

**CONTRACT CREATING THE VIRGINIA
STATE NON-ARBITRAGE PROGRAM® POOL**

THIS CONTRACT creating the Virginia State Non-Arbitrage Program® Pool is made the 13th day of November 2017, by the parties signatory and deemed signatory hereto, being hereinafter called the “Parties”.

W I T N E S S E T H:

WHEREAS, the Parties desire to create and maintain a pool (the “Pool” or the “SNAP Pool”) under a program begun on March 1, 1989, known as the Virginia State Non-Arbitrage Program® (the “Program” or “SNAP”), under the laws of Virginia, and specifically the Government Non-Arbitrage Investment Act, Chapter 47, Title 2.2, Code of Virginia, 1950, as amended (the “SNAP Act”), to provide for the investment and reinvestment of the proceeds of bonds (and related funds) issued by the Commonwealth of Virginia (the “Commonwealth”), counties, cities, and towns in the Commonwealth, and their agencies, institutions and authorities (“Issuers”) which by their deposit of such proceeds in the Program are deemed signatory to this Contract (“Participants”) and therefore Parties hereto; and

WHEREAS, it is proposed that the beneficial interest in the Pool assets be divided into shares of beneficial interest as hereinafter provided; and

WHEREAS, the Treasury Board has determined to appoint U.S. Bank National Association as custodian (“U.S. Bank,” and any successor to U.S. Bank in its capacity of custodian hereunder, the “Custodian”), who shall at all times keep custody of the securities that are the assets of the Pool and discrete investments and such bank or trust company that at the time shall be party to the Custody Agreement (hereinafter mentioned) is thereby also deemed signatory to this Contract and therefore a party hereto;

WHEREAS, the Treasury Board has determined to appoint Manufacturers and Traders Trust Company (“M&T Bank,” and any successor to M&T Bank in its capacity as depository hereunder, the “Depository”), who shall at all times provide cash management services for the Pool and such bank or trust company that at the time shall be party to the Depository Agreement (hereinafter mentioned) is thereby also deemed signatory to this Contract and therefore a party hereto;

NOW, THEREFORE, the Parties hereby declare that there shall be held in the Pool all money and property contributed to the pool and the same shall be managed and disposed of for the benefit of the Participants and subject to the provisions hereof, to wit:

ARTICLE I

The Program

1.1. **Program.** The Treasury Board has determined that the needs of the Participants described in the SNAP Act can best be fulfilled through the Program that combines a pooled investment fund with discrete investments with longer terms of maturity.

1.2. **Purpose.** Certain provisions of the federal Tax Reform Act of 1986 have imposed on Issuers that borrow money the onus of computing an artificial yield on certain investments associated with such borrowing and of rebating to the federal government investment earnings in excess of such yield. The administrative and legal requirements of compliance with such provisions are extensive, complicated and expensive. In the SNAP Act, the General Assembly authorized the Treasury Board to make available to Issuers assistance in making and accounting for such investments. The SNAP Act provides that the Treasury Board is empowered, among other things, (i) to provide assistance to Issuers in the management of and accounting for their funds, including, without limitation, bond proceeds, and the investment thereof, any portion of the investment earnings on which is or may be subject to rebate to the federal government, (ii) to establish one or more pools of their bond proceeds and other funds for investment and reinvestment in authorized investments, and (iii) to enter into contracts with independent investment managers, accountants, counsel, depository institutions and other advisors and agents and with Issuers with respect to the provision of investment and related services and advice.

This Contract creating the SNAP Pool and authorizing Individual Portfolios (as hereinafter defined) is made for the purpose of implementing the goals of the SNAP Act in providing to Issuers at reasonable cost expert investment management, legal and rebate calculation services and advice in connection with the discharge of their legal obligation to rebate to the federal government investment earnings in excess of such yield.

1.3. **Pool Name.** The name of the pool created hereby (the "Pool") shall be "State Non-Arbitrage Program Pool" or "SNAP Pool", and so far as may be practicable the Parties shall conduct the activities of the Pool under that name, which name (and the word "Pool" wherever hereinafter used) shall refer to the Pool, and shall not refer to the officers, agents, employees of the Parties or any of them. However, should the Treasury Board determine that the use of the name of the Pool is not advisable, the Treasury Board may select such other name for the Pool as it deems proper and the Parties may conduct the activities of the Pool under such other name. Any name change shall be effective upon the execution by the Parties other than the Participants of an instrument setting forth the new name.

1.4. **Definitions.** In addition to the terms elsewhere defined in this Contract, the following terms shall have the following meanings:

"Bonds" shall mean bonds described in the definition of "Bonds" under the SNAP Act.

"Contract" shall mean this Contract as amended from time to time. References in this Contract to **"Contract"**, **"hereof"**, **"hereto"** and **"hereunder"** shall be deemed to refer to the Contract rather than the article or section in which such words appear.

"Custodian" shall mean U.S. Bank National Association, so long as it is the incumbent of the position of Custodian under Article VI of this Contract and its successors appointed under Section 6.6 of this Contract.

“Custodian Agreement” shall mean the Custodian Agreement, appended as Exhibit B to this Contract, between the Treasury Board and the Custodian, and any successor contract with a successor to the Custodian as provided in Section 6.6.

“Depository” shall mean Manufacturers and Traders Trust Company, so long as it is the incumbent of the position of Depository under Article VI of this Contract and its successors appointed under Section 6.6 of this Contract.

“Depository Agreement” shall mean the Depository Agreement, appended as Exhibit A to this Contract, between the Treasury Board and the Depository, and any successor contract with a successor to the Depository as provided in Section 6.6.

“Fundamental Policies” shall mean the investment guidelines and restrictions set forth in the Information Statement and designated as fundamental policies therein. Fundamental Policies may be changed only upon approval by the Treasury Board and the Investment Manager.

“Individual Portfolio” shall mean as of any particular time the discrete investments made by the Investment Manager on behalf, and held by the Custodian in the name, of a Participant in accordance with Section 3.5(b) of this Contract. Individual Portfolios may be invested in Structured Investment Products to the extent such investments are authorized investments for the Participant. The assets of an Individual Portfolio do not constitute Pool Property.

“Information Statement” shall mean the currently effective Information Statement describing the Program and the Pool.

“Investment Manager” shall mean PFM Asset Management LLC (“PFM”), so long as it is the incumbent of the position of Investment Manager under Article III of this Contract and its successors appointed under Section 3.13 of this Contract.

“Participants” shall mean as of any particular time all the Issuers that are holders of record of outstanding Shares at such time, or that have assets in Individual Portfolios.

“Person” shall mean and include individuals, corporations, partnerships, pools, associations, joint ventures and other entities, whether or not legal entities, and governments and agencies and political subdivisions thereof.

“Pool Property” shall mean as of any particular time any and all assets and property, real or personal, tangible or intangible, which at such time is owned or held by or for the account of the Pool.

“Rebate Calculation Agent” shall mean, collectively, Arbitrage Compliance Specialists, Inc. and Bingham Arbitrage Rebate Services, Inc. so long as it is the incumbent of the position of Rebate Calculation Agent under Article IX of this Contract and its successors appointed under Section 9.2 of this Contract.

“Shares” shall mean the equal proportionate shares of interest into which the beneficial interest in the Pool shall be divided from time to time and includes fractions of Shares as well as whole Shares.

“Structured Investment Products” shall mean investment agreements including, but not limited to, bank deposit products, flexible repurchase agreements, forward delivery agreements and guaranteed investment contracts.

“1940 Act” refers to the Investment Company Act of 1940 and the regulations promulgated thereunder, as amended from time to time. References to the 1940 Act shall mean that the action contemplated is to be taken in accordance with the 1940 Act notwithstanding that the Pool and Individual Portfolios are legally exempt from the provisions of the 1940 Act.

ARTICLE II

Treasury Board

2.1. Powers. The Treasury Board may exercise the statutory powers heretofore and hereafter granted by the General Assembly in furtherance of the purposes of the Program. The Treasury Board may remove and appoint successors to the Investment Manager, the Depository, the Custodian and the Rebate Calculation Agent, all in accordance with this Contract.

2.2. Further Powers. The Treasury Board shall have power to conduct the business of the Pool and carry on its operations, and to do all such other things and execute all such instruments as it deems necessary, proper or desirable in order to promote the interests of the Pool although such things are not herein specifically mentioned. Any determination as to what is in the interests of the Pool made by the Treasury Board shall be conclusive. In construing the provisions of this Contract, the presumption shall be in favor of a grant of power to the Treasury Board.

2.3. Regulations. The Treasury Board may adopt and from time to time amend or repeal the guidelines, standards and regulations for the conduct of the business of the Pool. Such guidelines, standards and regulations adopted by the Treasury Board may be set forth in the Information Statement. The Treasury Board will promptly provide to the Investment Manager, the Custodian and the Depository a copy of any changes in its guidelines, standards and regulations.

2.4. Delegation to State Treasurer. The Treasury Board may delegate, subject to appropriate guidelines and standards, to the State Treasurer all or any of its rights and obligations under this Contract as it shall at the time be authorized so to delegate by §2.2-4702.6 of the SNAP Act or by other provisions of law.

2.5. Expenses. The Treasury Board shall have power to incur and pay any expenses, which in its opinion are necessary or incidental to carry out any of the purposes of this Contract. The Treasury Board shall fix or set the formula for the compensation of the Investment Manager, the Depository, the Custodian and the Rebate Calculation Agent in each instance, to the extent related to the Pool, payable (except in the case of the Rebate Calculation Agent) solely from Pool Property and may reimburse itself from Pool Property for the costs of any insurance maintained in accordance with Section 4.3 and other expenses reasonably incurred by it on behalf of the Pool. Compensation and expenses payable with respect to Individual Portfolios shall be fixed, or parameters therefor shall be established, by the Treasury Board. An annual fee of \$100,000 will be assessed against the Pool by the Treasury Board for its oversight of the Pool and the Program. Such fee shall accrue daily, be payable quarterly and be subject to change not more than once each fiscal year. Treasury Board shall endeavor to give the Participants at least 30 days' notice of any change in the amount of the annual fee.

2.6. Miscellaneous Powers. The Treasury Board shall have the power to: (a) employ or contract with such Persons as the Treasury Board may deem desirable for the transaction of the business of the Pool; (b) purchase, and pay for out of Pool Property, insurance policies insuring the Treasury Board against all claims arising by reason of holding any such position or by reason of any action taken or omitted by the Treasury Board in connection with the Program, whether or

not constituting negligence, or whether or not the Pool would have the power to indemnify the Treasury Board against such liability; (c) determine and change the fiscal year of the Pool and the method in which its accounts shall be kept; and (d) adopt a seal for the Pool but the absence of such seal shall not impair the validity of any instrument executed on behalf of the Pool.

ARTICLE III

Investment Manager

3.1. Management Arrangements. The Treasury Board hereby authorizes the Investment Manager, in accordance with the terms and provisions of this Contract and subject to such general or specific instructions as the Treasury Board may from time to time adopt, to effect purchases, sales or exchanges of portfolio securities of the Pool and any Individual Portfolios, all without further action by the Treasury Board but in strict accordance with the Information Statement. The Treasury Board shall provide to the Investment Manager a copy of each such instruction, and the Investment Manager shall be bound by such instruction upon its receipt thereof. Any such purchases, sales and exchanges shall be deemed to have been authorized by the Treasury Board.

3.2. Distribution Arrangements. The Investment Manager shall, unless otherwise directed by the Treasury Board, offer for sale pursuant to the Information Statement and this Contract to the Issuers the Shares of the Pool to net the Pool not less than the par value per Share. The form and content of the Information Statement, and amendments thereto and any ancillary material to be provided to Participants and prospective Participants, are subject to prior approval of the Treasury Board or the State Treasurer. Such offering may be conducted by the Investment Manager itself or by its subsidiary.

3.3. General. Subject to the provisions of this Contract and the Information Statement, the Investment Manager shall have exclusive and absolute control over the investment and reinvestment of Pool Property to the same extent as if the Investment Manager were the sole owner of the Pool Property in its own right. Legal title, however, to all Pool Property shall vest in the Pool and beneficial ownership thereof, evidenced by Shares, shall vest in the Participants. The enumeration of any specific power herein shall not be construed as limiting the aforesaid power. The Investment Manager's duty to exercise such aforesaid power is expressly conditioned upon each of the Depository Agreement and the Custodian Agreement neither containing nor omitting provisions, the effect of which would be to unduly restrict the ability of the Investment Manager to conduct its program of investment and reinvestment of Pool Property and administration of the Pool.

3.4. Responsibilities of the Investment Manager. (a) The Investment Manager shall, in accordance with the terms of this Contract and the Information Statement, manage and direct the temporary investment and reinvestment of all moneys to the credit of the Pool and any Individual Portfolios pending their disbursement to the Participants.

(b) In general, the duties of the Investment Manager shall include the following:

(1) Assistance to the Participants to develop accurate draw down schedules to be used for the development of the investment program;

(2) Maintenance, aggregation and updating of Participant draw down schedules in the effort to ensure optimum investment returns consistent with the required availability of funds;

(3) Coordination with the Depository of information flow and funds availability, and directing the Depository as to payment or non-payment of instruments drawn on Participants' accounts;

(4) Coordination with the Custodian of the maintenance of ongoing records of investments, investment return and earnings by the Participants from the Pool and from Individual Portfolios;

(5) Conduct of an investment program by investment in Shares and other property in accordance with arbitrage rebate requirements and assistance to the Rebate Calculation Agent in periodic preparation of arbitrage rebate calculations and reports;

(6) Investment and reinvestment of Pool Property and for Individual Portfolios in accordance with Section 3.5;

(7) Supervision of the safe delivery to the Custodian of all securities and collateral and preparation and processing of all receipts, order confirmations and records needed for bookkeeping, accounting, auditing and reporting;

(8) Calculations daily of the net income of the Pool payable to Participants and the net asset value of the Shares all in accordance with this Contract and the Information Statement;

(9) Preparation daily of market value analyses of all Pool Property;

(10) Provision to each Participant of confirmation of each purchase and redemption of Shares by such Participant;

(11) Preparation, and provision to each Participant, of monthly reports of all Pool transactions, including (A) Shares purchased and redeemed; (B) interest received and distributions made; (C) yield; (D) net assets; and (E) book value;

(12) Preparation, and provision to the Treasury Board or its designee, of monthly reports respecting the Pool, showing (A) Shares purchased and redeemed, (B) securities held, (C) income and expenses, (D) yield, (E) Shares owned by each Participant as of month end, and (F) such other information as the Treasury Board may reasonably request;

(13) Preparation, and provision to the Rebate Calculation Agent, as a hard copy or electronically as the Rebate Calculation Agent may reasonably request, of its monthly reports to the Participants and to the Treasury Board and such other information

as the Rebate Calculation Agent shall reasonably require to perform the services required of it by Section 9.2 of this Contract;

(14) Preparation, printing and distribution of the initial Information Statement and any reprints with or without amendments and other information regarding the Program to Issuers.

(15) Assistance in the maintenance of an external rating on the Pool by a nationally recognized statistical rating organization;

(16) Preparation and timely filing of tax returns for the Pool;

(17) Maintenance and surveillance of the SNAP website, such website to be edited timely to reflect changes in or to cure omissions from information contained on, incorporated by reference into, or linked to, such website, such changes being made to assure that the website does not contain, incorporate or link to a misstatement or omit a material fact necessary to a correct understanding of such information on, incorporated in or linked to such website; provided that, the Investment Manager will be responsible for information on linked pages, only to the extent that those pages are under the control of the Investment Manager; and

(18) Provision of interactive capabilities for the SNAP website to enable on-line access capabilities by Participants, specifically to include on-line account inquiry for balances and transactions, on-line statement download, and on-line historical data retrieval of Pool yield and assets.

(c) The Investment Manager shall provide to Participants with Individual Portfolios monthly reports respecting their respective Portfolios including:

- (1) the purchase date of each investment,
- (2) the purchase price,
- (3) any accrued interest paid,
- (4) the face amount,
- (5) the coupon rate,
- (6) the disposition price of each security sold or redeemed,
- (7) disposition date, and
- (8) interest received.

The Investment Manager shall prepare, and provide to the Treasury Board, monthly reports showing as to each Individual Portfolio (i) securities purchased and sold, (ii) securities held, (iii) income and expenses, (iv) yield and (v) such other information as the Treasury Board may

reasonably request. The Investment Manager shall retain records establishing that the purchase price is the Market Price (as such term is defined in the Information Statement) as of the trade date and that the disposition price is the Market Price as of trade date and make such records available to the respective Participants and the Treasury Board, as requested.

With regard to Structured Investment Products, the Investment Manager shall have no responsibility for ongoing credit monitoring of the counterparty or for collateral valuation after the closing date of the transaction.

(d) The Investment Manager will maintain its registration as an Investment Adviser with the Securities and Exchange Commission pursuant to the Investment Advisers Act of 1940 and will maintain its registration under any other law or regulation required in connection with PFM's performance of its duties and obligations hereunder.

(e) All duties of the Investment Manager shall be performed on a timely basis on a schedule approved by the State Treasurer.

(f) The Investment Manager shall maintain all Pool records and files, to the extent technologically feasible, in a format that can be imported into delimited file formats.

(g) The Investment Manager shall maintain all Pool shareholder data, including transaction history, in a format that can be imported into delimited file formats.

3.5. Investments. (a) The Investment Manager shall have the power, subject to the Fundamental Policies, to:

(1) conduct, operate and carry on the business of the Pool in accordance with the SNAP Act; and

(2) subscribe for, invest in, reinvest in, purchase or otherwise acquire, hold, pledge, sell, assign, transfer, exchange, distribute or otherwise deal in or dispose of such negotiable or non-negotiable instruments, and obligations as are legal investments for the proceeds of bonds of Issuers under Section 15.2-2625 and Chapter 45, Title 2.2, Code of Virginia 1950, as the same may be from time to time amended, and other provisions of applicable Virginia law and as are provided for in the Information Statement and not prohibited by the Fundamental Policies or applicable Bond documents of the Issuer; and to exercise any and all rights, powers and privileges of ownership or interest in respect of any and all such investments of every kind and description, including, without limitation, the right to consent and otherwise act with respect thereto, with power to designate one or more Persons to exercise any of said rights, powers and privileges in respect of any said instruments; and the Investment Manager shall be deemed to have the aforesaid powers with respect to any additional securities in which the Pool may invest should the investment policies set forth in the Information Statement or the Fundamental Policies be amended. The Investment Manager shall not be limited to investing in obligations maturing before the possible termination of the Pool.

(b) The Investment Manager shall also have power, when in its judgment, the best interests of the affected Participant would be served, and with the written consent of the affected Participant, to invest that portion of the Participant's bond proceeds, reserve funds and sinking funds, any portion of the investment earnings on which is or may be subject to rebate to the federal government and to which the Participant does not need immediate access, in an Individual

Portfolio. In connection with the establishment of any such Individual Portfolio, the Investment Manager shall deliver to the Participant such documentation, including the Investment Manager's Form ADV, Part 2, as the Investment Manager deems to be necessary or appropriate. All moneys not disbursed to or for the account of the Participant as of the maturity date of each such investment shall be applied to the purchase of Shares in the Pool.

The provisions of this Article III shall apply to each Individual Portfolio and to the Investment Manager in connection with each such Individual Portfolio to the extent the same may be applicable. The assets of the Individual Portfolios shall be held by the Custodian.

3.6. Method of Investment. The Investment Manager shall place all orders for the purchase, sale, or exchange of securities for the Pool with qualified brokers or dealers and to that end the Investment Manager is authorized to give oral instructions to the Custodian as to deliveries of securities and payments of cash for the account of the Pool. In connection with the placing of such orders, the Investment Manager is directed to seek for the Pool the most favorable execution and price. After fulfilling this primary requirement of seeking the most favorable execution and price, the Investment Manager is hereby expressly authorized to consider, subject to any applicable laws, rules and regulations, whether statistical, research and other information or services have been furnished to the Investment Manager or the Pool by such brokers or dealers.

3.7. Issuance and Repurchase of Securities. The Investment Manager shall have the power to issue, sell, repurchase, redeem, retire, cancel, acquire, hold, resell, reissue, dispose of, transfer, and otherwise deal in, Shares, including Shares in fractional denominations, and subject to the more detailed provisions set forth in Articles VII and VIII, to apply to any such repurchase, redemption, retirement, cancellation or acquisition of Shares any funds or property of the Pool whether capital or surplus or otherwise, to the full extent now or hereafter permitted by applicable law.

3.8. Collection and Payment. The Investment Manager, for and on behalf of the Pool, shall have the power to collect all property due to the Pool; to pay all claims, including taxes, if any, against the Pool Property; to prosecute, defend, compromise or abandon any claims relating to the Pool Property; to foreclose any security interest securing any obligations, by virtue of which any property is owed to the Pool; and to enter into releases, agreements and other instruments.

3.9. Custody of Cash and Investments. The Investment Manager shall not take possession of or act as custodian for the Bond proceeds or related funds of the Participants or of any Pool Property or of the assets of any Individual Portfolios but shall, as appropriate, direct delivery thereof to the Custodian, an agent of the Custodian, or the Depository.

3.10. Liability. The Investment Manager shall not be liable to the Participant for the results of its investment program unless and to the extent that the results reflect a breach of its duties under this Contract, bad faith or gross negligence; provided that, nothing herein shall in any way constitute a waiver or limitation of any rights which the parties or deemed parties to this Contract may have under any Federal securities law.

3.11. Renewal of Contract. This Contract may be renewed by the Commonwealth for two successive one year periods under the terms and conditions of the original contract. Price increases may be negotiated only at the time of renewal. Written notice of the Commonwealth's intention to renew shall be given approximately 90 days prior to the expiration date of each contract period.

3.12. Termination. (a) The term of this Contract shall commence on April 1, 2018 and, subject to the provisions of subsection (c) of this section, shall expire on March 31, 2023 unless this Contract is renewed per Section 3.11.

(b) The Treasury Board may terminate its employment of the Investment Manager at the time being, without penalty, on not less than 90 days' prior written notice to the Investment Manager. If either of the Depository Agreement or Custodian Agreement contains or omits provisions, the effect of which restricts the ability of the Investment Manager to perform its duties under this Article III, the Investment Manager may resign its position upon providing written notice to the Treasury Board. Otherwise, twelve months after the date of this Contract, the Investment Manager may resign its position under this Contract for any reason on not less than 90 days' written notice. Such notice of termination or resignation shall also be given to all the other Parties to this Contract. The retiring Investment Manager shall cooperate with the successor Investment Manager by providing to the successor Investment Manager, immediately upon request by the Treasury Board during the transition period at no charge to the Treasury Board, the Pool, Individual Portfolios, or the successor Investment Manager, all records and information relating to the Pool and Individual Portfolios and the investments thereof, as defined by the responsibilities of the Investment Manager in this Contract and the Information Statement.

(c) For one year from the termination of this Contract and the transfer of SNAP to a successor Investment Manager, the retiring Investment Manager will refrain from offering to public entities in Virginia a program that would compete with SNAP for the investment of proceeds of tax-exempt debt issues of Virginia public entities.

3.13. Successors. The Treasury Board shall appoint a successor to any Investment Manager that is terminated or resigns in accordance with Section 3.12. The successor Investment Manager shall evidence its acceptance of the duties of the Investment Manager by executing a copy of this Contract.

Any successor Investment Manager shall be registered under the Investment Advisers Act of 1940 as an investment advisor, have demonstrated experience in managing large securities portfolios, particularly those of public bodies, and have offered to perform the services of the Investment Manager for compensation deemed by the State Treasurer to be reasonable under the applicable circumstances.

3.14. Compensation. (a) For services provided to the Pool from April 1, 2018 through March 31, 2020, the Investment Manager shall be paid, from Pool Property, an annual fee, in monthly installments, equal to 0.09% on the first \$1 billion, 0.065% of the next \$2 billion and .05% on assets over \$3 billion of the average daily net assets of the Pool.

Beginning April 1, 2020, the Investment Manager shall be paid, from Pool Property, an annual fee, in monthly installments, equal to .095% on the first billion, .070% of the next \$2 billion and .05% on assets over \$3 billion of the average daily net assets of the Pool.

(b) In addition to the fee provided for in subsection (a) of this Section 3.14, any Participant that shall engage the Investment Manager pursuant to Section 3.5(b) to manage the investment of its bond proceeds outside of the Pool in an Individual Portfolio shall pay the Investment Manager for its services in connection with the Individual Portfolio an annual fee, in monthly installments, of 0.09% [9 basis points] of the average daily net assets of the Individual Portfolio. Such fee shall be paid directly by the Participant to the Investment Manager against an invoice therefor. Participants may direct the Investment Manager to pay Individual Portfolio fees

from assets invested in the Pool or Individual Portfolio or may pay the invoices from another source.

(c) Any Participant that shall engage the Investment Manager pursuant to Section 3.5(b) to invest its bond proceeds in a Structured Investment Product shall pay the Investment Manager for its services in connection with the bidding of such agreement, an upfront fee equal to 0.20% [20 basis points] capped at the amount permitted under Treasury Regulations §1.148-5(e)(2)(iii) (currently \$39,000 per agreement, for agreements acquired in calendar year 2017). A minimum fee of \$25,000 per agreement would apply. This cap shall increase each calendar year after 2017 subject to a "cost of living" adjustment published annually by the U.S. Department of the Treasury. At the Participant's option, such fees may be paid by the agreement provider on behalf of the Participant.

3.15. Information. The Investment Manager agrees to provide to the State Treasurer (in addition to the matters the Investment Manager is otherwise obligated by this Contract to provide) one copy of each of the following:

(a) At least five (5) business days prior to distribution or dissemination, any information, material, questionnaire, or other communication, other than routine correspondence, to all or any of the Participants and not described elsewhere in this Contract;

(b) Prior to the signing of this Contract, the Investment Manager's current Securities and Exchange Commission Form ADV, Part 2A (PFM's brochure) and Part 2B (PFM's brochure supplement); and .

(c) Correspondence with any Participant, the Rebate Calculation Agent, the Depository, the Custodian or anyone else regarding a dispute as to the responsibilities or performance of the Investment Manager or any other professional providing services to the Program.

ARTICLE IV

Limitations of Liability of Participants, Treasury Board and Others

4.1. No Personal Liability of Participants. No Participant shall be subject to any liability whatsoever to any Person in connection with Pool Property or the acts, obligations or affairs of the Pool. No officer, employee or agent of any Participant shall be subject to any personal liability whatsoever to any Person in connection with Pool Property or the affairs of the Pool, save only that arising from his bad faith, willful misfeasance, gross negligence or reckless disregard of his duty to such Person. If any Participant, officer, employee, or agent, as such, of the Pool, is made a party to any suit or proceeding to enforce any such liability, it shall not on account thereof be held to any personal liability. The rights accruing to Persons under this Section 4.1 shall not exclude any other right to which such Persons may be lawfully entitled.

4.2. No Liability of Treasury Board. Neither the Treasury Board nor the State Treasurer, and no officer, employee or agent of the Treasury Board or the State Treasurer, shall be liable personally, or otherwise, to the Pool, its Participants, or any officer, employee, or agent thereof, or any other Person for any action or failure to act in connection with Pool Property or the affairs of the Pool or for any Individual Portfolio except for its or his own bad faith, willful misfeasance, gross negligence or reckless disregard of its or his duties. The rights accruing to

Persons under this Section 4.2 shall not exclude any other right to which such Persons may be lawfully entitled.

4.3. No Duty of Investigation; Notice in Pool Instruments, etc. No purchaser, lender, transfer agent or other Person dealing with the Treasury Board or the State Treasurer or any officer, employee or agent of either shall be bound to make any inquiry concerning the validity of any transaction purporting to be made by the Treasury Board or the State Treasurer or by said officer, employee or agent or be liable for the application of money or property paid, loaned, or delivered to or on the order of the Treasury Board or the State Treasurer or of said officer, employee or agent. Every obligation, contract, undertaking, instrument, certificate, Share, or other security of the Pool made or issued in connection with the Pool, and every other act or thing whatsoever executed in connection with the Pool, shall be conclusively taken to have been executed or done by the officers and members of the Treasury Board or the State Treasurer only in their or his official capacity as the Treasury Board or the State Treasurer under this Contract or in their capacity as officers, employees or agents of the Pool. Every written obligation, contract, undertaking, instrument, certificate, made or issued in connection with the Pool, shall contain an appropriate recital to the effect that the Participants, the members of the Treasury Board, the State Treasurer, and officers, employees and agents of the Pool shall not personally be bound by or liable thereunder, nor shall resort be had to their private property for the satisfaction of any obligation or claim thereunder, and appropriate references shall be made therein to this Contract, and may contain any further recital which they may deem appropriate, but the omission of such recital shall not operate to impose personal liability on any of the members of the Treasury Board, Participants, the State Treasurer or the officers, employees or agents of the Pool. The Treasury Board may maintain insurance for the protection of the Pool Property, its Participants, the Treasury Board, officers, employees and agents of the Pool in such amount as the Treasury Board shall deem adequate to cover possible tort liability, and such other insurance as the Treasury Board in its sole judgment shall deem advisable.

4.4. No Liability of Pool. The Parties recognize that the Pool Property and the assets of Individual Portfolios are derived from the proceeds of Bonds of Issuers that by law may be expended only for the respective purposes for which such Bonds were issued. Therefore, the Parties agree that, except as otherwise expressly provided in this Contract in connection with redemptions and the investment and reinvestment of Pool Property and the assets of Individual Portfolios and the payment therefrom of the fees and expenses described in this Contract and the Information Statement that such Pool Property and the assets of the Individual Portfolios are subject to requisition or disbursement only at the direction of the Participants or their authorized agents.

4.5. Reliance on Experts, etc. The Treasury Board, the State Treasurer and each officer or employee of the Pool shall, in the performance of his duties, be fully and completely justified and protected with regard to any act or any failure to act resulting from reliance in good faith upon the books of account or other records of the Pool, upon an opinion of the Attorney General, or upon reports made to the Pool by any of its officers or employees or by the Investment Manager, the Rebate Calculation Agent or any other investment advisor, administrator, manager, distributor, selected dealer, accountant, appraiser or other expert or consultant selected with reasonable care by the Treasury Board, the State Treasurer, officers or employees of the Pool.

ARTICLE V

Shares of Beneficial Interest

5.1. Shares. The beneficial interests of the Participants in the Pool Property shall be evidenced by Shares, all of one class. The number of such Shares authorized hereunder is unlimited. All Share issued hereunder including, without limitation, Shares issued in connection with a dividend in Shares or a split of Shares, shall be fully paid and nonassessable.

5.2. Rights of Participants. The ownership of the Pool Property of every description is vested in the Pool. The Participants shall have no interest therein other than the beneficial interest conferred by their Shares, and they shall have no right to call for any partition or division of any property, profits, rights or interest of the Pool nor can they be called upon to share or assume directly any losses of the Pool or suffer an assessment of any kind by virtue of their ownership of Shares. The Shares shall be personal property giving only the rights in this Contract specifically set forth. The Shares shall not entitle the holder to preference, preemptive, appraisal, conversion or exchange rights (except for the rights appraisal specifically set forth in Section 11.4). Subject to the provisions of this Contract, the right to conduct any business hereinbefore described is vested exclusively in the Treasury Board and the State Treasurer as its delegate.

5.3. Pool Only. It is the intention of this Contract to create only the contractual relationship among the Parties contemplated by the SNAP Act and implemented by this Contract. It is not the intention of this Contract to create with the Participants a trust, general partnership, limited partnership, joint stock association, corporation, bailment or any form of legal relationship other than a pool in which the Participants hold the beneficial interests conferred by their Shares. Nothing in this Contract shall be construed to make the Participants, either by themselves or with the Treasury Board, partners or members of a joint stock association.

5.4. Issuance of Shares. The Treasury Board hereby authorizes the Investment Manager, subject to the approval of the State Treasurer, from time to time to issue Shares, in addition to the then issued and outstanding Shares, to such Local Government or Governments and for such amount not less than par value and type of consideration, including cash or property, at such time or times (including, without limitation, each business day in accordance with the maintenance of a constant net asset value per share as set forth in Section 8.3 hereof), and on such terms as the Investment Manager may deem best, and may in such manner acquire other assets (including the acquisition of assets subject to, and in connection with the assumption of, liabilities) and businesses. In connection with any issuance of Shares, the Investment Manager may issue fractional Shares. The Investment Manager may from time to time divide or combine the Shares into a greater or lesser number without thereby changing the proportionate beneficial interests of the Pool. Reductions in the number of outstanding Shares may be made pursuant to the constant net asset value per Share formula set forth in Section 8.3. Contributions to the Pool may be accepted for, and the Shares shall be redeemed as, whole shares and/or 1/1,000ths of a Share or multiples thereof.

5.5. Information Statement. (a) Shares shall be offered to Issuers not owning Shares in the Pool or an Individual Portfolio by means of a current Information Statement only.

(b) The Investment Manager shall prepare, or cause to be prepared, from time to time, supplements to the Information Statement, and, subject to the prior approval of the State Treasurer, a new Information Statement reflecting the current circumstances of the Program and the Pool.

(c) Each of the Investment Manager, the Custodian, the Depository and the Rebate Calculation Agent shall review quarterly, beginning not later than three months after the issuance of the initial Information Statement, the then current form of the Information Statement and advise the Treasury Board in writing, based solely on such review and without any independent

investigation, whether, to the best of its knowledge, the information in such Information Statement respecting (i) in the case of the Attorney General the Investment Manager, the Information Statement as a whole, (ii) in the case of the Custodian, information respecting the Custodian and its role in the Program and the securities and collateral held by it, (iii) in the case of the Depository, information respecting the Depository and its role in the Program and (iv) in the case of the Rebate Calculation Agent, information respecting the Rebate Calculation Agent and its role in the Program, is true and correct in all material respects and, further, in the case of the Investment Manager, such information does not include any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which they were made, not misleading.

(d) If at any time the Investment Manager believes that the current Information Statement may contain an untrue statement of material fact or omit to state a material fact necessary to make the statements made therein in light of the circumstances under which they were made, not misleading, the Investment Manager is authorized and directed to prepare, disseminate and circulate, subject to the prior review of the Attorney General and approval of the State Treasurer, to each Participant as soon as practicable a supplement to the Information Statement, or a new Information Statement, correcting such misstatement or omission.

5.6. Register of Shares. A register shall be kept for the Pool by the Investment Manager as registrar under the direction of the Treasury Board, which register shall contain the names and addresses of the Participants and the number of Shares held by them respectively and a record of all redemptions thereof. Such register shall be conclusive as to who are the holders of the Shares and who shall entitled to receive dividends or distributions or otherwise to exercise or enjoy the rights of Participants. It is not contemplated that certificates will be issued for the Shares; however, the Treasury Board, in its discretion, may authorize the issuance of Share certificates and promulgate appropriate rules and regulations for their use.

5.7. Transfer of Shares. Shares in the Pool shall be non-transferable except in connection with a redemption permitted by Article VII.

5.8. Notices. Any and all notices to which any Participant hereunder may be entitled and any and all communications shall be deemed duly served or given if given in accordance with the provisions of Section 11.5(b).

ARTICLE VI

Custodian and Depository

6.1. Appointment and Duties. The Treasury Board shall at all times employ a bank or trust company meeting the qualifications for custodians for portfolio securities of investment companies contained in the 1940 Act, as Custodian with respect to the Pool and any Individual Portfolios. Each of the Custodian and the Depository, as applicable, shall have authority as agent of the Pool, but subject to such applicable restrictions, limitations and other requirements, if any, as may be contained in this Contract, the Custodian Agreement, the Depository Agreement and the 1940 Act:

(1) to hold the securities owned by the Pool and in Individual Portfolios and deliver the same upon written order;

(2) to act upon proper instructions from the Investment Manager to effect the receipt, transfer or delivery of Pool Property or assets of Individual Portfolios;

(3) to receive and receipt for any moneys due to the Pool and Individual Portfolios and deposit the same with the Depository or elsewhere as the Treasury Board may direct; and

(4) to disburse such funds upon orders or vouchers,

The respective services of the Custodian and the Depository shall be upon such basis of compensation as may be agreed upon between the Treasury Board and the Custodian and Depository, respectively. If so directed by the Treasury Board, the Custodian or the Depository shall deliver and pay over all Pool Property held by it as specified in such direction.

The Treasury Board may also authorize the Custodian to employ one or more sub-custodians from time to time to perform such of the acts and services of the Custodian and upon such terms and conditions, as may be agreed upon between the Custodian and such sub-custodian and approved by the Treasury Board, provided that in every case such sub-custodian shall meet the qualifications for custodians contained in the 1940 Act.

6.2. Depository and Custody Agreements. (a) The Treasury Board and the Depository have entered into the agreement appended as Exhibit A to this Contract. Such agreement defines more precisely the rights and responsibilities of the Depository with respect to the Program.

(b) The Treasury Board and the Custodian have entered into the agreement appended as Exhibit B to this Contract. Such agreement defines more precisely the rights and responsibilities of the Custodian with respect to the Program.

6.3. Central Certificate System. Subject to such rules, regulations and orders applicable to institutions such as the Custodian as the Securities and Exchange Commission may adopt, the Treasury Board may direct the Custodian to deposit all or any part of the securities owned by the Pool in a system for the central handling of securities established by a national securities exchange or a national securities association registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934, or such other person as may be permitted by the Securities and Exchange Commission, or otherwise in accordance with the 1940 Act, pursuant to which system all securities of any particular class or series of any issuer deposited within the system are treated as fungible and may be transferred or pledged by bookkeeping entry without physical delivery of such securities, provided that all such deposits shall be subject to withdrawal only upon the order of the Pool.

6.4. Compensation. The compensation of the Depository and the Custodian, to the extent payable from Pool Property or otherwise by Participants having Individual Portfolios, shall be established by separate agreements between the Depository and the Treasury Board, and the Custodian and the Treasury Board.

6.5. Termination. The Treasury Board may terminate the employment of the Depository or the Custodian at the time being, without penalty, on not less than 60 days' notice to the Depository or the Custodian. Either the Depository or the Custodian may resign its position under this Contract on not less than 60 days' written notice. Such notice of termination or resignation shall also be given promptly to all the other Parties to this Contract. The retiring Depository or Custodian shall cooperate with the successor Depository or Custodian by transferring to the successor Depository or Custodian, effective on the date of such termination or resignation, all cash constituting Pool Property (with respect to the Depository), and all securities constituting Pool Property and assets of Individual Portfolios (with respect to the Custodian), and

with respect to either the Depository or Custodian, copies of records respecting the Program and such other information as the successor Depository, successor Custodian or the Investment Manager or the Treasury Board may reasonably request.

6.6. Successors. The Treasury Board shall appoint a successor to any Depository or Custodian that is terminated or resigns in accordance with Section 6.5. The successor Depository or Custodian shall evidence its acceptance of the duties of the Depository or Custodian by executing a copy of a contract substantially similar to the Depository Agreement or Custody Agreement.

ARTICLE VII

Redemption

7.1 Redemptions. Any and all outstanding Shares may be redeemed at the option of the Participants that are the holders thereof, upon and subject to the terms and conditions provided in this Article VII. The Pool shall, upon application of any Participant or pursuant to authorization from any Participant, redeem or repurchase from such Participant outstanding Shares for an amount per Share determined by the application of a formula adopted by the Treasury Board; provided that (a) such amount per Share shall not exceed the cash equivalent of the proportionate interest of each Share in the assets of the Pool at the time of the redemption or repurchase, (b) if so authorized by the Treasury Board, the Pool may, at any time or from time to time, charge fees for effecting such redemption or repurchase, at such rates as the Treasury Board may establish, as and to the extent permitted under the 1940 Act, and (c) the State Treasurer may, at any time and from time to time, pursuant to the 1940 Act, suspend such right of redemption. The procedures for effecting redemption shall be as set forth in the Information Statement from time to time.

7.2 Redemption at the Option of the State Treasurer. If the Treasury Board shall, at any time and in good faith, be of the opinion that direct or indirect ownership of Shares or other securities of the Pool has or may become concentrated in any one or more Participants to an extent which would disqualify the Pool from treatment that would permit, at the minimum, the fees and expenses of the Investment Manager to be deducted from the "yield" (within the meaning of Section 148(f) of the Internal Revenue Code of 1986, as amended), then the State Treasurer shall have the power to call for redemption of all of the Shares of the Pool or all or less than all of the Shares of such Participant or Participants if such a redemption would maintain or restore such qualification. The redemption shall be effected at a redemption price determined in accordance with Section 7.1.

7.3 Redemptions Pursuant to Constant Net Asset Value Formula. The Investment Manager, with the approval of the State Treasurer, may also reduce the number of outstanding Shares pursuant to the provisions of Section 8.3.

7.4 Method of Participant Redemptions. Participants may redeem their Shares in any manner described in the Information Statement.

ARTICLE VIII

Determination of Net Asset Value, Net Income and Distributions

8.1 Net Asset Value. The net asset value of each outstanding Share of the Pool shall be determined at such time or times on such days as the Treasury Board may determine. The method of determination of net asset value shall be determined by the Treasury Board and shall be as set forth in the Information Statement. The Investment Manager shall have the power and the duty to make the daily calculations of net asset value. The Treasury Board may suspend the daily determination of net asset value to the extent permitted by the 1940 Act.

8.2 Distributions to Participants. The Investment Manager shall from time to time determine the investment income of the Pool in accordance with the method approved by the Treasury Board and described in the Information Statement and shall distribute ratably among the Participants such proportion of the investment income, net profits, surplus (including paid-in surplus), capital, or assets held by the Pool in accordance with the 1940 Act. Such distribution may be made in cash or property (including without limitation any type of obligations of the Pool or any assets thereof), and the Investment Manager may distribute ratably among the Participants additional Shares in such manner, at such times, and on such terms as the Investment Manager may deem proper. Such distributions may be among the Participants of record at the time of declaring a distribution or among the Participants of record at such later date as the Investment Manager shall determine. The Investment Manager may always retain from the net profits such amount as it may deem necessary to pay the debts or expenses of the Pool or to meet obligations of the Pool.

8.3 Constant Net Asset Value; Reduction of Outstanding Shares. The Investment Manager shall determine the net income of the Pool on each day the net asset value is determined as provided in Section 8.1 and at each such determination declare such net income as dividends with the result that the net asset value per share of the Pool shall remain at a constant dollar value. The determination of net income and the resultant declaration of dividends shall be as set forth in the Information Statement. It is expected that the Pool will have a positive net income at the time of each determination. If for any reason such net income is a negative amount, the Investment Manager may offset such amount against dividends accrued in the account of a Participant. If and to the extent such negative amount exceeds such accrued dividends, the Investment Manager shall have authority to reduce the number of outstanding Shares. Such reduction will be effected by having such participant proportionately contribute to capital the necessary Shares that represent the amount of the excess upon such determination. Each Participant will be deemed to have agreed to such contribution in these circumstances by its investment in the Pool. The procedure will permit the net asset value per Share to be maintained at a constant dollar value per Share.

The Treasury Board, by resolution, may discontinue or amend the practice of maintaining the net asset value per Share at a constant dollar amount at any time and such modification shall be evidenced by appropriate changes in the Information Statement. In such event, fluctuations in value may be reflected in the value of the outstanding Shares in such Participant's account.

8.4 Power to Modify Foregoing Procedures. Notwithstanding any of the foregoing provisions of this Article VIII, the Treasury Board may prescribe, in its absolute discretion, such other bases and times for determining the per Share net asset value of the Pool's Shares or net income, or the declaration and payment of dividends and distributions as they may deem necessary or desirable to enable the Pool to comply with the provisions of the 1940 Act or any requirement of any securities association registered under the Securities Exchange Act of 1934, or any order or exemption issued by the Securities and Exchange Commission, all in effect now or hereafter amended or modified.

ARTICLE IX

Rebate Calculation Agent; Auditor

9.1 [Reserved].

9.2 **Rebate Calculation Agent.** The Treasury Board shall at all times retain as Rebate Calculation Agent a firm or firms with a favorable national reputation in the field of the calculation of amounts subject to rebate to the United States of America under Section 148(f) of the Internal Revenue Code of 1986, as amended. Each Participant shall be directly responsible for the fees of the Rebate Calculation Agent for services in making rebate calculations respecting Pool Property and its Individual Portfolios, if any.

9.3 **Auditor.** The Treasury shall retain an independent certified accountant or a firm of such accountants (the "Auditor"), to audit annually the operations of the Program. Copies of such audit and the report thereon shall be provided to the Treasury Board, the Depository and the Investment Manager which shall furnish a copy to each participant and to each Local Government that at any time during the subject 12 months was a Participant in the Program. The Custodian and the Depository shall retain an independent certified public accountant or firm of such accountants to perform an annual examination of the controls surrounding the custody and record keeping functions of the Depository applicable to the processing of transactions and the safekeeping of assets for customers in accordance with Statement on Standards for Attestation Engagements (SSAE) No. 16 of the American Institute of Certified Public Accountants. The Auditor shall be compensated from Pool Property in accordance with the provisions of its contract or engagement letter agreement with the Treasury Board.

ARTICLE X

Rights of Participants

10.1 **Reports.** In addition to the reports described in Article III, the Investment Manager shall cause to be prepared at least annually a report of operations containing a balance sheet and statement of income and undistributed income of the Pool prepared in conformity with generally accepted accounting principles and an opinion of the Auditor of Public Accounts or an independent public accountant on such financial statements. Copies of such reports shall be mailed to all Participants of record, and all other Issuers that during the 12-month period covered by the report were Participants owning Shares in the Pool or had an Individual Portfolio. The Treasury Board shall, in addition, cause to be prepared and furnished to the Participants at least quarterly, interim reports containing an unaudited balance sheet as of the end of such period and an unaudited statement of income for the period from the beginning of the current fiscal year to the end of such period.

10.2 **Inspection of Records.** The records of the Pool and the Program shall be open to inspection by Participants to the same extent as is required of records subject to The Virginia Freedom of Information Act, Chapter 37, Title 2.2, Code of Virginia 1950, as amended.

ARTICLE XI

Duration; Termination of Program; Amendment; Mergers, Etc.

11.1 Duration. Subject to its termination in accordance with the provisions of Section 11.2 hereof, the Pool created hereby shall have perpetual existence.

11.2 Termination.

(a) The Pool may be terminated by the Treasury Board at any time. The Treasury Board shall promptly give to all Parties notice of its determination to terminate the Program.

(b) Upon the termination of the Pool,

(1) the Pool shall carry on no business except for the purpose of winding up its affairs;

(2) the Treasury Board shall proceed to wind up the affairs of the Pool and all of the powers of the Treasury Board under this Contract shall continue until the affairs of the Pool shall have been wound up, including the power to fulfill or discharge the contracts of the Pool, collect its assets, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining Pool 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 its liabilities, and do all other acts appropriate to liquidate its business; and

(3) after paying or adequately providing for the payment of all liabilities, and upon receipt of such releases, indemnities and refunding agreements, as it deems necessary for its protection, the Treasury Board may distribute the remaining Pool Property, in cash or in kind or partly each, among the Participants according to their respective rights.

(c) After termination of the Pool and distribution to the Participants as herein provided, the Treasury Board shall execute and lodge among the records of the Pool an instrument in writing setting forth the fact of such termination. Upon termination of the Pool, the Treasury Board shall thereupon be discharged from all further liabilities and duties hereunder, and the rights and interests of all Participants shall thereupon cease.

11.3 Amendment Procedure.

(a) The Treasury Board and the Investment Manager may amend this Contract at any time upon notice to the Participants, the Depository, the Custodian, the Attorney General and the Rebate Calculation Agent, and they shall so amend this Contract if they deem it necessary to conform this Contract to the requirements of applicable federal or Virginia laws or regulations, and particularly to conform the provisions of this Contract to any future law, regulation, rule, ruling or interpretative statement where, in the opinion of the Attorney General, failure so to conform may defeat the purpose, as set out in Section 1.2, of this Contract, but the Treasury Board and the Investment Manager shall not be liable for failing so to do. No minimum period of prior notice for any amendment to this Contract is required, but the Treasury Board and the Investment Manager shall endeavor to provide notice as far in advance of the effective date of such amendment as they in their sole discretion deem appropriate and practicable under the circumstances.

(b) No amendment may be made, under Section 11.3(a) above, which would change any rights with respect to any Shares of the Pool by reducing the amount payable thereon upon liquidation of the Pool. Nothing contained in this Contract shall permit the amendment of this Contract to impair the exemption from personal liability of the Participants, Treasury Board, officers, employees and agents of the Pool or to permit assessments upon Participants.

(c) A certification signed by the Treasury Board setting forth an amendment and reciting that it was duly adopted by the Treasury Board and the Investment Manager as aforesaid or a copy of the Contract, as amended, and executed by the Treasury Board and the Investment Manager, shall be conclusive evidence of such amendment when lodged among the records of the Pool.

(d) Notwithstanding any other provision hereof, until such time as the first Participant shall have acquired Shares in the Pool, this Contract may be terminated by the Treasury Board or amended in any respect by agreement of the Treasury Board and the Investment Manager.

(e) No amendment to this Contract shall be made that would expand or modify the duties and responsibilities, or otherwise affect, the Depository, the Custodian or the Rebate Calculation Agent without the prior written consent of the affected Person, which consent shall not be unreasonably withheld.

11.4 Consolidation. The Treasury Board may cause a merger or consolidation between the Pool or any successor thereto and any other pool if and to the extent permitted by law, as provided under the law then in effect. Nothing contained herein shall be construed as requiring approval of Participants for the Treasury Board to organize or assist in organizing one or other more or pools.

11.5 Notice. (a) The Treasury Board shall endeavor to cause the Investment Manager to provide as much notice prior to the effective date of amendments to this Contract as is practicable under the circumstances, taking into account, among other things, the likely time required for Participants that may wish to redeem their Shares before the effective date of a particular amendment to make alternative arrangements for the investment of the proceeds of the redemption of such Shares, but the Investment Manager shall bear no liability to any Participant for the failure to provide advance notice more than five (5) business days before such amendment shall become effective.

(b) Notices shall be given to the Parties, at the last address on file with sending Party, by telecopier or by mail. Notices given by telecopier shall be deemed effective one hour after transmission is completed. Notices given by overnight courier for next day delivery shall be deemed effective at 12 Noon on such next day. Notices given by first class mail shall be deemed effective at 12 Noon on the third business day after its postmarked date.

ARTICLE XII

Miscellaneous

12.1 Filing. This Contract and any amendment hereto shall be filed in the office of the State Treasurer and may also be filed or recorded in such other places as the Treasury Board may deem appropriate.

12.2 Governing Law. This Contract is executed and delivered in the Commonwealth and with reference to the laws thereof, and the rights of all parties and the validity and construction of every provision hereof shall be subject to and construed according to the laws of the Commonwealth and reference shall be specifically made to the Enabling Act as to the construction of matters not specifically covered herein or as to which an ambiguity exists.

12.3 Counterparts. This Contract may be simultaneously executed in several counterparts, each of which shall be deemed to be an original, and such counterparts, together, shall constitute one and the same instrument, which shall be sufficiently evidenced by any such original counterpart.

12.4 Provisions in Conflict with Law or Regulations. The provisions of this Contract are severable, and if the Treasury Board shall determine, that any of such provisions is in conflict with the 1940 Act, the provisions of the Internal Revenue Code of 1986, as amended, or with other applicable laws and regulations, the conflicting provision shall be deemed never to have constituted a part of this Contract; provided, however, that such determination shall not affect any of the remaining provisions of this Contract or render invalid or improper any action taken or omitted prior to such determination.

12.5 Contract Beneficiaries. This Contract is made solely for the benefit of those that are Parties and deemed Parties hereto and, with the exception of the Depository and the Rebate Calculation Agent, no other Person is entitled to any right or benefit under this Contract.

12.6 Purpose. This Contract is executed to establish the terms and conditions of the employment by the Treasury Board of PFM Asset Management LLC as Investment Manager of the Program. This Contract shall succeed on April 1, 2018 the contract made on January 16, 1989, effective March 1, 1989, and amended September 1, 1989, July 1, 1989, July 17, 1991, May 1, 1994, July 24, 1995, May 3, 1999, May 11, 2001, December 1, 2002, September 17, 2004, December 1, 2007, September 29, 2008, June 10, 2009, January 1, 2010, April 1, 2010 and October 27, 2016 (the "Former Contract").

12.7 Relationship to Former Contract. Except as to rights and liabilities accrued as of September 16, 2004, the Former Contract shall be deemed to have been amended and restated in the form of this Contract and this Contract shall thereafter govern the rights and obligations of the Parties.

IN WITNESS WHEREOF, the undersigned have caused these presents to be executed as of the day and year first above written.

**TREASURY BOARD OF THE
COMMONWEALTH OF VIRGINIA**

By: 

Chairman of the Treasury Board
and State Treasurer

PFM ASSET MANAGEMENT LLC

By: 

Nelson L. Bush
Managing Director