

Texas
CLASS[®]



FOURTH AMENDED AND RESTATED TRUST AGREEMENT

Dated as of February 17, 2010

by and among

The Texas Participants
that have entered into this Agreement,

Wells Fargo Bank, N.A., as Custodian

and

Cutwater Investor Services Corp., as Program Administrator





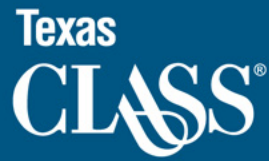
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Trust Agreement



EXHIBIT A - INVESTMENT PROCEDURES

EXHIBIT B - PAYMENT PROCEDURES

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EXHIBIT D - PARTICIPATION CERTIFICATE

EXHIBIT E - INVESTMENT CRITERIA

EXHIBIT F - PROGRAM ADMINISTRATOR'S FEE

EXHIBIT G - CUSTODIAN'S FEE



PREAMBLE

This Fourth Amended and Restated Trust Agreement dated as of January 1, 2004 (the "Agreement") is by and among the Texas local governmental entities and public entities that have taken the actions required by Section 2256.016 of the Public Funds Investment Act, Texas Government Code, and that have either executed this Agreement or counterparts of this Agreement or Participation Certificates pursuant to Section 2.3 hereof (the "Participants"), Wells Fargo Bank, N.A., as Custodian (the "Custodian") and Cutwater Investor Services Corp., (successor entity to MBIA Municipal Investor Services Corporation) (the "Program Administrator"), and amends and restates that certain Second Amended and Restated Trust Agreement dated as of May 1, 2003, among the Participants, the Custodian and the Program Administrator.

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

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

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

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

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



ARTICLE I
THE TRUST AND DEFINITIONS

1.1 The Trust.

(a) The name of the Trust created by this Agreement shall be "Texas Cooperative Liquid Assets Securities System Trust" or "Texas CLASS" for so long as Cutwater Investor Services Corp., (successor entity to MBIA Municipal Investors Service Corporation) is the Program Administrator pursuant to this Agreement. So far as may be practicable, the Custodian and the Board of Trustees shall conduct the Trust's activities, execute all documents and sue or be sued under either of the foregoing names. If Cutwater Investor Services Corp., (successor entity to MBIA Municipal Investors Service Corporation) is no longer the Program Administrator hereunder, the Board of Trustees shall cease using the designations "Texas Cooperative Liquid Assets Securities System Trust" and "Texas CLASS" and use such other designation or they shall adopt such other name for the Trust as they deem proper, and the Trust shall hold property and conduct its activities under such other designation or name.

(b) The purpose of the Trust is to establish an investment pool for the Participants pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code, through which a Participant may pool any of its funds or funds under its control, with the same such funds of any other Participant in order to preserve principal, to maintain the liquidity of the Participant, and to maximize yield in accordance with the Public Funds Investment Act (the "Act"), Section 2256.01, et seq., Texas Government Code or other laws of the State of Texas, from time to time in effect, governing the investment of funds of a Participant or funds under its control.

(c) The Trust shall maintain an office of record in the State of Texas and may maintain such other offices or places of business as the Board of Trustees may from time to time determine. The initial office of record of the Trust shall be: c/o Vinson & Elkins L.L.P., Attention: Julie M. Partain, Esq., 2001 Ross Avenue, Dallas, Texas 75201. The office of record may be changed from time to time by resolution of the Board of Trustees, and notice of such change of the office of record shall be given to each Participant, the Custodian and the Program Administrator.

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

(ii) This Agreement is an agreement creating an investment pool within the meaning of the Act.

1.2 Definitions.

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

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

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



"Agreement" means this Fourth Amended and Restated Trust Agreement dated as of February 16, 2010, as amended, by and among Cutwater Investor Services Corp., as Program Administrator, Wells Fargo Bank, N.A., as Custodian, and the Participants.

"Balance" for each Participant means an amount initially equal to zero that is adjusted pursuant to Article II hereof to reflect, among other things, cash investments by such Participant, cash payments to such Participant, a pro rata distribution of income from the earnings of the Trust, investment results and expenses and fees incurred pursuant to this Agreement.

"Board of Trustees" means the board of the Trustees established pursuant to Article III hereof.

"Business Day" means a day on which banks are not required or authorized by law to close in the State of Texas.

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

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

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

"Investment Funds" means immediately available funds delivered by each Participant to the Custodian for investment pursuant to this Agreement but only if (i) the Representative appointed by such Participant is authorized pursuant to the laws of the State of Texas to invest such funds and (ii) the Participant has taken all actions necessary pursuant to the laws of the State of Texas to authorize the delivery and investment of such funds.

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

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

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



"Investment Property Value" means the value of the Investment Property net of the amount of the Investment Property Liabilities as determined pursuant to Section 4.5 hereof and the Valuation Procedures.

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

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

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

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

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

"Program Administrator" means Cutwater Investor Services Corp. or any Person or Persons appointed, employed or contracted with by the Trust pursuant to Article IV hereof.

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

"Trust" means the Texas trust created as set forth in Section 1.1 of this Agreement.

"Trustee" means any Representative selected pursuant to Article III hereof:

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



ARTICLE II
PARTICIPANTS

2.1 Investments.

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

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

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

(d) Any funds that the Program Administrator is informed do not meet the conditions set forth in clauses (i) or (ii) of the definition of Investment Funds shall be returned to the Participant investing such funds by the Custodian at the request of the Program Administrator and such Participant shall bear all of the costs and liabilities associated with the return of such funds.

(e) There is no maximum or minimum amount that must be invested pursuant to this Agreement nor are there any maximum or minimum limitations on the aggregate amount of Investment Funds that any Participant may have invested at one time.

2.2 Payments.

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

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

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

(d) Each Participant agrees that, without prior notice, the right to payments may be temporarily suspended or postponed for the whole or any part of any period (i) during which trading in fixed income securities generally in any national trading market shall have been suspended or minimum prices or maximum daily charges shall have been established on such market, (ii) a general



banking moratorium shall have been declared by federal or Texas state authorities or (iii) there shall have occurred any outbreak, or material escalation, of hostilities, or other calamity or crisis, the effect of which on the financial markets of the United States is such as to make it impracticable (a) to dispose of the Investment Property because of the substantial losses which might be incurred or (b) to determine the Investment Property Value in accordance with the Valuation Procedures set forth in Exhibit C from time to time. The Custodian and each Participant shall be notified as soon as practicable orally or in writing by the Program Administrator in the event that such a suspension or postponement is commenced. Such a suspension or postponement shall not itself directly alter or affect a Participant's Balance. Such a suspension or postponement shall take effect at such time as is determined by the Program Administrator, and thereafter there shall be no right to request or receive payment until the first to occur of: (a) in the case of (i) or (ii) above, the time at which the Program Administrator declares the suspension or postponement at an end, which declaration shall occur on the first day on which the period specified in clause (i) or (ii) above shall have expired; and (b) in the case of (iii) above, the end of the first day on which the period specified in clause (iii) above is no longer continuing as determined by the Program Administrator. Any Participant that requested a payment prior to any suspension or postponement of payment may withdraw its request at any time prior to the termination of the suspension or postponement. Notwithstanding anything contained in this Section 2.2(d) to the contrary, if during a suspension or postponement period, a Participant demands in writing the right to receive a payment and it is not impossible to accommodate such demand, the Program Administrator shall make all reasonable efforts to effectuate such payment demand.

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

2.4 Termination of Participation.

(a) Any Participant may withdraw from this Agreement at any time upon written

notice to the Program Administrator, who shall notify the Custodian and the Board of Trustees upon receipt of such notice of withdrawal. Upon its withdrawal from this Agreement, a Participant shall cease to have any rights or obligations under this Agreement except for any obligations arising on or before the date of withdrawal. A notice of withdrawal shall be deemed to constitute (i) a request under the Payment Procedures that an amount equal to the requesting Participant's entire Balance as of the date of such notice be paid to such Participant and (ii) a termination of the Board of Trustees' trust relationship hereunder with the Participant. No withdrawal shall become effective until such Participant's Balance is equal to zero, and until such time, such Participant shall continue to possess all of the rights, and to be subject to all of the obligations, arising from this Agreement.

(b) Any Participant that breaches any material covenant contained in Article VIII hereof or for which any of the representations contained in Article VII hereof ceases to be true shall be deemed to have given a notice of withdrawal pursuant to Section 2.4(a) hereof immediately upon such breach or cessation, but shall not be deemed to have requested the payment of its Balance unless and until it either makes an actual payment request or the Program Administrator determines that such a breach or cessation has occurred.



2.5 Receipt of Statements and Reports; Requests.

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

(b) In addition, each Participant may direct the Program Administrator to provide a statement of the value of the Participant's Balance as of the date of the request. The Program Administrator shall provide such statement, subject only to account activity as of such date.

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

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

2.6 Representatives.

(a) Each Participant shall designate a Representative to act for the Participant hereunder for all purposes, including, without limitation, to give consents on behalf of the Participant and to receive notices on behalf of the Participant. Pursuant to Section 2256.005 (f) of the Act, such Representative shall be the investment officer that is empowered by the charter, ordinances or other rules or regulations of the Participant to direct the investment of such Participant's Investment Funds. The Representatives, in their capacity as Representatives shall not be required to devote their entire time to duties under the Agreement. To the extent permitted by law, each Representative may designate additional persons who may act on behalf of the Representative to transmit the Representative's instructions to the Program Administrator, the Custodian or the Board of Trustees. The execution of this Agreement by a Participant shall constitute the express written authorization to deposit, withdraw, invest, transfer and manage funds of the Participant required by Section 2256.005(f) of the Act.

(b) Each Representative shall be the official responsible for the investment of Investment Funds into the Trust and all payments made from the Trust for the Participant represented by such Representative. In making such investments and payment requests, each Representative shall use judgment and care to achieve the following objectives in the indicated order: (i) preservation and safety of principal, (ii) liquidity, and (iii) yield.



ARTICLE III
TRUSTEES AND THE BOARD OF TRUSTEES

3.1 Selection of Trustees.

(a) Commencing in 1998 and in each calendar year thereafter, the Program Administrator shall call, upon at least fifteen days' written notice to the Participants, a meeting of the Participants for the purpose of selecting Trustees for the Trust. If the Program Administrator shall fail to call such a meeting, any two Participants may call such a meeting by providing at least fifteen days' written notice to the other Participants. At such meeting, the Participants may nominate persons to serve as Trustees of the Trust. In order to qualify to be nominated as a Trustee, a candidate must be a Representative. The number of Trustees to be selected shall be determined by the Participants at such meeting, provided that the number of Trustees shall be an odd number of three (3) or more. In order to be elected as a Trustee, a candidate must receive a majority of the votes of the Participants present and voting at such meeting. A quorum for such meeting shall be the lesser of (i) fifteen Participants or (ii) ten percent of the total number of Participants determined at the time the notice of the meeting is sent. If a quorum is not present, the meeting may be adjourned to a future time and place set at such meeting. Each Participant shall be entitled to one vote regardless of the amount of funds invested in the Trust. To the extent permitted by law, each Representative may designate a person who may act on behalf of the Representative at a meeting of Participants.

(b) Prior to the commencement of the terms of the Trustees elected at the first Participant meeting held prior to June 30, 1998, the following individuals shall serve as the Trustees of the Trust: Melani Carey, William Measures, Esq., and Philip Roberson.

(c) The Program Administrator shall send written notice to the Participants and the Custodian listing the names of the Trustees elected at each annual meeting.

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

3.3 Meetings. Meetings of the Board of Trustees may be called by the Program Administrator at any time, and shall be called by the Program Administrator upon the request of at least two Trustees, on at least seventy-two hours' notice to each Trustee and shall be held at the time and place and for the purposes stated in the call of the meeting. There shall be at least one meeting of the Board of Trustees in each calendar year commencing January 1, 1996.

3.4 Term. The term of office for Trustees elected pursuant to Section 3.1(a) hereof shall commence thirty days after the notice specified in Section 3.1(c) is sent to the Participants and the Custodian. The term of office for Trustees selected pursuant to Section 3.5 hereof shall commence



immediately upon such selection. Each Trustee shall hold office until the first to occur of: (a) the Trustee's resigning, (b) the Trustee ceasing to be a Representative of a Participant, (c) the Trustee's death, (d) the Trustee's being adjudicated incompetent or otherwise losing the capacity to discharge the duties of the office of a Trustee and (e) the term of office of the Trustee's successor having begun pursuant to this Section 3.4.

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

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

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

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

3.9 Telephone Participation. Upon the occurrence of an emergency or unforeseeable circumstances requiring immediate action, a Representative may participate in a meeting of Participants and a Trustee may participate in a meeting of the Board of Trustees through the use of a conference telephone, provided that such Representative or Trustee is able to hear the deliberations of the other Representatives or Trustees, respectively, and the other Representatives or Trustees are able to hear such Representative or Trustee, respectively, simultaneously.



ARTICLE IV
PROGRAM ADMINISTRATOR

4.1 Appointment; General Provisions.

(a) The Participants hereby appoint Cutwater Investor Services Corp. (successor entity to MBIA Municipal Investors Service Corporation) as the Program Administrator under this Agreement, subject to the overall supervision of the Board of Trustees, for the period and on the terms set forth in this Agreement.

(b) Cutwater Services Corp. accepts such appointment and agrees to render the services and to assume the obligations set forth herein, for the compensation herein provided.

(c) The Participants and the Board of Trustees delegate no investment discretion to the Program Administrator hereunder to invest in investments not meeting the criteria set forth in Exhibit E and the Program Administrator expressly refuses to accept any delegation of such discretion. The decision concerning which criteria shall be contained on Exhibit E shall remain at all times under the control of the Board of Trustees. The Board of Trustees shall ensure that the criteria set forth on Exhibit E are permitted by, and consistent with the standards and the duty of care set forth in, the Act.

(d) Each Participant directs the Custodian to act, and the Custodian agrees to act, in accordance with the instructions of the Program Administrator who shall act in a manner consistent with this Agreement. The Program Administrator shall at no time have custody of, or physical control over, any of the Investment Property. If a Participant in error delivers Investment Funds for investment to the Program Administrator instead of to the Custodian, the Program Administrator shall immediately transfer such Investment Funds to the Custodian. The Program Administrator shall not be liable for any act or omission of the Custodian, but shall be liable for the Program Administrator's acts and omissions as provided herein.

4.2 Monthly Statements.

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

(b) The Program Administrator, upon the request of a Participant, shall furnish to the Participant a statement of such Participant's Balance as of the date of such request, subject only to account activity as of such date.



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

4.4 Investment Activities and Powers. Subject to the supervision of the Board of Trustees, the Program Administrator shall perform the following services:

(a) advise the Board of Trustees concerning investments which appear to the Program Administrator to be advantageous to the Participants within the investment criteria set forth in Exhibit E and within all applicable law;

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

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

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

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

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

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



4.5 Daily Calculation of Program Value and Rate of Return.

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

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

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

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

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

4.6 Administration of Program. The Program Administrator shall perform the following administrative functions on behalf of the Board of Trustees in connection with the implementation of this Agreement:

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

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

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

(d) pay all Investment Property Liabilities in accordance with this Agreement from the Investment Property; and



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

4.7 Resignation and Removal.

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

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

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

4.8 Liability.

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

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

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

4.10 Advice to Other Clients. It is understood that the Program Administrator performs investment advisory services for various clients. The Participants agree that the Program Administrator may give advice and take action with respect to any of its other clients which may differ from the advice given to, or the timing or nature of action taken with respect to, the Investment Property; provided that the policy and practice of the Program Administrator is not to favor or disfavor consistently or consciously any client or class of clients in the allocation of investment opportunities and that, to the extent practical, such opportunities are allocated among clients over a period of time on a fair and equitable basis. Nothing herein contained shall be construed so as to prevent the Program Administrator or any of its directors, officers, employees, shareholders or affiliates in any way from purchasing or selling any securities for its or their own accounts prior to, simultaneously with or subsequent to any recommendation or actions taken with respect to the Investment Property or



impose upon the Program Administrator any obligation to purchase or sell or to recommend for purchase or sale for the Investment Property any security which the Program Administrator or any of its shareholders, directors, officers, employees or affiliates may purchase or sell for its or their own accounts or for the account of any other client, advisory or otherwise; provided always, however, that the Program Administrator shall use its best efforts to maximize the gains for the Investment Property in a manner consistent with the investment criteria set forth in Exhibit E hereof.

4.11 Special Sub-accounts.

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

4.12 Letter of Credit. The Program Administrator shall acquire a letter of credit for the benefit of the Trust having the characteristics set forth in this Section 4.12. Until December 31, 1996, the principal amount of such letter of credit shall be \$1,000,000. Commencing December 31, 1996 the principal amount of such letter of credit shall be adjusted within ten (10) Business Days after December 31, 1996 and the end of each March, June, September and December thereafter so that the amount of such letter of credit shall equal the difference (not less than zero) obtained by subtracting (i) the Investment Property Value as determined on the last Business Day of such March, June, September or December as the case may be (the "Letter of Credit Adjustment Dates") by using the mark to market or matrix valuation method from (ii) the Investment Property Value as determined on such respective Letter of Credit Adjustment Dates by using the amortized cost valuation method, provided, however, that the principal amount of such letter of credit shall not exceed one percent (1%) of the Investment Property Value on such Letter of Credit Adjustment Dates as determined by using the amortized cost valuation method. The Program Administrator shall cause the letter of credit to be drawn upon (a) to the extent proceeds from the sale of the Investment Property are insufficient to fund the payment of a Participant's Balance as requested pursuant to Section 2.2 hereof or (b) to the extent necessary to cause the Trust to meet the valuation deviation standards for money market funds employing the amortized cost method of valuation set forth in Rule 2a-7, as amended from time to time, promulgated by the United States Securities and Exchange Commission pursuant to the Investment Company Act of 1940, as amended, as if Rule 2a-7 were applicable to the Trust. The Custodian shall have no responsibilities with respect to the letter of credit referenced in this Section 4.12 and such letter of credit shall not be held by the Custodian under this Agreement.

ARTICLE V
THE CUSTODIAN

5.1 Appointment and Acceptance; Sub-Custodians.

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

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

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

5.2 Resignation and Removal; Successors.

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

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

5.3 Powers.

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



(ii) Except as provided in Section 5.3(c)(iii), all securities and other noncash Investment Property held in the Account shall be physically segregated from other securities in the possession of the Custodian and shall be identified as subject to this Agreement.

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

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

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

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

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

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

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



protect the Investment Property from any potential claim of any creditors of any of the Participants; and

(vii) exercise all other rights and powers and to take any action in carrying out the purposes of this Agreement.

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

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

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

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

(iii) the Custodian shall hold the Investment Property (a) in its vaults physically segregated and held separate and apart from other property of the Custodian; (b) in its account at The Depository Trust Company or other depository, sub-custodian or clearing corporation; or (c) in a book entry account with the Federal Reserve Bank, in which case a separate accounting of the Investment Property shall be maintained by the Custodian at all times. The Investment Property held by any such depository, sub-custodian, clearing corporation or Federal Reserve Bank may be held in the name of their respective nominees, provided, however, that the custodial relationship and the interests of the Trust or the Participants regarding such Investment Property shall be noted on the records kept by the Program Administrator and the custodial relationship on behalf of the Trust or the Participants shall be noted on the records of the Custodian and, to the extent possible, the Custodian shall cause the custodial relationship on behalf of Trust or the Participants to be noted on the records of such depository, sub-



custodian, clearing corporation or Federal Reserve Bank. The Custodian shall not be obligated or liable for costs, expenses, damages, liabilities or claims (including attorneys' or accountants' fees) which are sustained or incurred by reason of any action or inaction of the Federal Reserve Bank book-entry system, The Depository Trust Company or any other central depository or clearing agency which it is or may become standard market practice to use for the comparison and settlement of securities trades, provided, however, that nothing in this sentence shall relieve the Custodian of its obligations set forth in Section 5.1(b) hereof regarding banks or trust companies selected as sub-custodians; and

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

5.4 Custodial Relationship; Custodian Records.

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

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

5.5 Reliance on Instructions.

(a) The Custodian is authorized to accept and shall be fully protected if it relies upon the instructions given by any authorized officer, employee or agent of the Program Administrator including any oral instructions which the individual receiving such instructions on behalf of the Custodian believes in good faith to have been given by an authorized officer, employee or agent of the Program Administrator, and all authorizations shall remain in full force and effect until canceled or superseded by subsequent instructions received by the appropriate account officer of the Custodian. The authorized officers, employees or agents of the Program Administrator shall be only such persons as are designated in writing to the Custodian by the Program Administrator. The Custodian may rely on instructions received by telephone, tested telex, TWX, facsimile transmission or by bank wire which the Custodian believes in good faith to have been given by an authorized person. The Custodian may also rely on instructions transmitted electronically through a customer data entry system or any similar electronic instruction system acceptable to the Custodian. Any instructions delivered to the Custodian by telephone shall promptly thereafter be confirmed in writing by an authorized person, but the



Custodian will incur no liability for the Program Administrator's failure to send such confirmation in writing. Instructions are deemed given to the Custodian when actually received by the Custodian.

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

5.6 Degree of Care

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

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

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

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

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



5.8 Insurance. The Custodian shall maintain, during the term of this Agreement, adequate surety bonds and insurance coverage comparable to the types, amounts and limits which are customary for financial institutions acting in a fiduciary capacity, but in no event shall such coverage be below the following minimum amounts, provided that such coverage may be obtained through one aggregate policy:

- (a) Financial Institution Bond - \$50,000,000
- (b) Electronic Computer Crime - \$50,000,000

Notwithstanding the foregoing or any other provision of this Agreement to the contrary, the Custodian may self-insure for risks usually covered by a standard fiduciary and trust errors and omissions insurance policy customary for financial institutions acting in a fiduciary capacity and shall be liable to the Trust and the Participants for any losses if any such risks occur.

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



ARTICLE VI
TRUST EXPENSES

6.1 Expenses. In consideration of the performance of its obligations hereunder, the Program Administrator shall receive a fee from the Trust as set forth on Exhibit F, which fee shall be paid from the earnings of the Trust. The Program Administrator's fee shall be an Investment Property Liability. The Program Administrator shall submit a monthly bill to the chairman of the Board of Trustees for approval stating the amount of the fee for the previous month and providing sufficient information to demonstrate that the fee was calculated in accordance with Exhibit F. The chairman of the Board of Trustees is hereby given the authority to approve or disapprove the bills submitted by the Program Administrator. After receiving the approval of the chairman of the Board of Trustees of such bills, the Program Administrator shall submit such bills to the Custodian for payment and the Custodian shall pay such bills from the earnings of the Trust. From its fee, the Program Administrator shall pay the following costs and expenses: the Custodian's fee set forth in Exhibit G, the costs of third parties retained by the Program Administrator to render investment advice pursuant to Section 4.9, all custodial and securities clearance transaction charges, the cost of valuing the Investment Property, all Investment Property record-keeping expenses, the costs of preparing monthly and annual reports, the expenses of the Trust's outside auditors required pursuant to Section 4.3 hereof (but only if the Program Administrator selects such auditors), the fees of the Program Administrator's legal counsel, the cost of meetings of the Participants or the Board of Trustees (but not including the attendance costs of the Representatives or the Trustees, respectively), outgoing wire charges of the Custodian and the costs of Participant surveys and mailings. No Participant shall be required to make an appropriation to finance the initial establishment of the Trust. The fees and expenses of any letter of credit or other credit or liquidity enhancement obtained for the benefit of the Trust or the Participants and the costs of obtaining a rating, if any, on the Trust from a nationally recognized statistical rating organization shall be Investment Property Liabilities borne by the Trust.



ARTICLE VII
REPRESENTATIONS AND WARRANTIES

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

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

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

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

(d) the certificates delivered heretofore or hereafter by the Participant pursuant to this Agreement, as of the date specified therein, are true and complete and contain no material misstatements of fact or omissions that render them misleading; and

(e) the execution, delivery and performance of this Agreement do not conflict with or result in the breach or termination of, or otherwise give any other person the right to terminate, or constitute a default, event of default or an event with notice or lapse of time or both would constitute a default or an event of default under the terms of any contract or permit to which the Participant is a party or by which the Participant or its properties are bound; and

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

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

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

(b) the execution, delivery and performance of this Agreement have been duly authorized by all necessary action on the part of the Custodian and this Agreement is the legal, valid



and binding obligation of the Custodian enforceable against the Custodian in accordance with its terms subject to applicable bankruptcy, insolvency, moratorium, fraudulent conveyance, reorganization and similar laws now or hereafter in effect relating to creditors' rights generally or the rights of creditors of banks, and subject to general principles of equity (whether applied in a proceeding at law or in equity); and

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

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

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

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

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



ARTICLE VIII
COVENANTS

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

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



ARTICLE IX
AMENDMENT AND TERMINATION

9.1 Amendment.

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

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

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

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

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

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

9.2 Termination.

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

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

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

(ii) The Custodian, the Board of Trustees, the Trust and the Program Administrator shall proceed to wind up their affairs in connection with the Investment Property, and all of the



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

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

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

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



ARTICLE X
MISCELLANEOUS

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

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

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

10.4 Gender; Section Headings and Table of Contents.

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

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

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

10.6 No Partnership. Other than the creation of the Trust by the Participants hereunder, no provision of this Agreement shall create or constitute an association of two or more Persons to carry on as co-owners a business for profit, and none of the parties intends this Agreement to constitute a partnership or any other joint venture or association.

10.7 Notice. Unless oral notice is otherwise allowed in this Agreement, all notices required to be sent under this Agreement:

(a) shall be in writing;

(b) shall be deemed to be sufficient if given by (i) depositing the same in the United States mail, postage prepaid, or (ii) electronically transmitting such notice by any means such as by facsimile transmission, telegraph, telex or computer hookup; or (iii) by depositing the same with a



courier delivery service, addressed to the person entitled thereto at his address or phone number as it appears on the records maintained by the Program Administrator;

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

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

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

10.9 Confidentiality.

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

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

10.10 Disputes. In the event of any dispute between the parties, the parties agree to attempt to resolve the dispute through negotiation or a method of alternative dispute resolution. No litigation shall be commenced without a certification by an authorized officer, employee, or agent of any party that the dispute cannot be resolved by negotiation or alternative dispute resolution provided in writing at least 10 days before commencing legal action.

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



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

10.13 Effective Date. This Agreement shall become effective on the Effective Date.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed in its name and on its behalf as of the date first written above.

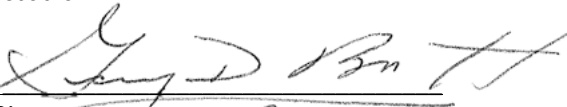
CUTWATER INVESTOR SERVICES CORP.

By: _____
President

A handwritten signature in black ink, written over a horizontal line, representing the President of Cutwater Investor Services Corp.



WELLS FARGO BANK, N.A.
as Custodian

By: 
Name:
Title: GARY D BOSTWICK
VICE PRESIDENT

THE PARTICIPANTS IN THE TRUST THAT HAVE ENTERED
INTO THIS AGREEMENT

By: 
Chair, Board of Trustees of the Trust

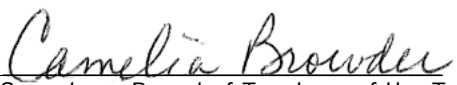
By: 
Secretary, Board of Trustees of the Trust



EXHIBIT A

INVESTMENT PROCEDURES

1. The Participant shall call or send a written notice to the Program Administrator indicating the amount to be invested (there is no minimum investment). The Participant shall instruct its bank depository to wire or electronically transfer Investment Funds to the Account at the Custodian or the Participant shall deliver a check in immediately available funds to the Custodian for the purchase of securities to be held by the Custodian.
2. Receipt by the Program Administrator prior to 11:00 a.m. Central time of notification for Investment Funds being invested will cause the value of the Investment Funds to be credited and earn income on the same Business Day.
3. Receipt by the Program Administrator after 11:00 a.m. Central time of notification for Investment Funds being invested will cause the value of the Investment Funds to be credited and earn income on the next Business Day.
4. If Investment Funds for which notification of investment has been given, are not received by the end of the Business Day on which such notification is given, the Program Administrator shall deduct the value of such Investment Funds from the Participant's Balance if previously credited.
5. The Participant is prohibited from requesting payments from amounts credited to its Balance pursuant to (2) or (3) above, until such Investment Funds are received by the Custodian for the purchase of securities to be held by the Custodian.
6. These Investment Procedures may be amended from time to time pursuant to Section 9.1(d) hereof, provided, however, that the Program Administrator will only change the times set forth above after consulting with the Custodian.



EXHIBIT B

PAYMENT PROCEDURES

1. The Participant shall call or send a written notice to the Program Administrator indicating the amount requested to be paid.
2. The Participant shall notify the Program Administrator in writing of the payee of the amount requested, which may be the Participant, and include wire, electronic or other instructions. Such payee must be listed on the list of approved payees that has been provided by the Participant to the Program Administrator in advance of the payment.
3. Requests for payments must be received by the Program Administrator by 11:00 a.m. Central time for payments to be made that Business Day.
4. Requests for payments received by the Program Administrator after 11:00 a.m. Central time will be processed the following Business Day.
5. The Participant may only request payments of that portion of its Balance that represents Investment Funds, and its proportional share of the income from the Investment Property which in all cases have actually been received by the Custodian.
6. These Payment Procedures may be amended from time to time pursuant to Section 9.1(d) hereof, provided, however, that the Program Administrator will only change the times set forth above after consulting with the Custodian.

**EXHIBIT C****VALUATION PROCEDURES**1. Portfolio Valuation.A. Amortized Cost Valuation

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

B. Mark to Market

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

The market value of all or a portion of the Account securities will be determined from the bid and ask prices for such securities as quoted in The Wall Street Journal (Eastern Edition) or by an independent nationally recognized pricing service for the Business Day preceding the Business Day on which the determination of such market value is made (plus accrued interest to such preceding Business Day); if the securities are not so quoted on such preceding Business Day, their market value will be determined as of the next preceding Business Day on which they were so quoted. Securities not quoted in The Wall Street Journal or by an independent nationally recognized pricing service will be valued by taking the average of the bid quotes from two primary dealers or if there are less than two primary dealers in such securities by such other reasonable method as the Program Administrator shall determine.

As an alternative to determining the market value pursuant to the foregoing paragraph, the market value of all or a portion of the Account securities may be determined using the matrix method. Matrix pricing involves grouping securities into a matrix by type, maturity and short term credit rating. A primary dealer who makes markets in those securities will provide the bid side prices for the matrix.

2. Amendment. These Valuation Procedures may be amended from time to time pursuant to Section 9.1(d) hereof.



EXHIBIT D

PARTICIPATION CERTIFICATE

The undersigned _____ does hereby request that it be admitted as a Participant pursuant to Section 2.3 of the Fourth Amended and Restated Trust Agreement (the "Agreement") dated as of February 17, 2010, by and between the Participants, Wells Fargo Bank, N.A., as Custodian, and Cutwater Investor Services Corp. By executing this Participation Certificate, the undersigned agrees that, upon the execution hereof by the Program Administrator, it will become subject to the same obligations and shall have the same rights as if it had executed the Agreement.

The undersigned hereby certifies that _____ is the duly designated Representative of the undersigned as required by the Agreement.

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

(Name of Participant)

PARTICIPANT EXECUTION DATE

By: _____

Name:

Title:

Accepted:

Cutwater Investor
Services Corp.

By: _____

Name:

Title:

A handwritten signature in black ink is written over a horizontal line.



EXHIBIT E

INVESTMENT CRITERIA

1. General Objectives

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

2. General Standard

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

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

3. Investments

Investment Funds may be invested in any or all of the legal investments specified in Sections 2256.009 through 2256.016, Public Funds Investment Act, Texas Government Code, as the same may be hereafter amended, or in any successor statute, but only to the extent that such investments would be permitted by Rule 2a-7, as amended from time to time, promulgated by the United States Securities and Exchange Commission pursuant to the Investment Company Act of 1940, as amended (the "Rule") if the Rule were applicable to the Trust. As of the Effective Date, such investments may include, without limitation, the following:

- United States bonds, notes and treasury bills
- United States Government agency or instrumentality obligations
- state and local government obligations (subject to limitations)
- repurchase agreements
- commercial paper



- bankers acceptances
- mutual funds
- guaranteed investment contracts (bond proceeds only)

4. Amendments

These Investment Criteria may be amended from time to time pursuant to Section 9.1(c) hereof.



EXHIBIT F

PROGRAM ADMINISTRATOR'S FEE

For the performance of its obligations under this Agreement, the Program Administrator will charge a 50 basis points fee from the Investment Property Value (the "Daily Fee"). This Daily Fee will accrue on a daily basis and be paid monthly.

The Daily Fee shall be calculated as follows:

The Investment Property Value

is multiplied by (x) .0050 (50 Basis Points)

and divided by (÷) 365 days

and that equals (=) The Daily Fee Accrual

Fees may be waived or abated at any time, or from time to time, at the sole discretion of the Program Administrator. Should such fees be waived or abated, during the period of the waiver or abatement, the Program Administrator must pay the costs as provided in Section 6.1 hereof even if not covered by the waived or abated fees.



EXHIBIT G

CUSTODIAN'S FEE

Rate Schedule

The Program Administrator shall pay to the Custodian the costs and fees specified in the letter dated January 1, 1996 from the Custodian to the Program Administrator, as amended from time to time by the Program Administrator and the Custodian pursuant to Section 9.1(e) hereof.