



**TexasTERM Local Government Investment Pool
Certificate of Deposit Purchase Program
Program Application and Investment Advisory Agreement**

Note: You are referred to herein as "Participant." You must be a shareholder in the **TexasDAILY** Portfolio (the "Portfolio") of the **TexasTERM** Local Government Investment Pool (the "Pool") in order to enter into this agreement (the "Agreement") with PFM Asset Management LLC (the "Advisor") for investment advisory services in connection with your direct purchase of certificates of deposit ("CDs") through the **TexasTERM** Certificate of Deposit Purchase Program (the "Program").

1. Participant Information

Collin County

75-6000873

Name of Participant

Taxpayer ID #

Gina Robbins

grobbins@collincountytexas.gov

Primary Contact

E-mail Address

2300 Bloomdale Road, Suite 3100 McKinney

TX 75071

Address City

State Zip

(972) 548-4726

(972) 548-4696

Phone #

Fax #

2. Authorized Persons

Each of the following persons is authorized to act on behalf of Participant under this Agreement:

Jeffry May

County Auditor

Name

Title

Linda Riggs

1st Assistant to County Auditor

Name

Title

Gina Robbins

Revenue/Investment Accountant

Name

Title

Additional authorized representatives may be designated by Participant pursuant to Section 6L hereof.

3. Participant's Designated Portfolio Account

The following account of Participant in the Portfolio is the "Designated Account" for purposes of this Agreement:

<u>Number of Designated Portfolio Account</u>	<u>Name of Designated Portfolio Account</u>
	Collin County Operating Pool
	Collin County Capital Projects Pool

4. The Program

Participant engages the Advisor to serve as investment manager to the above named Participant with respect to the purchase of CDs for the account of the Participant under the terms described herein.

Participant's purchase of CDs is to be funded from the Designated Account of Participant, and the payment of interest and the repayment of principal at maturity by the financial institution issuing a CD will be deposited in the Designated Account of Participant.

5. Purchase of Certificates of Deposit

The Advisor will purchase non-negotiable CDs, which are intended to be fully insured by the Federal Deposit Insurance Corporation ("FDIC"), for the Participant's account directly from the issuers of such CDs or through such brokers as the Advisor selects. Each CD will be issued by the financial institution in book-entry form and the book-entry registration shall be maintained by the financial institution. A safekeeping receipt or copy of the CD will be provided by the financial institution to Advisor and will be provided to Participant upon request. Participant authorizes the Advisor, in its capacity as transfer agent of the Portfolio, to redeem shares in Participant's Designated Account, and Participant authorizes the custodian of the Portfolio to wire cash from Participant's Designated Account to financial institutions that will issue CDs being purchased by Participant.

Participant acknowledges that financial institutions from which CDs are purchased may be small in size and may not be rated by national credit rating organizations. The CDs will not be collateralized. Hence there will be reliance on federal deposit insurance and it is crucial that Participant's CDs be fully covered by FDIC insurance. Participant understands that (i) CDs in amounts above applicable FDIC insurance limits are not insured, (ii) substantially all of the credit research performed by the Advisor will relate to the eligibility/applicability of FDIC insurance to the CDs, and (iii) in determining FDIC insurance limits, Federal regulations provide that all amounts deposited by a depositor, including amounts deposited directly, through brokers or through other means in a financial institution regardless of the source will be combined in determining the insurance limit. The Advisor will maintain records of all CDs purchased by the Advisor for the Participant to assist the Participant in maintaining CDs within applicable insurance limits, but the Advisor is not responsible for the effects on FDIC insurance limits of deposits made directly by the Participant or through other arrangements. It is the Participant's sole responsibility to determine that deposits made directly by the Participant outside of this Agreement or through other arrangements outside of this Agreement do not cause the CDs purchased by the Participant hereunder to exceed the total insurance limit for the CDs and other Participant deposits. The Advisor will not monitor, and has no obligation to monitor, deposits made directly by the Participant or through other arrangements and the Participant agrees that the Advisor has no responsibility with respect thereto. FDIC insured CDs generally are not negotiable and not liquid. Substantial penalties may apply if the Participant makes an early redemption.

6. Additional Terms and Conditions

- A. Engagement of Advisor. Participant hereby engages Advisor to provide non-discretionary investment advisory services to Participant under the terms of this Agreement.
- B. Approval by Participant. The Advisor and Participant agree that all CDs acquired by Participant under the Program shall be: (i) approved in advance of purchase by an authorized representative of Participant as stated above; and (ii) purchased directly from the issuers of such CDs or through such brokers as the Advisor selects.
- C. Advisory Fee; Expenses. Participant agrees to pay to Advisor a management fee not greater than 0.25% per annum of the cost of CDs purchased by Participant under the Program. Participant authorizes the Advisor, in its capacity as transfer agent of the Portfolio, to redeem shares in

Participant's Designated Account for payment of the management fee to Advisor using the method selected below:

- ☒ The entire management fee will be deducted from Participant's Designated Account upon settlement of the CD (refundable pro rata in the event of an early withdrawal or termination of this Agreement).
- ☐ The monthly amount of the management fee (calculated with respect to the number of months between the date of purchase and the maturity) will be deducted from Participant's Designated Account after the close of each month (accelerated, in the event of an early withdrawal, to the date of early withdrawal or termination of this Agreement).

If sufficient funds are not available in Participant's Designated Account, Participant agrees to compensate the Advisor from other sources within 30 calendar days of receiving an invoice. Participant shall be responsible for the payment of all of its expenses with regard to CDs purchased under the Program, including, without limitation, taxes, commissions, transaction fees and insurance, except the Advisor is responsible for all fees of the custodian of the Portfolio and brokerage fees associated with CDs with respect to the Program.

- D. Non-Exclusivity. Participant has no obligation to purchase any CD recommended by Advisor. Participant acknowledges and agrees that Advisor serves as investment adviser to numerous individual investors and pooled investment funds and that such other engagements of Advisor do not constitute a conflict of interest in regard to Participant.
- E. Termination. This Agreement may be terminated by Participant or Advisor at any time, without cause, by notice in writing, stating the effective date of termination, transmitted by first class mail or recognized courier service. This Agreement will terminate automatically and without notice in the event that Advisor shall cease to be the investment adviser for the Portfolio or in the event that Participant shall withdraw as a Participant of the Portfolio. Notwithstanding the foregoing, termination shall not relieve Participant of its obligation to pay any management fee which has become payable to Advisor. Advisor, upon the effective date of termination of this Agreement, shall direct Custodian to effect the transfer of the CDs to Participant.
- F. Status of Advisor. Advisor is an investment adviser, registered with the Securities and Exchange Commission ("SEC") under the Investment Adviser's Act of 1940. Advisor agrees that it will not deal with itself or with any other affiliated company or individual in making purchases or sales of CDs pursuant to this engagement and will have no other interest in the purchase or sale of CDs except as described in this Agreement. Advisor agrees to perform its duties and responsibilities under this Agreement with reasonable care. The Federal securities laws impose liabilities under certain circumstances on persons who are required to act in good faith. Nothing herein shall in any way constitute a waiver or limitation of any rights which Participant or Advisor may have under federal securities laws. Participant hereby authorizes Advisor to sign I.R.S. Form W-9 on behalf of Participant and to deliver such form to broker-dealers or others from time to time as required in connection with transactions pursuant to this Agreement.
- G. Advisor's Disclosure Statement. Participant acknowledges that Advisor has furnished to Participant, at least 48 hours prior to the execution of this Agreement, a copy of Part II of Advisor's Form ADV as filed with the SEC.

- H. Information Statement. Participant acknowledges that Advisor has furnished to Participant a copy of the **TexasDAILY** and **TexasTERM** Information Statements. Participant should review the Information Statements before purchasing CDs through the Program.
- I. Reports. Advisor will provide Participant with a monthly statement showing purchases and sales (or maturities) of CDs, earnings received, fund transfers and the value of CDs held by Participant on the last business day of each month.
- J. Liability of the Pool. The Pool does not issue or insure the CDs nor does it guarantee the payment of principal of or interest on the CDs. The Pool is not acting as a broker-dealer or an investment advisor with respect to the CDs. Participant's investment advisory relationship is with the Advisor. The Pool is not responsible for Participant's compliance with the FDIC insurance limits. The Pool assumes no obligations pursuant to this Agreement or with respect to the CDs.
- K. Assignment. This Agreement is not assignable by either Advisor or Participant and will terminate automatically in the event of an attempted assignment.
- L. General. This Agreement is the entire agreement between the parties with respect to Advisor's advisory service in regard to the purchase of CDs by Participant under the Program and may be modified only in writing signed by both parties (except that Participant unilaterally may add or delete names of persons authorized by Participant to give instructions to Advisor, effective upon Advisor's receipt of such notice). This Agreement shall be construed in accordance with the internal laws of the State of Texas. Advisor and Participant agree that should a disagreement arise as to performance under this Agreement, the parties will attempt in good faith to resolve such disagreement without litigation.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement on the dates indicated.

ADVISOR

PFM ASSET MANAGEMENT LLC

Date: _____

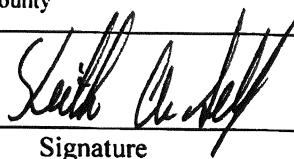
By: _____
Managing Director

PARTICIPANT

NAME OF PARTICIPANT:

Collin County

Date: _____

By:  _____
Signature

Keith Self, County Judge

Title