ARTICLE V. Investment Advisor

5.1. **Appointment.** The Board may appoint one or more persons to serve as the Investment Advisor of the Trust.

5.2. **Duties of the Investment Advisor.** The duties of the Investment Advisor shall be those set forth in an Agreement to be entered into between the Board on behalf of the Trust and the Investment Advisor. Such duties may be modified by the Board from time-to-time. The Board may authorize the Investment Advisor to effect purchases, sales, or exchanges of Trust Property on behalf of the Board or may authorize any officer, employee, agent, or member of the Board to affect such purchases, sales, or exchanges pursuant to recommendations of the Investment Advisor, all without further action by the Board. Any and all such purchases, sales, and exchanges

shall be deemed to be authorized by the Board. Any such Agreement may authorize the Investment Advisor to employ other persons to assist in the performance of the duties set forth in the Agreement. The Investment Advisor shall at no time have custody of, or physical control over, any of the Investment Property. The Investment Advisor shall, upon approval of the Board, appoint a Custodian as defined in this Declaration to receive, hold for reinvestment, and clear all Investment Property. The Investment Advisor shall not be liable for any act or omission of the Custodian but shall be liable for the Investment Advisor's act and omissions as provided herein. Each Participant and the Board direct the Custodian to act, and the Custodian shall agree to act in accordance with the instructions of the Investment Advisor. Any such Agreement shall also provide that it may be terminated without cause and without the payment of any penalty on at least 90 days written notice.

5.3. Sub-Custodian. The Investment Advisor may appoint, with the consent of the Custodian, or authorize the Custodian to utilize sub-custodians to serve as a Custodian in the performance of the obligations of the Custodian hereunder provided that:

(a) the use of such sub-custodians is permitted under Nebraska law and will not render the performance of any provision of this Declaration by any of the parties hereto illegal or impermissible under Nebraska law;

(b) the Investment Advisor shall use its best efforts to ensure that the collective interests of the Participants in the Investment Property are clearly indicated on the records of any sub-custodian;

(c) the Investment Advisor shall use its best efforts to ensure that the collective interests of the Participants in the Investment Property are not diminished or adversely affected because of the Custodian's use of a sub-custodian; and

(d) the sub-custodian is a bank or trust company, savings and loan association, or credit union eligible to be a depositor of surplus funds of the Participants.

A sub-custodian does not include, and a Custodian may utilize, any Affiliate of the Custodian as a depository to hold or clear Investment Property or instruments evidencing Permitted Investments made with Investment Property in the name of any nominee of the Custodian on behalf of the Participants.

5.4. Funds. The Investment Advisor shall cause the Custodian to establish a primary fund (“The Fund”) for the investment of surplus funds of the Participants. The Fund shall be invested in Permitted Investments pursuant to the criteria and policies contained in the Declaration and the Nebraska CLASS Information Statement(s). Notwithstanding anything in this Declaration to the contrary, the Investment Advisor may, upon the direction of the Board, cause the Custodian to establish specially designated funds, in addition to The Fund, with specified investment characteristics that fully comply with Nebraska state law (the “Additional Funds” and, together with The Fund, the “Funds”). The Investment Advisor may cause the Custodian to establish each such Additional Fund once the Board or its designee has approved in writing the investment characteristics of such Additional Fund. Specified investment characteristics may include, without limitation, restrictions on amounts to be invested, holding periods prior to payments, or certain other conditions to be met for payments, such as possible payment penalties, special investment criteria or additional fees for the administration of such Additional Fund. If established, any such Additional Fund shall consist only of Permitted Investments, and the investment characteristics of each such Additional Fund shall be set forth in a separate Information Statement. The establishment of such Additional Fund shall not be deemed an amendment of this Declaration. A Participant may direct the Investment Advisor to invest its surplus funds in any of the established

Funds. The Investment Advisor shall cause each such fund to maintain accounts and reports separate from any other fund. The Investment Advisor may choose to provide for a separate rating on each such fund. All provisions of this Declaration and the Investment Advisor Agreement shall apply to any such Funds.

5.5. Special Subaccounts. Notwithstanding anything in this Declaration to the contrary, the Investment Advisor from time-to-time may propose to the Participants that the Participants establish specially designated, individualized subaccounts within any fund with investment, withdrawal, contribution, or other characteristics different, but no broader, than those set forth in this Declaration. Such characteristics may include, without limitation, certain restrictions on amounts to be deposited, the types of permitted investments to be made, and additional administration fees. A Participant in its sole discretion may create such proposed special, individualized subaccounts within any fund. Any special subaccount that is created pursuant to this Section 5.4 shall be subject to the terms and investment policies set forth in the proposal of the Investment Advisor until the terms governing such special subaccount are amended by the specific Participant having such subaccount. To amend such terms, the Participant must provide to the Investment Advisor a special investment policy governing such special subaccount. Such investment policy may not be broader than is permissible by Nebraska law, or if a subaccount is created for an Additional Fund, such investment policy may not be broader than the investment policy of such Additional Fund and in no case shall it be broader than the Nebraska CLASS Information Statement(s) and eligible investments for public agencies as described by Nebraska law. The establishment of such special subaccounts and the amendment of the investment policy and/or information statement(s) for such subaccount shall not be deemed an amendment of this Declaration. The Investment Advisor shall calculate the return realized by such special

subaccounts separate and apart from the returns realized by other subaccounts maintained for other Participants.

5.6. Successors. In the event that, at any time, the position of Investment Advisor shall become vacant for any reason, the Board may appoint, employ, or contract with a successor.

ARTICLE VI. Custodian

6.1. Appointment and Acceptance. Subject to the approval of the Board, on behalf of the Trust, the Investment Advisor is directed to appoint and provide direction to the Custodian. The Custodian shall be a bank or trust company organized under the laws of the United States of America or the State of Nebraska having an office in the State of Nebraska and having a capital and surplus aggregating at least \$250 million (or such higher other amount as set by the Board) subject to such restrictions, limitations, and other requirements set forth in a Custodian Agreement to be entered into between the Investment Advisor and the Custodian. Such Custodian must be certified as a qualified public depository as defined by Nebraska law.

6.2. Duties of Custodian. The Custodian shall have such duties as are set forth in the Custodian Agreement and the Authorizing Statutes. Such Agreement shall also provide that it may be terminated at any time without cause and without the payment of any penalty on at least 90 days written notice.

6.3. Successors. In the event that, at any time, the Custodian shall resign or shall be terminated the Investment Advisor shall appoint a successor.

ARTICLE VII. Investments

7.1. Statement of Investment Objective. The Trust is a local government investment pool trust and is established to provide safety, liquidity, service, and income to Nebraska local governments and other Public Agencies. The Information Statement(s) of the Trust to achieve this objective shall be adopted by the Board

7.2. Restrictions Fundamental to the Trust. Notwithstanding anything in this Declaration that may be deemed to authorize the contrary, the Board:

(a) May not make any investment other than investments authorized by this Declaration, the Authorizing Statutes, or any other applicable provisions of law as the same may be amended from time-to-time, provided, however, the Board and the Trust shall not be responsible for insuring compliance with any investment restrictions provided for in a Participant's Statement of Investment Policy or elsewhere;

(b) May not purchase any Permitted Investment that has a maturity date greater than allowed by the Authorizing Statutes.

(c) May not borrow money or incur indebtedness whether or not the proceeds thereof are intended to be used to purchase Permitted Investments except as a temporary measure to facilitate withdrawal requests that might otherwise require unscheduled dispositions of portfolio investments and only as and to the extent permitted by law;

(d) May not hold or provide for the custody of any Trust Property in a manner not authorized by law or by any institution or person not authorized by law; and

(e) May not buy securities from or sell securities to the Administrator, the Investment Advisor, or any member of the Board or any affiliate, officer, director, employee, or agent of any of them.

7.3. Permitted Investments. The Board shall have full and complete power:

(a) to conduct, operate, and provide investment programs for the pooling of surplus funds of Public Agencies to take advantage of short-term investments and maximize net interest earnings;

(b) for such consideration as it may deem proper and as may be required by law, to deposit, to subscribe for, invest in, assign, transfer, exchange, distribute, and otherwise deal in or dispose of investment instruments that are permitted under the Authorizing Statutes;

(c) to contract for and enter into agreements with respect to the purchase and sale of investments permitted under the Authorizing Statutes; and

(d) to provide for the portfolio concentrations permitted by the Authorizing Statutes for each type of security.

7.4. Disposition of Assets. The Board, through the Investment Advisor, shall have full and complete power to sell, exchange, or otherwise dispose of any and all Trust Property free and clear of any and all trusts and restrictions at public or private sale, for cash or on terms, with or without advertisement, and subject to such restrictions, stipulations, agreements, and reservations as they shall deem proper and to execute and deliver any deed, power, assignment, bill of sale, or other instrument in connection with the foregoing including giving consents and making contracts relating to Trust Property or its use.

7.5. Collection. The Board shall have full and complete power:

(a) to collect, sue for, receive, and receipt for all sums of money or other property due to the Trust;

(b) to consent to extensions of the time for payment or to the renewal of any securities, investments, or obligations;

(c) to engage or intervene in, prosecute, defend, compromise, abandon or adjust by arbitration or otherwise any actions, suits, proceedings, disputes, claims, demands, or things relating to the Trust Property;

(d) to foreclose any collateral, security, or instrument securing any investments, notes, bills, bonds, obligations, or contracts by virtue of which any sums of money are owed to the Trust;

(e) to exercise any power of sale held by them and to convey good title thereunder free of any and all trusts and in connection with any such foreclosure or sale to purchase or otherwise acquire title to any property;

(f) to be parties to reorganization and to transfer to and deposit with any corporation, committee, voting trustee, or other person, any securities, investments, or obligations of any person who form a part of the Trust Property for the purpose of such reorganization or otherwise;

(g) to participate in any arrangement for enforcing or protecting the interests of the Trust as the owner or holder of such securities, investments, or obligations and to pay any assessment levied in connection with such reorganization or arrangement;

(h) to extend the time (with or without security) for payment or delivery of any debts or property and to execute and enter into release, agreements, and other instruments; and

(i) to pay or satisfy any debts or claims upon any evidence that the Board shall deem sufficient.

7.6. Deposits. Subject to the provisions of the Authorizing Statutes, the Board shall have full and complete power to deposit any moneys or funds included in the Trust Property with an eligible public depository. Such deposits are to be subject to withdrawal in such manner as the Board may determine, and the Board shall have no responsibility for any loss that may occur by reason of the failure of the bank, trust company, or other banking institution with which the moneys, investments, or securities have been deposited. During the term of any such deposit, each such bank, trust company, or other banking institution shall comply, with respect to such deposit,

with all applicable requirements of all applicable laws including but not limited to the Authorizing Statutes.

7.7. **Valuation.** The Board shall have full and complete power to determine, in good faith, conclusively the value of any of the Trust Property and to revalue the Trust Property.

7.8. **Amendment of Restrictions.** The restrictions set forth in Sections 8.2 and 8.3 hereof are fundamental to the operation and activities of the Trust and may not be changed without the affirmative vote of a majority of the Participants except that such restrictions may be changed by the Board so as to make them more restrictive when necessary to conform the investment program and activities of the Trust to the laws of the State of Nebraska and the United States of America as they may from time-to-time be amended.

ARTICLE VIII. Limitations of Liability

8.1. **Liability to the Trust or to the Participants.** No Trustee, officer, or employee of the Trust shall be liable to the Trust or to any Participant, member of the Board, officer, employee, advisor, consultant, or agent of the Trust for any action or failure to act (including without limitation the failure to compel in any way any former or acting member of the Board to redress any breach of trust) except for bad faith, willful misfeasance, gross negligence, or reckless disregard of his or her duties. Any agreements with the Administrator, the Custodian, or the Investment Advisor shall provide for the personal liability of the Administrator, the Custodian, and the Investment Advisor, as the case may be, for a failure to take reasonable measures to restrict investments of Trust Property to those permitted by law and this Declaration. The provisions of this Section shall not limit the liability of any agent (including, without limitation, the Administrator, the Custodian, or the Investment Advisor) with respect to any breach of any contract between the agent and the Board.

8.2. Indemnification.

(a) The Trust shall indemnify, to the extent of the earnings of the Trust and the proceeds of any insurance policies, each of the Trustees and such officers or employees as designated by the Board to receive such indemnification, against all liabilities and expenses (including, without limitation, amounts paid in satisfaction of judgments, in compromise or as fines and penalties, and counsel fees) reasonably incurred in connection with the defense or disposition of any action, suit, or other proceeding, whether civil or criminal, in which the indemnified person may be involved or with which the indemnified person may be threatened, while in office or thereafter, by reason of being or having been a Trustee, officer, or employee except as to any matter as to which the indemnified person shall have been adjudicated to have acted in bad faith or with willful misfeasance or reckless disregard of his or her duties or gross negligence or, in the case of the Investment Advisor or the Administrator, in violation of the restrictions on investments of the Trust Property.

(b) The provisions of this Section shall not be construed to permit the indemnification of any agent of the Trust with respect to any breach of a contract between the agent and the Board.

(c) As to any matter disposed of by a compromise payment by the Board or any Trustee, officer, employee, advisor, consultant, or agent pursuant to a consent decree or otherwise, no indemnification either for said payment or for any other expense shall be provided unless the Board, after consultation with counsel and other experts deemed necessary, has determined that such compromise payment is or was in the best interests of the Trust.

(d) No Participant shall be liable to any person with respect to any claim for indemnity or reimbursement and any Trustee, officer, employee, advisor, consultant, or agent may satisfy any right to indemnity or reimbursement granted herein or to which they may be otherwise entitled

only out of the earnings on the Trust. The Board may make advance payments in connection with indemnification provided that the person indemnified shall have given a written undertaking to reimburse the Trust in the event that it is subsequently determined that the person is not entitled to such indemnification.

(e) To the extent permitted by applicable laws, the Board shall also have full and complete power to indemnify or enter into agreements with respect to indemnification with any other person with whom the Trust has dealings.

8.3. Surety Bonds. No Trustee shall, as such, be obligated to give any bond or surety or other security for the performance of any of his or her duties.

8.4. Recitals. Any written instrument creating an obligation of the Trust shall be conclusively taken to have been executed by the Trustee, officer, employee, or agent of the Trust only in his or her capacity as Trustee, officer, employee, or agent of the Trust. Any written instrument creating an obligation of the Trust is not personally binding upon nor shall resort be had to the property of any Trustee, Participant, Key Contact, officer, employee, or agent of the Trust and only the Trust Property or a specific portion thereof shall be bound.

8.5. Reliance on Experts. Each Trustee and each officer, employee, or agent of the Trust shall, in the performance of his or her duties, be fully and completely justified and protected with regard to any act or failure to act resulting from reliance in good faith upon the records of the Trust, upon an opinion of counsel or upon reports made to the Trust by any of its officers or employees or by the Administrator, the Custodian, the Investment Advisor, accountants, appraisers, or other experts or consultants selected by the Board or officers of the Trust.

8.6. Liability Insurance. At all times, the Board, through the Administrator, shall maintain insurance for the protection of the Trust Property, the Trustees, Participants, Key

Contacts, officers, employees, and agents of the Trust in such amount as the Board shall deem adequate to cover all foreseeable tort and contract liability to the extent available at reasonable rates.

ARTICLE IX. Interests of Participants

9.1. General. The beneficial interests of the Participants hereunder in the Trust Property and the earnings thereon shall, for convenience of reference, be divided into shares. Shares shall be used as units to measure the proportionate allocation to the respective Participants of the beneficial interests hereunder. The number of shares that may be used to measure and represent the proportionate allocation of beneficial interests among the Participants is unlimited. Within each fund, all shares shall be of one class representing equal distribution, liquidation, and other rights. The beneficial interests measured by the shares shall not entitle a Participant to preference, preemptive, appraisal, conversion, or exchange rights of any kind with respect to the Trust or the Trust Property. Title to the Trust Property of every description is vested in the Trust on behalf of and for the beneficial interests of the Participants. The Participants shall have no interest in the Trust Property other than the beneficial interests conferred hereby and measured by their shares, and they shall have no right to call for any partition or division of any property, profits, rights, or interests of the Trust nor can they be called upon to share or assume any losses of the Trust or suffer an assessment of any kind by virtue of the allocation of shares to them.

9.2. Allocation of Shares.

(a) In their discretion, the Board may from time-to-time allocate shares in addition to the then allocated shares to such Participant for such amount and such type of consideration (including without limitation income from the investment of Trust Property) at such time(s) (including without limitation each business day in accordance with the maintenance of a constant net asset value per share as set forth in this Declaration), and on such terms as the Board may deem best. In

connection with any allocation of shares, the Board may allocate fractional shares. From time-to-time, the Board may adjust the total number of shares allocated without thereby changing the proportionate beneficial interests in the Trust. Reductions or increases in the number of allocated shares may be made in order to maintain a constant net asset value per share as set forth in Section 13.2. Shares shall be allocated and redeemed as one hundredths (1/100ths) of a share or any multiple thereof.

(b) Shares may be allocated only to a Participant of the Trust in accordance with this Declaration. Any Participant may establish more than one subaccount within the Trust for such participant's convenience.

(c) There is no minimum amount of funds that may be maintained in an account in the Trust by a Participant at any one time, and there shall be no limit on the maximum that may be maintained by a Participant in any account provided that the Board may, by resolution, change the minimum or set a maximum.

(d) If the Board changes the minimum total investment to an amount greater than the investment of any Participant at the time that such change becomes effective, the investment of such Participant shall not be redeemed without such Participant's consent.

9.3. Evidence of Share Allocation. Evidence of share allocation shall be reflected in the records of the Trust, and the Trust shall not be required to issue certificates as evidence of share allocation.

9.4. Redemption to Maintain Constant Net Asset Value. The shares of the Trust shall be subject to redemption pursuant to the procedure for reduction of outstanding shares in order to maintain the constant net asset value per share.

9.5. Redemptions. Payments by the Trust to Participants, and the reduction of shares resulting therefrom, are referred to in this Declaration as redemptions for convenience. Any and all allocated shares may be redeemed at the option of the Participant upon and subject to the terms and conditions provided in this Declaration and the governing Information Statement(s). The Trust shall, upon application of any Participant, promptly redeem from such Participant allocated shares for an amount per share equivalent to the proportional interest in the net assets of the Trust at the time of the redemption. The procedures for effecting redemption shall be prescribed by the Board provided, however, that such procedures shall not be structured so as to substantially and materially restrict the ability of the Participants to withdraw funds from the Trust.

9.6. Suspension of Redemption; Postponement of Payment.

(a) Each Participant, by its adoption of this Declaration, agrees that the Board may, without the necessity of a formal meeting of the Board, temporarily suspend the right of redemption or postpone the date of payment for redeemed shares for the whole or any part of any period:

- (i) During which there shall have occurred any state of war, national emergency, banking moratorium, or suspension of payments by banks in the State of Nebraska or any general suspension of trading or limitation of prices on the New York Stock Exchange or American Stock Exchange (other than customary weekend and holiday closing) or;
- (ii) During which any financial emergency when or if disposal by the Trust of Trust Property is not reasonably practicable because of the substantial losses that might be incurred or it is not reasonably practicable for the Trust fairly to determine the value of its assets.

(b) Such suspension or postponement shall not alter or affect a Participant's beneficial interests hereunder.

(c) Such suspension of payment shall take effect at such time as the Board shall specify, and thereafter there shall be no right of redemption or payment until the Board shall declare the suspension or postponement at an end.

(d) The suspension or postponement shall terminate on the first day on which the period specified in (a) above shall have expired (as to which the determination of the Board shall be conclusive).

(e) In the case of a suspension of the right of redemption or a postponement of payment for redeemed shares, a Participant may either:

- (i) Withdraw its request for redemption; or
- (ii) Receive payment based on the net asset value existing after the termination of the suspension.

9.7. Minimum Redemption. There shall be a minimum of one share that may be redeemed at any one time at the option of a Participant.

9.8. Defective Redemption Requests. In the event that a Participant shall submit a request for the redemption of a greater number of shares than are then allocated to such Participant, such request shall not be honored.

ARTICLE X. Record of Shares

10.1. Share Records. The Trust shall maintain records that shall contain:

- (a) The names and addresses of the Participants;
- (b) The number of shares representing their respective beneficial interests hereunder; and
- (c) A record of all allocations and redemptions. Such records shall be conclusive as to the identity of the Participants to which shares are allocated. Only Participants whose allocation of

shares is recorded in the Trust records shall be entitled to receive distributions with respect to shares or otherwise to exercise or enjoy the rights and benefits related to the beneficial interests represented by the shares. No Participant shall be entitled to receive any distribution nor to have notices given to it until it has given its appropriate address to the Trust.

10.2. Maintenance of Records. The Administrator, or such other person appointed by the Board, shall record the allocations of shares in the records of the Trust.

10.3. Owner of Record. No person becoming entitled to any shares in consequence of the bankruptcy or insolvency of any Participant or otherwise by operation of law shall be recorded as the Participant to which such shares are allocated unless such person is otherwise qualified to become a Participant. If not qualified, such person shall present proof of entitlement to the Board and if the Board, in its sole discretion, deems appropriate then be entitled to the redemption value of the shares.

10.4. No Transfer of Shares. The beneficial interests measured by the shares shall not be transferable, in whole or in part, other than to the Trust itself for purposes of redemption. However, shares may be redeemed from one Participant's account and the proceeds deposited directly into another Participant's account upon instructions from an authorized representative of the respective Participant.

10.5. Limitation of Responsibility. The Board shall not, nor shall the Participants or any officer or other agent of the Trust, be bound to determine the existence of any trust, express, implied or constructive, or of any charge, pledge, or equity to which any of the shares or any interest therein are subject or to ascertain or inquire whether any redemption of any such shares by any Participant or its representatives is authorized by such trust, charge, pledge or equity, or to recognize any person as having any interest therein except the Participant recorded as the

Participant to which such shares are allocated. The receipt of moneys by the Participant in whose name any share is recorded or by the duly authorized agent of such Participant shall be a sufficient discharge for all moneys payable or deliverable in respect of such shares and from all responsibility to see the proper application thereof.

10.6. Notices. Any and all notices to which Participants hereunder may be entitled and any and all communications shall be deemed duly served or given if electronically or mailed, postage prepaid, addressed to Participants of record at the electronic or physical mailing addresses recorded in the records of the Trust.

ARTICLE XI. Trustees and Officers

11.1. Number and Qualification.

(a) The initial number of Trustees shall be three (3). Trustees shall be a Key Contact of a Participant, a constitutional officer of the State of Nebraska or their designee, or a representative of an association comprising of Participants, either in whole or in part. The Initial Participants have by this Declaration appointed the following persons as initial trustees (the "Initial Trustees") with terms ending on the following dates:

Ms. Tammy Wissing, City Treasurer, Lincoln – December 31, 2025

Mr. Chris Anderson, City Administrator, Central City – December 31, 2024

Ms. Janelle Moran, City Administrator/Clerk, Tecumseh - December 31, 2023

Trustees may succeed themselves in office. The appointment of any Trustee (other than an individual who was serving as a Trustee immediately prior to such election) shall not become effective unless and until such person has agreed in writing to serve as a Trustee and to be bound by the terms of this Declaration.

(b) The Board may, at any time and from time-to-time, increase the number of members of the Board and set the initial terms for each additional Trustee provided however, the number of Trustees shall not be less than three (3) nor more than thirteen (13). In the event the Board approves such an increase, the Board shall appoint qualified individuals to a term not to exceed three years. By resolution, the Board may decrease the number of Trustees (but to never less than three) by not filling expiring terms.

(c) Upon expansion of the Board after the Initial Trustees, the Board shall strive to appoint qualified Trustees representative of the various local government entity types that participate in Nebraska CLASS. The Board shall be the sole judge of the appointment and qualification of its members.

11.2. Term. The term of office for a Trustee shall be three years (or less for certain Initial Trustees or Trustees appointed upon expansion of the Board) or until a successor has been appointed and qualified, and such term shall begin at the meeting following the appointment. The terms shall be fixed so that approximately one-third of the terms expire annually.

11.3. Resignation and Removal. Any Trustee may resign by tendering a signed or oral resignation to any officer. The resignation shall be effective upon tender or at a later date according to the terms of the notice. Any Trustee may be removed for good cause by the action of at least two-thirds of the remaining Trustees.

11.4. Vacancies.

(a) A vacancy shall occur in the event of death, resignation, bankruptcy, adjudicated incompetence, or other incapacity to exercise the duties of the office, or removal of a Trustee. If a Trustee shall no longer qualify under Section 11.1, such person shall no longer be a Trustee and a vacancy will be deemed to have occurred. If a Public Agency fails to qualify as a Participant for a

period of 30 days, any Key Contact of that Public Agency who is a Trustee shall no longer qualify as a Trustee and a vacancy will be deemed to have occurred.

(b) In the event of a vacancy, the Trustees continuing in office, regardless of their number, shall have all the powers granted to the Board and shall discharge all the duties imposed upon the Board by this Declaration.

(c) No vacancy shall operate to annul this Declaration or to revoke any existing agency created pursuant to the terms of this Declaration. In the case of a vacancy, a majority of the Board continuing in office acting by resolution may fill such vacancy. Any such appointment shall not become effective, however, until the individual named in the resolution of appointment has agreed in writing to serve as a Trustee and to be bound by the terms of this Declaration.

11.5. Officers. The Board shall annually elect, from among its members, a Chairman, a Vice Chairman, a Secretary, and a Treasurer, who shall have such duties as the Board shall deem advisable and appropriate. Other than a Secretary-Treasurer, no person may hold more than one office at any one time. The Board may also elect or appoint one or more Assistant Secretaries and Assistant Treasurers and such other officers or agents who shall have such powers, duties, and responsibilities as the Board may deem to be advisable and appropriate.

11.6. Meetings.

(a) Meetings of the Board shall be held from time-to-time upon the call of the Chairman, the Vice Chairman, the Secretary, the Treasurer, or a majority of the Trustees. Regular meetings of the Board may be held at a time and place fixed by the by-laws or by resolution of the Board but shall be held at least semi-annually. Notice of any other meeting shall be mailed or otherwise given not less than 48 hours before the meeting but may be waived in writing by any Trustee either before or after such meeting. Any notice of a meeting of the Board or a meeting of a committee of

the Board shall be given as may be required by the Nebraska Open Meetings Act. The attendance of a Trustee at a meeting shall constitute a waiver of notice of such meeting except where a Trustee attends a meeting for the express purpose of objecting to the transaction of any business on the ground that the meeting has not been lawfully called or convened.

(b) A quorum for all meetings of the Board or a committee of the Board shall be a majority of the Trustees.

(c) Any action of the Board or a committee of the Board may be taken at a meeting by vote of a majority of the Trustees present providing that a quorum is present. Board members may also participate in a meeting by telephone or by computer conferencing if each Trustee is able to communicate with each of the other Trustees present.

(d) With respect to actions of the Board and any committee thereof, Trustees who have an interest in any matter before the Board or any committee may be counted for quorum purposes. Such Trustee shall not be entitled to vote on any such matter. Trustees may consult with the Board's legal representative to discern whether a Trustee has an interest in a matter before the Board or any committee which would prevent the Trustee from voting on such matter.

ARTICLE XII. Determination of Net Asset Value and Net Income; Distributions to Participants

12.1. Net Asset Value. The net asset value of each allocated share of the Trust shall be determined once on each business day at such time as the Board by resolution may determine. The method of determining net asset value shall be established by the Board and may be set forth in the Information Statement.

12.2. Net Asset Value; Reduction of Allocated Shares.

(a) The Board shall determine the net income (loss) of the Trust once on each business day and such net income (loss) shall be credited proportionately to the accounts of the Participants

in such manner that the net asset value per share of The Fund shall remain at \$1.00. Any change in the constant dollar value shall be made on a pro rata basis by increasing or reducing the number of each Participant's shares.

- (i) The method used for the determination of the net income of the Trust and the crediting thereof proportionately to the respective accounts of the Participants shall be determined by the Board and may be set forth in the Information Statement. Fluctuations in value will be reflected in the number of shares allocated to each Participant. Each Participant will be deemed to have agreed to such reduction by its investment in the Trust and its adoption of this Declaration. The purpose of the foregoing procedure is to permit the net asset value per share of the Trust to be maintained at \$1.00.
- (ii) The duty to make the daily calculations may be delegated by the Board to the Administrator, the Custodian, the Investment Advisor, or such other person as the Board by resolution may designate.
- (iii) The Board may discontinue or amend the practice of attempting to maintain the net asset value per share at a constant dollar (\$1.00) amount at any time and such modification shall be evidenced by notice to the Participants.

(b) The Board may determine the net asset value of any Additional Fund created pursuant to Section 5.3, including establishing one or more Additional Funds with a floating or variable net asset value. The terms of this Section shall apply if the net asset value of an Additional Fund is a constant dollar (\$1.00) value. If the net asset value of an Additional Fund deviates from a constant dollar (\$1.00) value and a deviation from this Section is required to manage the Additional Fund,

the Board shall notify Participants of the policies and methodologies used for the fund's management.

12.3. Retained Reserves. The Board may retain from earnings and profits such amounts as they may deem necessary to pay the debts and expenses of the Trust and to meet other obligations of the Trust, and the Board shall also have the power to establish from earnings and profits such reasonable reserves as they believe may be necessary or desirable.

ARTICLE XIII . Recording of Declaration

13.1. Recording. This Declaration and any amendment hereto may be filed, recorded, or lodged as a document of public record in such place or places and with such official or officials as the Board may deem appropriate. Each amendment so filed, recorded, or lodged shall be accompanied by a resolution of the Board reflecting the amendment and its effective date.

ARTICLE XIV . Amendment or Termination of Trust; Duration of Trust

14.1. Amendment or Termination.

(a) The provisions of this Declaration may be amended or altered, or the Trust may be terminated, by a vote of the Participants pursuant to Article II hereof. The Board may, from time-to-time by a two-thirds vote of the Trustees and after 30 days prior written notice to the Participants, amend or alter the provisions of the Declaration without the vote or assent of the Participants, that the Board, in good faith deems necessary or convenient for the administration and operation of the Trust or to the extent deemed by the Board in good faith to be necessary to conform this Declaration to the requirements of applicable laws or regulations or any interpretation thereof by a court or other governmental agency of competent jurisdiction, but the Board shall not be liable for failing so to do. Notwithstanding the foregoing, no amendment may be made pursuant to this Section that would:

- (i) Change any rights with respect to any allocated shares of the Trust by reducing the amount payable thereon upon liquidation of the Trust or that would diminish or eliminate any voting rights of the Participants except with the vote or written consent of a simple majority of the Participants entitled to vote thereon;
- (ii) Change the limitations on personal liability of the Participants and Trustees; or
- (iii) Change the prohibition of assessments upon Participants.

(b) A certification signed by a majority of the Board setting forth an amendment and reciting that it was duly adopted by the Participants or by the Board or a copy of the Declaration, as amended, executed by a majority of the Board shall be conclusive evidence of such amendment.

(c) Upon the termination of the Trust:

- (i) The Trust shall carry on no business except for the purpose of terminating the Trust;
- (ii) The Board shall proceed to terminate the Trust, and all of the powers of the Board under this Declaration shall continue until the affairs of the Trust have been terminated including without limitation the power to fulfill or discharge the contracts of the Trust, collect its assets, sell, convey, assign, exchange, transfer, or otherwise dispose of all or any part of the remaining Trust Property to one or more persons at public or private sale for consideration that may consist in whole or in part of cash, securities, or other property of any kind, discharge or pay its liabilities and do all other acts appropriate to liquidate its assets; provided, however, that any sale, conveyance, assignment, exchange, transfer, or other disposition of all or substantially all of the Trust Property shall require approval of the principal terms of the transaction and the nature and

amount of the consideration by affirmative vote of not less than a majority of the Board; and

- (iii) After paying or adequately providing for the payment of all liabilities and upon receipt of such releases, indemnities, and refunding agreements as they deem necessary for their protection, the Board may distribute the remaining Trust Property, in cash or in kind or partly in each, among the Participants according to their respective proportionate allocation of shares.

(d) Upon termination of the Trust and distribution to the Participants as herein provided, a majority of the Board shall execute and lodge among the records of the Trust an instrument in writing setting forth the fact of such termination, and the Board shall thereupon be discharged from all further liabilities and duties hereunder, and the right, title, and interest of all Participants shall cease and be canceled and discharged.

14.2. Power to Effect Reorganization. If permitted by applicable law, including without limitation, the Authorizing Statutes, the Board, by vote or written approval of a majority of the Board, may select, or direct the organization of, a corporation, association, trust, or other person with which the Trust may merge, or which shall take over the Trust Property and carry on the affairs of the Trust, and after receiving an affirmative vote of not less than a majority of the Participants, the Board may effect such merger or may sell, convey, and transfer the Trust Property to any such corporation, association, trust, or other person in exchange for cash or shares or securities thereof, or beneficial interests therein with the assumption by such transferee of the liabilities of the Trust; and thereupon the Board shall terminate the Trust and deliver such cash, shares, securities, or beneficial interests ratable among the Participants of this Trust in redemption of their shares.

14.3. Duration. The Trust shall continue in existence in perpetuity, subject in all respects to the provisions of this Declaration.

ARTICLE XV. Miscellaneous

15.1. Governing Law. This Declaration is executed and delivered in the State of Nebraska and with reference to the laws thereof and the rights of all parties and the validity, construction, and effect of every provision hereof shall be subject to and construed according to the laws of the State of Nebraska.

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

15.3. Reliance by Third Parties. Any certificate executed by an individual who, according to the records of the Trust, appears to be a Trustee hereunder or the Chairman, Vice-Chairman, Secretary or Treasurer of the Trust certifying to:

- (a) The number or identity of the Board or Participants;
 - (b) The due authorization of the execution of any instrument or writing;
 - (c) The form of any vote passed at a meeting of the Board or by the Participants;
 - (d) The fact that the number of the Board or Participants present at any meeting or executing any written instruments satisfies the requirements of this Declaration;
 - (e) The form of any by-laws, policies, or procedures adopted by the Board;
 - (f) The identity of any officers elected by the Board; or
 - (g) The existence of any fact or facts that in any manner relate to the affairs of the Trust
- shall be conclusive evidence as to the matters so certified in favor of any person dealing with the Board or the Trust and their successors.

15.4. Provisions in Conflict with Law. The provisions of this Declaration are severable and if the Board shall determine with the advice of counsel that any one or more of such provisions (the “Conflicting Provisions”) are in conflict with applicable Federal or Nebraska laws, the Conflicting Provisions shall be deemed never to have constituted a part of this Declaration. Such a determination by the Board shall not affect or impair any of the remaining provisions of this Declaration or render invalid or improper any action taken or omitted (including but not limited to the appointment of the Board) prior to such determination.

15.5. Adoption by Public Agencies and Election to Become a Participant; Resignation of Participants.

(a) Any Public Agency may become a Participant of this Trust by:

- (i) Taking any appropriate official action to adopt this Declaration; and
- (ii) Furnishing the Board with satisfactory evidence that such official action has been taken.

(b) A copy of this Declaration may be adopted by executing a written instrument of adoption in such form as may be prescribed by the Board. Delivering fully executed copy of such instrument shall constitute satisfactory evidence of the adoption.

(c) Any Participant may resign and withdraw from the Trust by submitting a written resignation and requesting the redemption of all shares then held by it. Such resignation and withdrawal shall become effective upon withdrawal of the funds. No resignation and withdrawal by a Participant shall operate to annul this Declaration or terminate the existence of the Trust.

IN WITNESS WHEREOF, pursuant to the authority granted by the Authorizing Statutes, this Declaration shall come into full force and effect as of the day of filing of a Trust Certificate with Nebraska Secretary of State.

This Declaration of Trust and Interlocal Agreement was executed on behalf of the Initial Participants by the persons indicated below:

Name of Initial Trustee

By: _____

Print Name: _____

Title: _____

Date: _____

Name of Initial Trustee

By: _____

Print Name: _____

Title: _____

Date: _____

Name of Initial Trustee

By: _____

Print Name: _____

Title: _____

Date: _____