

**NEW JERSEY ASSET & REBATE MANAGEMENT PROGRAM**

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**FOURTH AMENDED AND RESTATED SHARED SERVICES INVESTMENT  
AGREEMENT**

By and Among

**THE BOARD OF DIRECTORS OF THE NEW JERSEY ASSET & REBATE  
MANAGEMENT PROGRAM**

and

**PFM ASSET MANAGEMENT LLC**

and

**U.S. BANK NATIONAL ASSOCIATION**

Dated as of: DATE, 2024<sup>1</sup>

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<sup>1</sup> The date will reflect the date that the Fourth Amended and Restated Shared Services Investment Agreement is approved by the Board of Directors.

**TABLE OF CONTENTS**

**ARTICLE I.....3**  
**General.....3**  
    1.1. Purpose.....3  
    1.2. Approval of Agreement.....3  
    1.3. Interpretation and Definitions.....3  
    1.4. Duration.....7  
    1.5. Registered Office.....7

**ARTICLE II .....7**  
**Program Operations.....7**  
    2.1. Powers of the Board of Directors.....7  
    2.2. Investment Program.....7

**ARTICLE III.....7**  
**Investment Administrator.....7**  
    3.1. Designation of Investment Administrator.....7  
    3.2. Investment Administrator’s Authority.....7  
    3.3. Responsibilities of the Investment Administrator.....8  
    3.4. Separately Managed Accounts.....14  
    3.5. Resignation, Termination and Successors.....14  
    3.6. Investment Administrator Compensation.....14  
    3.7. No Partnership.....14

**ARTICLE IV.....15**  
**Limitations of Liability and Indemnification.....15**  
    4.1. No Personal Liability of Participants.....15  
    4.2. No Liability of Program.....15  
    4.3. Liability to Third Parties; No Partnership Authority.....15  
    4.4. Indemnification.....16

<b>ARTICLE V .....</b>	<b>17</b>
<b>Units; Joint Account.....</b>	<b>17</b>
5.1. Units of Beneficial Interest. ....	17
5.2. Information Statement.....	17
5.3. Register of Units. ....	17
5.4. Notices.....	17
<b>ARTICLE VI.....</b>	<b>18</b>
<b>Custodian .....</b>	<b>18</b>
6.1. Appointment and Duties of Custodian. ....	18
6.2. Credit of Joint Account. ....	18
6.3. Payment of Certain Moneys by and to Custodian. ....	18
6.4. Disbursements.....	18
6.5. Delivery of Securities. ....	19
6.6. Opening of Accounts.....	20
6.7. Supplying of Information to Investment Administrator. T .....	20
6.8. Responsibility for Investments. ....	20
6.9. Custodian Compensation.....	21
6.10. Appointment of Agents. ....	21
6.11. Termination and Resignation.....	22
6.12. Successors. ....	22
6.13. Effect of Merger or Acquisition of or by Custodian. ....	22
<b>ARTICLE VII .....</b>	<b>22</b>
<b>Program Counsel; Auditor.....</b>	<b>22</b>
7.1. Program Counsel. ....	22
7.2. Auditor.....	22
<b>ARTICLE VIII.....</b>	<b>23</b>
<b>Amendment; Notice; Voting; Termination of Program.....</b>	<b>23</b>
8.1. Amendment. ....	23
8.2. Notices.....	23

8.3. Termination.....	24
<b>ARTICLE IX.....</b>	<b>25</b>
<b>Miscellaneous .....</b>	<b>25</b>
9.1. Filing.....	25
9.2. Governing Law. ....	25
9.3. Counterparts.....	25
9.4. Provisions in Conflict with Law or Regulations.....	26
9.5. Beneficiaries.....	26
9.6. Assignment.....	26
9.7. Entire Agreement.....	26
9.8. Headings.....	26

**NEW JERSEY ASSET & REBATE MANAGEMENT PROGRAM**

**FOURTH AMENDED AND RESTATED  
SHARED SERVICES INVESTMENT AGREEMENT**

This FOURTH AMENDED AND RESTATED SHARED SERVICES INVESTMENT AGREEMENT (hereinafter, the “Agreement”) is dated as of [Month X, 2024] and is made by and among the Board of Directors of the New Jersey Asset & Rebate Management Program, PFM Asset Management LLC, and U.S. Bank National Association. The above-referenced parties shall hereinafter be referred to collectively as the “Parties” and individually as a “Party”.

**WITNESSETH :**

**WHEREAS**, certain provisions of the Internal Revenue Code of 1986, as amended, have imposed restrictions, limitations and requirements on the investment of the proceeds of tax exempt obligations by local governmental units (“Local Governments”) generally; and

**WHEREAS**, such provisions impose on Local Governments the requirement that certain investment earnings on the proceeds of such tax exempt obligations be rebated to the Federal government; and

**WHEREAS**, the participants are Local Governments in the State of New Jersey who are authorized to enter into this Agreement (the “Participants”) pursuant to the Uniform Shared Services and Consolidation Act (N.J. Stat. Ann. 40A:65-1 et seq.), to obtain jointly and individually professional management of investments for excess cash and for the temporary investment of proceeds of tax-exempt and taxable bonds; and

**WHEREAS**, the Arbitrage Rebate Regulations (the “Regulations”) dealing with such investments provide, inter alia, that State and locality investment pools may be advantageous in assuring compliance with such rebate obligation; and

**WHEREAS**, the Participants have agreed to create the New Jersey Asset & Rebate Management Program (the “Program”) in order to establish and maintain the following portfolios: (i) an investment pool (the “Joint Account”) for the joint benefit of the Participants for the investment and reinvestment of the proceeds of tax-exempt and taxable bonds and excess cash; and (ii) an investment portfolio divided into series of fixed-term investment securities known as the NJ/TERM portfolio (“NJ/TERM”, and together with the Joint Account, the “Portfolios”); and

**WHEREAS**, the Participants have elected a Board of Directors (the “Board” or the “Board of Directors”) to be the governing body of the Program that shall manage business and affairs of the Program, including the supervision of service providers to the Program on behalf of the Participants; and

**WHEREAS**, the Participants have, as of the date hereof, adopted the By-Laws attached hereto as Exhibit A; and

**WHEREAS**, the Participants intend and the other parties acknowledge that the Program qualifies as a “local government investment pool” as defined by the Local Fiscal Affairs Law (N.J. Stat. Ann. 40A:5-15.1(e)(2)); and

**WHEREAS**, since it is beneficial for the Participants to arrange for the joint investment of the funds referenced herein, the Participants have decided that the beneficial interest of each Participant in the Program’s Portfolios be divided into units of beneficial interest (the “Units”), which shall be evidenced by a share register maintained by the Investment Administrator; and

**WHEREAS**, the Participants recognize that in undertaking the investment of funds in accordance with the Local Fiscal Affairs Law, they benefit from skilled professional investment management and administration of the Portfolios and such other investment accounts as may be offered by the Program; and

**WHEREAS**, the Board, on behalf of the Participants, has designated PFM Asset Management LLC as the Investment Administrator of the Program under this Agreement to invest the assets invested by the Participants and to administer the Program in accordance with this Agreement; and

**WHEREAS**, the Board, on behalf of the Participants, has designated U.S. Bank National Association as the Custodian of the assets invested by the Participants in the Program and the interest earned thereon; and

**WHEREAS**, the first shared services agreement of the Program was entered into on September 30, 2000, and further amended and restated on, December 13, 2004, June 1, 2009, and June 25, 2014 (collectively the “Prior Agreements”); and

**WHEREAS**, more than two-thirds (2/3) of the Participants, by weighted voting based upon the value of Units held in the Portfolios, have given their consent to the amendment and restatement of the Prior Agreements to this Agreement; and

**WHEREAS**, the Participants have declared their intention to be and remain Participants of the Program for the joint investment, and the individual investment as regards any particular Participant, of all Investment Funds (as defined herein) invested with the Program and the same shall be managed and disposed of in accordance with the provisions of this Agreement.

**NOW, THEREFORE**, the Parties by this Agreement amend and restate the Prior Agreements, and agree to continue the Program for the mutual benefit of the Participants as set forth herein.

**ARTICLE I**  
**General**

1.1. Purpose. This Agreement is entered into by the Parties in order to reaffirm the Program, consistent with the requirements of the Shared Services Act and the Local Fiscal Affairs Law. The Program has been created for the purpose of providing to Local Governments that become Participants an investment option for funds on hand, including where applicable operating funds, cash balances, reserve funds, the proceeds of taxable and tax-exempt bonds; rebate calculation pursuant to the Code; and advice in connection with the discharge of their legal obligation to invest their capital funds obtained through the issuance of tax-exempt debt and to rebate to the Federal government certain investment earnings.

1.2. Approval of Agreement. Each Local Government desiring to be a Participant in the Program shall be deemed a signatory to and to have approved this Agreement upon adoption or enactment of an ordinance or a resolution, as appropriate, of the governing body of such Local Government, or such other appropriate document or certificate of an Authorized Officer of such Local Government authorized to approve such document, approving the investment of the cash of such Local Government, including the proceeds of debt obligations, in the Program and delivery of such resolution, certified by the appropriate official of such Local Government, or such certificate, if appropriate, to the Board of Directors and Investment Administrator.

1.3. Interpretation and Definitions.

a) Terms listed below in the singular form shall include the plural and words listed in the plural shall include the singular.

b) Whenever the context may require, any pronoun that is used in this Agreement shall include the corresponding masculine, feminine and neuter.

c) Unless otherwise noted, the words “include,” “includes” and “including” when used in this Agreement shall be deemed to be followed by the phrase “without limitation”. The words “agree,” “agreements,” “approval” and “consent” when used in this Agreement shall be deemed to be followed by the phrase “which shall not be unreasonably withheld or unduly delayed,” except or unless the context may otherwise specify.

d) All references to Sections, Articles or Exhibits shall refer to Sections, Articles or Exhibits in this Agreement unless otherwise specified.

e) In addition to the terms elsewhere defined in this Agreement, the following terms shall have the following meanings:

“Affiliate” means with respect to a Person another Person directly or indirectly controlled, controlled by or under the common control with such Person, or any officer, director, partner or employees of such Person.

“Agreement” shall mean this Fourth Amended and Restated Shared Services Investment Agreement as amended from time to time. References in this Agreement to “Contract”, “hereof”,

“hereto” and “hereunder” shall be deemed to refer to this Agreement rather than the Article or section in which such words appear.

“Auditor” shall mean Ernst & Young LLP, Philadelphia, Pennsylvania, so long as it is the incumbent of the position of Auditor under Article VII of this Agreement, and its successors are appointed by the Board of Directors pursuant to the By-Laws.

“Authorized Officer” shall mean for each Participant the chief financial officer of the Participant or such other officer designated in writing by the governing body of such Participant.

“Beneficial Account” shall mean an account maintained under the direction of the Investment Administrator which records a Participant’s interest in funds invested by such Participant in the Program in any of the Portfolios or other investment vehicle.

“Business Day” shall mean a day on which (1) both the Federal Reserve Bank of New York and the Custodian are open for business, and (2) the primary trading markets for the Program’s portfolio instruments are open and the Program’s management believes there is adequate market to meet purchase and redemption requests. Additionally, the Program is authorized not to open for trading on a day that is otherwise a Business Day if the Securities Industry and Financial Markets Association (“SIFMA”) recommends that the primary trading markets close. The Program may also close early on a Business Day if the SIFMA recommends that primary trading markets close early. In light of anticipated limited availability for money market securities and fixed income settlement capacity limitations on the Good Friday holiday, the Program will not be open for business on Good Friday even if the primary trading markets are open. Specifically, on Good Friday, no Federal Reserve wire settlement will occur, purchases and redemptions will not be accepted and no settlement will occur for the Program.

“By-Laws” means the by-laws of the Program, as amended, as adopted and approved by the Participants and/or the Board of Directors from time to time pursuant to the terms thereof; the current version of which is attached hereto as Exhibit A.

“Cash Management Agent” shall mean a bank selected by the Board to provide the services of receiving and disbursing cash from and to Participants and the Custodian and upon Proper Instructions to pay the expenses of the Program, to receive cash amounts due to the Program and to provide for temporary investment of cash held by the Program, all as may be agreed between such bank and the Board on behalf of the Program.

“Code” shall mean the Internal Revenue Code of 1986, as amended.

“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 Agreement, and its successors appointed pursuant to the By-Laws.

“Director” means a member of the Board of Directors.

“Disbursement Account or Accounts” shall mean the accounts maintained by the Custodian pursuant to Section 6.7 hereof.



“Information Statement” shall mean the currently effective document describing the Program, as updated from time to time and distributed to all current and prospective Participants.

“Investment Administrator” shall mean PFM Asset Management LLC, including its permitted successors and assigns, so long as it is the incumbent of the position of Investment Administrator under Article III of this Agreement and its successors appointed pursuant to the By-Laws.

“Investment Funds” shall mean immediately available funds received by the Custodian, in accordance with the procedures described in the Program’s Information Statement, for investment in the Portfolios of the Program.

“Investment Guidelines” shall mean the guidelines and restrictions set forth in Exhibit B attached hereto, which shall be deemed to be revised from time to time to take into account changes in applicable law that either restrict or add to the authorized investments for Local Governments as may be described in the Program’s then current Information Statement.

“Joint Account” shall mean that portion of the Program, the assets of which are held by the Custodian for the joint investment with all Participants in accordance with this Agreement and the Investment Guidelines as relates to the Joint Account.

“Local Fiscal Affairs Law” shall mean the Local Fiscal Affairs Law, N.J.S.A. 40A:5-1 et seq. as revised or amended from time to time or as otherwise replaced and superseded.

“Local Government” shall mean a New Jersey municipality, county, school district or a regional authority or district other than an interstate authority or district.

“NJ/TERM” shall mean that portion of the Program, the assets of which are divided into series of fixed-term investment securities.

“Participants” shall mean as of any particular time the Local Governments that are holders of record of outstanding Units in the 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.

“Portfolios” shall refer to the Joint Account and NJ/TERM (as both are defined herein) collectively.

“Proceeding” means any threatened, pending or completed action, suit, or proceeding, whether civil, criminal, administrative, or investigative, and whether formal or informal.

“Program Counsel” shall mean McManimon, Scotland & Baumann, L.L.C., Roseland, New Jersey so long as it is the incumbent of the position of Program Counsel under Section 7.1 of this Agreement and its successors are appointed pursuant to the By-Laws.

“Program Property” means any and all property, real, personal or otherwise, tangible or intangible, which is transferred, conveyed or paid to the Program and all income, profits and gains therefrom and which, at such time, is owned or held by, for the account of the Program.

“Program Representative” means an individual who is, or was at the relevant time, a Director, officer, employee, or agent of the Program (including without limitation the Investment Administrator and the Custodian).

“Proper Instructions” shall mean written (including facsimile, electronic, or other similar means deemed to be reliable by the Investment Administrator) or telephone instructions from a Person or Persons reasonably believed by the recipient to be a Person or Persons authorized to give the particular class of instructions. As used in this Agreement, when not otherwise specified, “Proper Instructions” refers to instructions given by the Investment Administrator.

“Record Date” shall mean the date established by the Investment Administrator from time to time for purposes of establishing the voting interests of the Participants based on the number of Units held at such time.

“Registration Form” shall mean the Account Registration Form as described in the Information Statement and attached as an exhibit thereto, which is required to be executed by the Participant prior to entry into the Program.

“Regulations” shall mean the Arbitrage Rebate Regulations set forth in the Internal Revenue Service Regulations, Section 1.148-0 through 1.148-11 and 1.150-1 through 1.150-2, as revised or amended from time to time or as otherwise replaced and superseded.

“Securities” shall mean bonds, debentures, notes, evidences of indebtedness and other securities or investments in accordance with the Local Fiscal Affairs Law (N.J. Stat. Ann. 40A:5-15.1), and also deposits in accordance with the Local Fiscal Affairs Law, specifically (N.J. Stat. Ann. 40A:5-14).

“Separately Managed Account” shall mean the assets held by the Custodian for the separate investments made by the Investment Administrator on behalf of a Participant in accordance with Section 3.4 of this Agreement. The assets of a Separately Managed Account shall constitute a separate investment and shall not be deemed to constitute property of the Program.

“Shared Services Act” shall mean the Uniform Shared Services and Consolidation Act, N.J.S.A. 40A:65-1 et seq.

“State” shall mean the State of New Jersey.

“Unit” shall mean a share of beneficial interest issued by the Program to shares of the Joint Account or one or more series of NJ/TERM, as may apply.

“Yield” shall have the same meaning ascribed to such term in the applicable provisions of the Code and in the Regulations where used in connection with Bonds and the investment of the proceeds thereof.

1.4. Duration. Subject to earlier termination in accordance with the provisions of Section 8.3, the duration of this Agreement shall expire on December 31, 2029.

1.5. Registered Office. The Registered Office of the Program in New Jersey shall be 200 Princeton South Corporate Center, Suite 270A, Ewing, New Jersey 08628 or such other office in New Jersey as designated by the Investment Administrator in a notice to the Board of Directors, Auditor, Custodian, Participants and Program Counsel. The Investment Administrator is the Registered Agent for service of process in New Jersey.

## **ARTICLE II** **Program Operations**

2.1. Powers of the Board of Directors. Subject to the rights of the Participants as provided herein and in the By-Laws, the Board of Directors shall be the investment officers of the Program and shall have authority over the Program Property and the affairs of the Program to administer the operation of the Program, subject to the requirements, restrictions and provisions of the By-Laws, including the power to delegate such functions of administration pursuant to the By-Laws.

2.2. Investment Program. The Board of Directors shall use their best efforts to obtain, through the Investment Administrator or other qualified Persons, a continuing and suitable investment program, consistent with the investment policies and objectives of the Program, and the Board of Directors shall be responsible for reviewing and approving or rejecting the investment program presented by the Investment Administrator or such other Persons. Subject to the provisions of this Agreement, the Board of Directors may delegate functions arising under this Section 2.2 to one or more Directors, committees of the Board, or to the Investment Administrator.

## **ARTICLE III** **Investment Administrator**

3.1. Designation of Investment Administrator. The Participants have designated PFM Asset Management LLC to serve as Investment Administrator because of its experience in the professional services of advising and administering pooled funds and individual investments of local governments. By its execution of this Agreement, PFM Asset Management LLC accepts the designation as Investment Administrator and agrees to serve as Investment Administrator of the Program in accordance with this Agreement.

3.2. Investment Administrator’s Authority.

a) Subject to the provisions of this Agreement and the By-Laws, the Investment Administrator shall have exclusive management of the investment and reinvestment of the assets of the Program, and the Participants agree to accept the purchases, sales or exchanges of Securities effected by the Investment Administrator in accordance with the terms and provisions of this Agreement. Each Participant shall evidence its consent to investment in the Portfolios through the completion of the applicable Registration Form as provided by the Investment Administrator. Each Participant which wishes to invest in a Separately Managed Account shall likewise evidence its consent through the execution of a Separately Managed Account Agreement with the Investment Administrator.

b) If Proper Instructions have not been received from a Participant for cash held in the Portfolios for the benefit of the Participant, the Investment Administrator is authorized and directed to credit the cash to the Joint Account and invest it accordingly.

### 3.3. Responsibilities of the Investment Administrator.

a) In its capacity as investment adviser to the Program, the Investment Administrator shall provide the following services:

- (i) Furnish the Program with statistical information and reports with respect to investments which the Investment Administrator manages for the Program;
- (ii) Place all orders for the purchase, sale, loan, or exchange of Securities for each of the Portfolios with brokers or dealers selected by Investment Administrator, and to that end the Investment Administrator is authorized as the agent of the Program to give instructions to the Custodian as to deliveries of Securities and payments of cash for the account of the appropriate Program Portfolio;
- (iii) Conduct an investment program in accordance with arbitrage rebate requirements as interpreted by Program Counsel and, if required, complete periodic preparation of arbitrage rebate calculations and reports in accordance with the Regulations; and
- (iv) Assist the Participants in developing accurate drawdown schedules to be used for the development of an efficient investment program for the Participant.
- (v) The Investment Administrator will only make investments consistent with sound business practice within the guidelines set forth in the Information Statement and any other guidelines approved by the Board and provided to the Investment Administrator in writing. In connection with the selection of such brokers and dealers and the placing of such orders, the Investment Administrator is directed to seek for the Program the most favorable execution and price. After fulfilling this

primary requirement of seeking the most favorable execution and price, the Investment Administrator is hereby expressly authorized to consider, subject to any applicable laws, rules and regulations, whether statistical, research and other information or services have been or will be furnished to the Investment Administrator or the Program by such brokers and dealers

b) In its capacity as administrator to the Program, the Investment Administrator shall Provide the following services:

- (i) General Administration. Under the direction of the Board, the Investment Administrator shall manage, administer, and conduct the general business activities of the Program other than those which have been contracted to third parties by the Program. The Investment Administrator shall be responsible for coordinating all logistical matters related to meetings of the Board, of committees of the Board and of the Participants. The Investment Administrator shall process invoices of the Program insofar as authorized by the Program. The Investment Administrator shall provide the personnel and facilities necessary to perform such general business activities under the supervision of the Board and the Investment Administrator will have full responsibility for the general management of these functions.
- (ii) Marketing. Subject to the supervision and approval of the Board, the Investment Administrator will provide marketing services for the Program. In connection therewith, the Investment Administrator, through itself or any broker-dealer that is an Affiliate of U.S. Bancorp, will market Shares in the Portfolios in compliance with the Program's Information Statement, this Agreement, By-Laws, and applicable laws governing the distribution of securities. At its own expense, the Investment Administrator will:
  - A. Prepare, print and distribute information regarding the Portfolios to Participants and potential Participants in the Program, such information to include the Information Statement and any revisions thereto, and other explanatory, financial and promotional material, including the Annual Report and listings of assets of the Joint Account. The Investment Administrator will from time to time produce and distribute materials describing the Program;
  - B. Contact, by telephone or in person, representatives of New Jersey Local Governments to solicit participation in the Program;

C. Design and execute or cause to be designed and executed an integrated marketing and sales program for the Program that includes, as appropriate, the following;

1. Participation at state-wide association conventions;
2. Organization of seminars/workshops;
3. Making sales calls/presentations to potential participants;
4. Making telephone outcall programs for new prospect solicitation, retention sales and Participant surveys;
5. Preparation of newsletter articles and brochures;
6. Preparation of direct mail promotional materials;
7. Provision of technical/administrative assistance to existing and potential Participants;
8. Development of transactional enhancements, as appropriate, for the operation of the Program; and
9. Creation and maintenance of a Program website; and
10. Prepare daily seven-day Yield information for Participants.

(iii) Accounting. The Investment Administrator shall provide the following account services for the Program with respect to the Portfolios:

- A. Maintenance of the books and records and accounting controls for assets, including records and documentation of all Securities transactions;
- B. Accounting for dividends and interest received and distributions made;
- C. The production of transaction data, financial reports, and such other periodic and special reports as the Board may reasonably request;

- D. Preparation and filing of the Program's tax returns;
  - E. Collect all property due to the Program and its Participants; cause the Program to pay all claims, including taxes, if any, against the Program's assets; to prosecute, defend, compromise or abandon any claims relating to the Program's assets; to foreclose any security interest securing any obligations by virtue of which any funds are owed to the Program; and to enter into releases, agreements and other instruments;
  - F. Liaison with the Program's Auditor concerning the Portfolios;
  - G. Monitoring and administration of arrangements with the Custodian, Auditor, and Program Counsel;
  - H. Calculate daily the net income of the Joint Account payable to Participants and the net asset value of the Units all in accordance with this Agreement and the Information Statement;
  - I. Calculate the net asset value and weighted average maturity of each NJ/TERM series in accordance with the By-Laws and the Information Statement;
  - J. The preparation of quarterly and annual financial statements, information for the Annual Report and other Participant communications; and
  - K. Calculation of the dividend payable to Participants in accordance with the By-Laws and the Information Statement.
- (iv) Coordination. With respect to the Portfolios, the Investment Administrator shall:
- A. Coordinate with the Custodian the maintenance of ongoing records of investments, investment returns, and earnings by the Portfolios;
  - B. Supervise and coordinate with the Custodian as to funds availability and direct the Custodian and the Cash Management Agent, if any, as to payment or non-payment of instruments drawn on Participants' accounts;
  - C. Arrange for delivery to the Custodian of all Securities and collateral and prepare and process all receipts, order

confirmations and records needed for bookkeeping, accounting, auditing, and reporting;

D. Assure the timely preparation of such financial statements as shall be required by the Board; and

E. Acknowledge and respond to all correspondence related to the Portfolios.

(v) Investor Services. The staff of the Investment Administrator shall be available to answer questions from Participants and potential Participants concerning, among other things: investments in the Program, the features of the Portfolios, the Yields of the Joint Account, the status of the accounts therein, the status of NJ/TERM Participant accounts, and the Yields of NJ/TERM. To facilitate such communications, the Investment Administrator shall provide a toll-free telephone facility for exclusive use by Participants and potential Participants in the Program. The Program maintains a website at [www.njarm.com](http://www.njarm.com). The Investment Administrator agrees that it will administer and maintain the Program's website. The Investment Administrator will use commercially reasonable efforts to keep the Program's website fully functional and accessible to authorized users throughout the term of this Program Agreement. The Investment Administrator will provide access through the Program's website to the Investment Administrator online access and trading system for Participants under which Participants will be able to access their Portfolios investment records online and initiate Portfolios transactions online.

(vi) Transfer Agent. As Transfer Agent for the Portfolios, the Investment Administrator shall:

A. Maintain records showing for each Participant the following:

- i. Name, address, and tax identification number (if applicable);
- ii. Number of Portfolio shares held;
- iii. Historical information including dividends paid and date and price of all transactions including individual purchases and redemptions; and
- iv. Any Registration Forms, applications, and correspondence relating to the maintenance of Program accounts.



- B. Receive and process all orders for the purchase and redemption of Portfolio Units in accordance with the current Information Statement.
- C. Prepare, print, and mail proxy or Information Statements and other materials in connection with seeking approvals of Participants as required by the Program Agreement, the By-laws or applicable law.
- D. Receive, examine, and tabulate returned Participant proxies, and certify the final results of the tabulation.

(vii) Dividend Disbursing Agent. As dividend disbursing agent for the Portfolios, the Investment Administrator shall credit dividends and distributions to Participants in the following manner:

- A. As Transfer Agent, the Investment Administrator will first calculate the dividend or distribution payable to Participants in accordance with the By-Laws and Information Statement;
- B. Following such calculation, the Investment Administrator will notify the Custodian of the estimated amount required to pay any portion of said dividend or distribution which is payable in cash, and on or before the payment date of such distribution, instruct the Custodian to deposit in the appropriate account of the Program funds for the amount to be paid; and

If a Participant is entitled to receive additional shares by virtue of such dividend or distribution, the Investment Administrator will make the appropriate credits to the Participant's account and provide a confirmation to the Participant.

(viii) Agents. Upon prior written notice to the Program, the Investment Administrator may at any time appoint (and at any time remove) any financial institution or any corporation (including any Affiliate of Investment Administrator) to serve as its agent to duties to the Program included in this Section 3.3(b), provided, however, that (i) the appointment of any such agent shall not relieve the Investment Administrator of any of its responsibilities under this Agreement; (ii) the Investment Administrator shall be directly responsible for all actions and omissions of any such agent; and (iii) the Investment Administrator shall be responsible for the payment of all fees and expenses of any such agent. For the avoidance of doubt, such

delegation does not include Investment Administrator's investment advisory duties.

3.4. Separately Managed Accounts. The Investment Administrator shall offer each Participant the option of investing its funds in one or more investments outside of the Portfolios in Separately Managed Accounts under terms of a separate agreement between the Investment Administrator and the Participant. The Investment Administrator agrees to manage and administer the Separately Managed Accounts in accordance with the separate agreement with the Participant and all applicable laws and regulations relating to such activities.

3.5. Resignation, Termination and Successors. The Investment Administrator may resign its position under this Agreement, on not less than sixty (60) days' written notice to the Board of Directors. Upon the giving of such notice, the Investment Administrator shall cooperate with the Custodian for the purpose of continuing or otherwise winding up the affairs of the Portfolios in accordance with Section 8.3(c) of this Agreement. The Investment Administrator may also be terminated by the Board of Directors at any time on not less than sixty (60) days' notice. A successor Investment Administrator may be appointed by the Board of Directors. If the Board of Directors fails to appoint a successor Investment Administrator within sixty (60) days after notice of such resignation or termination, the Program shall be terminated and the assets of the Joint Account shall be liquidated by the Custodian and distributed to the Participants in proportion to their interest.

3.6. Investment Administrator Compensation.

- (a) For services provided directly by the Investment Administrator, the Joint Account pays a monthly fee based on the following annual percentages of the average daily net assets of the Joint Account:

<b>Average Daily Net Assets</b>	<b>Rate</b>
First \$200 million	17 basis points (0.17%)
Next \$200 million	15 basis points (0.15%)
Next \$200 million	13 basis points (0.13%)
Over \$600 million	12 basis points (0.12%)

- (b) For services provided for NJ/TERM, the Investment Administrator may receive a fee up to 0.20% of the average daily net assets of the Participants in NJ/TERM. The costs of the Custodian and other agents, legal counsel, and other fees and expenses of NJ/TERM (excluding only commissions and legal fees and expenses of the Program related to litigation or threatened litigation) must be provided for by the Investment Administrator within this overall fee.

3.7. No Partnership. It is not the intention of this Agreement to create with the Participants a general partnership, limited partnership, joint stock association, corporation, bailment or any form of legal relationship other than a shared services agreement in which a Participant holds the beneficial interests conferred by its Units in the Portfolios. Nothing in this

Agreement shall be construed to make the Participants partners or members of a joint stock association.

**ARTICLE IV**  
**Limitations of Liability and Indemnification**

4.1. No Personal Liability of Participants. As set forth herein and in the By-Laws, no Participant shall be subject to any liability whatsoever to any Person in connection with the Program or the acts, obligations or affairs of the Program. No officer, employee or agent of any Participant shall be subject to any personal liability to any Person in connection with the Program, save only that arising from his bad faith, willful misfeasance, gross negligence or reckless disregard of his duty to such Person. Wherever reasonably practicable, every written obligation made or issued by the Program shall contain an appropriate recital to the effect that the Participants, and their officers, employees and agents 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.

4.2. No Liability of Program. The Parties recognize that the assets held by the Program for investment may be derived from the proceeds of debt obligations of Local Governments that by law may be expended only for the respective purposes for which such obligations were issued. Therefore, the Parties agree that, except as otherwise expressly provided in this Agreement in connection with redemptions and the investment and reinvestment of assets of the Program and the payment therefrom of the fees and expenses of the Investment Administrator, the Custodian, Program Counsel, and the Auditor and other similar expenses, assets held by the Program for investment are subject to requisition or disbursement only at the direction of the Board of Directors.

4.3. Liability to Third Parties; No Partnership Authority. Neither a Participant nor the Investment Administrator shall be liable for the debts, obligations or liabilities of the Program of any kind, including under a judgment decree or order of a court, or for the acts or omissions of any other Participant, other Investment Administrator or agent or employee of any other Investment Administrator; and no Director, officer, employee or agent (including without limitation, the Investment Administrator and the Custodian) of the Program shall be subject to any personal liability whatsoever in tort, contract or otherwise, to any Person or Persons other than the Program in connection with Program Property or the affairs of the Program, except that each shall be liable for its, his or her bad faith, willful misconduct, gross negligence or reckless disregard of its, his or her duties or for its, his or her failure to act in good faith in the reasonable belief that its, his or her action was in the best interests of the Program, and except that the Investment Administrator shall have liability for its, his or her failure to take reasonable measures to restrict investments of Program Property to those permitted by law and this Agreement. All Persons other than the Program shall look solely to the Program Property for satisfaction of claims of any nature arising in connection with the affairs of the Program. If any Participant, Director, officer, employee or agent (including, without limitation, the Investment Administrator and the Custodian) of the Program is made a party to any suit or proceedings to assert or enforce any such liability, it, he or she shall not on account thereof be held to any personal liability. Provided, further, that notwithstanding anything in the foregoing to the contrary, any vendor, Investment Administrator,

consultant, administrator, or other third party, employed by or under contract with the Program, shall be responsible to the Program and its Participants as intended beneficiaries, to perform in accordance with the standards imposed in a contract with such party, by operation of law. No Participant shall be deemed the agent, representative or partner of any other Participant for any purpose, nor shall any Participant have any authority to bind, or hold itself out as having any authority to bind, any other Participant to any obligation.

#### 4.4. Indemnification.

(a) Except as provided in subsection (c) hereof, the Program shall indemnify, defend, protect and hold harmless any Person from and against any and all Liabilities arising out of a Proceeding that such Person is a party to because of such Person's status as a Program Representative if such Person's conduct was made in good faith, and (i) such Person reasonably believed that such conduct was in the Program's best interests or, (ii) in the case of a criminal Proceeding, such Person had no reasonable cause to believe such conduct was unlawful.

(b) In no event may the Program indemnify the Investment Administrator for any liability arising out of such Person's bad faith, willful misconduct, gross negligence or reckless disregard with respect to the restrictions on investments of the Program Property. Further, the Program shall not indemnify any Program Representative under this Section 4.4 either (i) in connection with a Proceeding by or in the right of the Program in which the Program Representative was adjudged liable to the Program, or (ii) in connection with any Proceeding charging improper personal benefit to such Person, in which such Person was adjudged liable on the basis that such personal benefit was improperly received in connection with a Proceeding by or in the right of the Program.

(c) Except as provided in subsection (c) of this Section 4.4, the termination of any Proceeding by judgment, order, settlement, or conviction, or upon a plea of *nolo contendere* or its equivalent, is not of itself determinative that the Person did not meet the standard of conduct set forth in subsection (b) of this Section 4.4.

(d) No indemnification shall be made unless and until a specific determination has been made that indemnification is authorized under this Section 4.4. Such determination shall be made by the Board of Directors by a majority vote of a quorum, which quorum shall consist of Directors not parties to the Proceeding. If such quorum cannot be obtained, the determination shall be made by a majority vote of a committee of the Board designated by the Board of Directors as set forth in this Agreement, which committee shall consist of two (2) or more Directors not party to the Proceeding (such committee of the Board the "Indemnification Committee"). Directors who are parties to the Proceeding may participate in designating Directors for the Indemnification Committee. If the said quorum cannot be obtained or the Indemnification Committee cannot be established, or if such quorum is obtained or the Indemnification Committee is designated and such quorum or Indemnification Committee so directs, the determination may be made by independent legal counsel selected by a vote of the Board of Directors or the Indemnification Committee as specified above. If independent counsel determines that indemnification is required under this Section 4.4, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by the body that selected such counsel.

(e) The Program may pay for or reimburse all costs and expenses incurred by a Program Representative with respect to a Proceeding (including attorneys' fees and other professional fees) in advance of final disposition thereof if (i) the Program Representative furnishes the Program a written affirmation of such Person's good faith belief that such Person has met the standard of conduct described in subsection (b) of this Section 4.4 and agreeing to repay the advance if it is ultimately determined that indemnification is not authorized under this Section 4.4, and (ii) it is determined as provided in subsection (e) above that the facts then known would not preclude indemnification under this Section 4.4.

(f) Any indemnification of or advance of expenses to a Program Representative pursuant to this Section 4.4 shall be reported in writing to the Participants as soon as practicable, if such indemnification of or advance of expenses arises out of a Proceeding by or on behalf of the Program.

(g) No Program Representative entitled to indemnification may take or be paid the same except out of the earnings of the Program, and no Participant shall be personally liable to any such Program Representative for all or any portion of such indemnity.

## ARTICLE V Units

5.1. Units of Beneficial Interest. Since it is beneficial for the Participants to arrange for the joint investment of the funds, the beneficial interest in the Program's Portfolios shall be divided into Units, which shall be evidenced by a share register maintained by the Investment Administrator. The number of Units held by a Participant (including fractional Units) at any time shall be determined by the method and frequency established by the Board which shall be set forth in the then current Information Statement. The duty to make calculations may be delegated by the Board to the Investment Administrator, the Custodian, or such other person as the Board may by resolution delegate, in accordance with the Bylaws.

5.2. Information Statement. Units in the Portfolios shall be described to Participants and prospective Participants by means of a current Information Statement which shall be prepared and supplemented, if necessary, by the Investment Administrator and shall be reviewed and approved by Program Counsel.

5.3. Register of Units. The Investment Administrator shall, under the direction of the Board of Directors, maintain a register of the names and addresses of the Participants and the number of Units held by them respectively. Such register shall be conclusive as to who are the holders of the Units of beneficial interest in the Portfolios and who shall be entitled to receive dividends or distributions or otherwise to exercise or enjoy the rights of Participants. No certificates will be issued for the Units. A copy of such register kept current at all times shall be made available to the Custodian which shall be entitled to rely thereon.

5.4. 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 8.2 hereof.

**ARTICLE VI**  
**Custodian**

6.1. Appointment and Duties of Custodian. The Participants have appointed U.S. Bank National Association as Custodian of the Portfolios all upon such basis of compensation as may be agreed upon between the Board of Directors and the Custodian. Subject to the provisions of this Agreement and the By-Laws, the Custodian shall have the following duties:

- (a) to receive and hold the Securities owned by the Program and deliver the same upon Proper Instructions;
- (b) to act upon Proper Instructions to effect the receipt, transfer or delivery of the Program's assets;
- (c) to receive and receipt for any moneys due to the Program;
- (d) pay over such funds upon Proper Instructions; and
- (e) to conduct and manage any voting procedures affecting any Participant.

6.2. Credit of Portfolios. The Custodian will collect from time to time the principal payments, sale proceeds, dividends and interest on all Securities and cash held by it to the credit of the Portfolios and will credit the same to the Portfolios.

6.3. Payment of Certain Moneys by and to Custodian. The Custodian is authorized to advance or pay out of the appropriate accounts accrued interest on Securities purchased and dividends on Securities sold and like items as directed by the Investment Administrator. Any dividends or interest payments intended for the Program shall be payable to the Custodian. The Custodian will give appropriate orders to the issuers of the Securities to pay dividends and interest to the Custodian.

6.4. Disbursements.

(a) The Custodian is hereby authorized and directed upon Proper Instructions to pay cash from funds applicable to the Joint Account from time to time to the Cash Management Agent, if any, or directly for any of the following purposes:

- (i) to transfer funds to the Participants, in accordance with this Agreement;
- (ii) to pay taxes, if any;
- (iii) to pay for the purchase of Securities purchased for the Portfolios by the Investment Administrator; and
- (iv) to pay the redemption price of Units redeemed from the Portfolios.

(b) The Custodian:

- (i) shall, before making any such payment, receive Proper Instructions from the Investment Administrator requesting such payment and stating that it is for one or more of the purposes enumerated in the foregoing subsections (a) and (b), which instructions may be of a continuing nature and, in such case, may be relied upon by the Custodian for all similar purposes until revoked in writing by the Investment Administrator, provided that if the payment is for other proper purposes, the instructions shall be in writing and shall state that it is for a proper purpose; and
- (ii) notwithstanding anything to the contrary herein, may conclusively rely upon Proper Instructions and may presume that any payment made in accordance with such Proper Instructions is fully authorized and for a proper purpose.

6.5. Delivery of Securities. The Custodian is hereby authorized and directed to deliver Securities from time to time as follows:

(a) for the purpose of completing sales of Securities upon receipt of the net proceeds of sale and in accordance with Proper Instructions specifying the Securities sold and stating the amount to be received and the broker, investment banker or other party to or upon whose order the Securities are to be delivered;

(b) for the purpose of exchanging Securities for other Securities and/or cash (i) upon receipt of Proper Instructions stating the Securities to be delivered and the Securities and/or cash to be received in exchange and the manner in which the exchange is to be made, and (ii) against receipt of the other Securities and/or cash as specified in the Proper Instructions;

(c) for the purpose of exchanging or converting Securities pursuant to their terms or pursuant to any plan of conversion, consolidation, recapitalization, reorganization, readjustment or otherwise, (i) upon receipt of Proper Instructions authorizing such exchange or conversion and stating the manner in which such exchange or conversion is to be made, and (ii) against receipt of the Securities, certificates of deposit, interim receipts, and/or cash to be received as specified in the Proper Instructions;

(d) for the purpose of presenting Securities for payment which have matured or have been called for redemption, upon receipt of Proper Instructions; and

(e) for the purpose of delivery of Securities upon redemption of Units in kind, upon receipt of Proper Instructions.

6.6. Opening of Accounts. Upon Proper Instructions, the Custodian will open and maintain one or more Disbursement Accounts to facilitate the operation of the Program and from time to time shall pay funds on deposit in such accounts in accordance with Proper Instructions,

which instructions may be of a continuing nature and, in such case, may be relied upon by the Custodian for all similar purposes until revoked in writing by the Investment Administrator.

6.7. Supplying of Information to Investment Administrator. The Custodian shall forward to the Investment Administrator proxies, proxy statements, annual reports, conversion notices, call notices, or other notices of written materials sent to the registered owners of securities and actually received by the Custodian (hereafter referred to as “notices and materials”), excluding only certificates representing Securities and dividend and interest payments. Responsibility for taking action thereon is solely that of the Investment Administrator, and not the responsibility of the Custodian. Upon actual receipt by the Custodian of warrants or rights issued in connection with the assets of the Portfolios, the Custodian shall enter on its ledgers appropriate notations indicating such receipt and shall forward notice thereof to the Investment Administrator, but shall have no obligation whatsoever to take any action of any kind with respect to such warrants or rights except upon receipt of Proper Instructions authorizing the exercise or sale of such warrants or rights.

6.8. Responsibility for Investments.

(a) The Custodian (except when winding up business in cooperation with the Investment Administrator upon the receipt from the Investment Administrator of notice of resignation or termination referred to in Section 3.5 or as otherwise provided herein) assumes no responsibility for the management, investment or reinvestment of the Securities from time to time in the Portfolios whether or not on deposit hereunder, it being understood that the responsibility for the proper and timely management, investment and reinvestment of said Securities shall be that of the Investment Administrator.

(b) In connection with its functions under this Agreement, the Custodian shall, in addition to any other duties set forth in the Agreement:

- (i) obtain a “due bill” for dividends, interest or other distributions of the issuer, due the purchaser in connection with Securities delivered to the Custodian;
- (ii) render to the Investment Administrator a daily report of all monies received or paid on behalf of the Portfolios, balances to the credit of the Portfolios, and such listings of Securities held by the Custodian for the account of the Portfolios, as may from time to time be requested by the Investment Administrator;
- (iii) execute ownership and other certificates and affidavits for all Federal and State tax purposes in connection with the collection of bond and note coupons;
- (iv) present for payment on the date of payment all coupons and other periodic income items requiring presentation;



- (v) monitor and record the collection of funds for the benefit of Participants as received; and
- (vi) keep accurate books and records regarding the assets held hereunder relating to its activities and obligations under this Agreement. All records maintained by the Custodian in connection with the performance of its duties under this Agreement will be available for inspection during Custodian's normal business hours and copying by any Participant at the Participant's expense.

(c) If the Custodian does not receive payment for items due under pursuant to the terms of this Agreement within a reasonable time after it has made proper demands for the same, it shall promptly notify the Investment Administrator by telephone or other electronic means, followed by notice in writing, including copies of all demand letters, any written responses thereto, and memoranda of all oral responses thereto and to telephonic demands, and await Proper Instructions; the Custodian shall not be obliged to take legal action for collection except by its consent and unless and until reasonably indemnified to its satisfaction.

The Custodian shall not be liable for any taxes, assessments, or governmental charges which may be levied or assessed upon the Securities held by it hereunder, or upon the income therefrom or otherwise whatsoever. If determined by counsel to the Custodian that any such tax, assessment, or charge must be paid, the Custodian may pay it, reimburse itself out of the assets of the Portfolios and provide notice of the payment and reimbursement to the Investment Administrator and the Participants within thirty days of such action.

In the event that a Cash Management Agent has not been appointed by the Investment Administrator, then in the event that cash in the Portfolios is disbursed for the purchase of Securities, upon the failure to receive said Securities the Custodian will credit the Portfolio with earnings on said cash calculated at a rate equal to the effective Federal funds rate for the period of the failure, adjusted for such bank reserve requirements as the Custodian may have with respect to such cash for the period. In the event the available cash in the Portfolios is negative or otherwise insufficient to cover the amounts required for the purchase of Securities, the Custodian will advance the necessary cash and charge the Portfolios, as applicable, at the effective Federal Funds rate for the applicable period.

6.9. Custodian Compensation. Except as otherwise provided in this Agreement, any expenses, costs or fees of the Custodian in connection with the Program shall be paid in accordance with the fee schedule attached hereto as Exhibit C, which may be amended from time to time by the Custodian upon notice to the Board. If such expenses, costs or fees have not been paid within thirty (30) days, the Custodian may, upon three (3) days' prior written notice to the Board, debit the Portfolios with respect to which fees have not been paid, as appropriate.

6.10. Appointment of Agents. The Custodian may, at any time or times appoint (and may at any time remove) any other bank, trust company or responsible commercial agent as its agent to carry out such of the provisions of this Agreement as the Custodian may from time to time direct, provided, however, that the appointment of such agent shall not relieve the Custodian of any of its responsibilities under this Agreement.

6.11. Termination and Resignation. The Board of Directors may terminate the employment of the Custodian on not less than sixty (60) days' notice to the Custodian. The Custodian may resign its position under this Agreement, on not less than sixty (60) days' written notice. Such notice of termination or resignation shall also be given to all parties to this Agreement. The retiring Custodian shall cooperate with the successor Custodian by transferring to the successor Custodian effective on the date of such termination or resignation all assets of the Program, copies of records respecting the Program generally and such other information as the successor Custodian or the Investment Administrator may reasonably request.

6.12. Successors. In the event of termination or resignation of the Custodian, the Board of Directors shall appoint a successor Custodian. In the event that the Board of Directors fails to appoint a successor within the time provided, the Investment Administrator shall appoint an interim successor to any Custodian that is terminated or resigns in accordance with Section 6.12. The successor Custodian shall evidence its acceptance of the duties of the Custodian by executing a copy of this Agreement specifically acknowledging and accepting the duties and obligations hereunder.

6.13. Effect of Merger or Acquisition of or by Custodian. Any merger, acquisition, disposition or other similar transaction by or affecting the banking institution of which the Custodian is a part or any line of business of such Custodian, including service as Custodian for the Program, shall not be deemed to require the appointment of a successor Custodian pursuant to Section 6.13.

## **ARTICLE VII**

### **Program Counsel; Auditor**

7.1 Program Counsel. As set forth in the By-Laws, the Board shall retain a firm or firms of attorneys with experience in the field of municipal securities and finance to provide legal counsel to the Program (the "Program Counsel"). McManimon, Scotland & Baumann, L.L.C., Roseland, New Jersey is hereby appointed Program Counsel to the Program. Program Counsel shall serve as legal counsel in connection with such matters concerning the Program as shall be deemed necessary by the Investment Administrator or by the Custodian, including making modifications or revisions to the Investment Guidelines to conform them to any changes in applicable State law providing for restrictions or additions to authorized investments for Local Governments or to changes in the Regulations. The Program Counsel may be replaced as set forth in the By-Laws.

7.2 Auditor. As set forth in the By-Laws, the Board shall retain an independent certified public accountant or a firm of such accountants (the "Auditor") to audit annually the financial statements of the Program and its Portfolios. Copies of such audited financial statements and the report thereon shall be provided to the Board of Directors within one hundred and twenty (120) days. The Investment Administrator shall furnish a copy of such audited financial statements to each Participant and to each Local Government who was a Participant in the Program as of the end of the respective fiscal period and shall make such audited financial statements available to the public via the Program's website within one hundred and twenty (120) days of the publication

of such audited financial statements.. Ernst & Young LLP, Philadelphia, Pennsylvania, is hereby appointed as Auditor. The Auditor may be replaced as set forth in the By-Laws.

## **ARTICLE VIII**

### **Amendment; Notice; Voting; Termination of Program**

#### **8.1 Amendment.**

(a) In accordance with the By-Laws, the Participants, by the affirmative vote of the holders of at least two-thirds of the aggregate number of outstanding Units, may amend this Agreement at any time. All of the Parties agree, however, that this Agreement shall be deemed amended if in the opinion of Program Counsel it is necessary to conform this Agreement to the requirements of applicable federal or State laws or regulations. No amendment to this Agreement shall take effect until ten (10) days after the giving of notice to Participants as provided in Section 8.2 hereof.

(b) No amendment may be made under Section 8.1(a) above which would change any rights with respect to any Units of the Portfolios by reducing the amount payable thereon upon liquidation of the Program. Nothing contained in this Agreement shall permit the amendment of this Agreement to impair the exemption from personal liability of the Participants, officers, employees and agents of the Program or to permit assessments upon Participants.

(c) No amendment to this Agreement that would expand or modify the duties and responsibilities, or otherwise materially affect, the Investment Administrator, Custodian, Program Counsel, or Auditor, shall become effective without the written consent of the affected Person.

(d) Amendments to the Investment Guidelines set forth in Exhibit B resulting from changes in applicable law that either restrict or add to the authorized investments for Local Governments shall not be an amendment for purposes of this Section 8.1 and shall not require compliance with the procedural requirements set forth herein to take effect.

#### **8.2 Notices.**

(a) All notices required or permitted to be given under this Agreement shall be in writing and shall be given to the Parties to this Agreement at the last address on file with the Investment Administrator, by first class mail, telecopier, electronic or any other means deemed to be reliable by the Investment Administrator. Notice given by facsimile or electronic means shall be deemed effective when confirmed. Notice given by overnight courier for next day delivery shall be deemed effective at 12:00 p.m. on such next day. Notice given by first class mail shall be deemed effective at 12:00 p.m. on the third business day after its postmarked date.

(b) Any notice to be given to the Parties other than Participants shall be sent to the following addresses:

**To the Custodian:**

U.S. Bank National Association  
60 Livingston Avenue  
St. Paul, MN 55107  
Attention: Kathleen O'Connor

**To the Investment Administrator:**

PFM Asset Management LLC  
1735 Market Street  
Philadelphia, Pennsylvania 19103  
Attention: Legal

PFM Asset Management LLC  
200 Princeton South Corporate Center  
Suite 270A  
Ewing, New Jersey 08628  
Attention: Martin L. Hammond

**To Program Counsel:**

McManimon, Scotland & Baumann, L.L.C.  
75 Livingston Avenue,  
Roseland, New Jersey 07068  
Attention: Jeanmarie Dunn-Kane

**To the Auditor:**

Ernst & Young LLP  
2005 Market Street, Suite 700  
Philadelphia, Pennsylvania 19103  
Attention: Michael D. Costigan

The address of any Party for receipt of notices may be changed at any time by notice to the other parties to this Agreement.

8.3 Termination.

a) Automatic Termination. This Agreement and the Program shall terminate automatically in the event that:

- (i) The amounts on deposit in the Joint Account shall have been less than \$100,000 for ninety (90) consecutive Business Days; or
- (ii) PFM Asset Management LLC shall have resigned or been terminated as Investment Administrator of the Program, and the Board of Directors shall not have selected a new Investment Administrator within sixty (60) days after receipt by the Board of notice of such resignation as provided in Section 3.5.

b) Termination by Vote of Participants. This Agreement shall be terminated upon the affirmative vote of the holders of not less than two-thirds of the aggregate number of outstanding Units as of the Record Date. Participants may withdraw from the Portfolios at any time.

c) Termination Procedures. Upon the termination of the Program,

- (i) The Program shall carry on no business except for the purpose of winding up its affairs.
- (ii) The Board of Directors, in cooperation with the Investment Administrator and Custodian, shall proceed to wind up the affairs of the Program, and all of the powers of the Board of Directors, Investment Administrator and Custodian under this Agreement shall continue until the affairs of the Program shall have been wound up, including the power to fulfill or discharge the contracts of the Program, collect its assets, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining assets of the Program, discharge or pay its liabilities, and do all other acts appropriate to liquidate its business.
- (iii) After paying or adequately providing for the payment of all liabilities, and upon receipt of such releases, indemnities and other agreements, as it deems necessary, the Board of Directors, in cooperation with the Investment Administrator and Custodian, shall distribute all remaining assets of the Program, in cash or in kind or partly each, among the Participants according to their respective rights.

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

## **ARTICLE IX**

### **Miscellaneous**

9.1 **Filing.** This Agreement and any amendment hereto shall be filed in the office of the Custodian and as required by law.

9.2 **Governing Law.** This Agreement is executed and delivered in the State of New Jersey, 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 State of New Jersey.

9.3 **Counterparts.** This Agreement 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. A signed copy of this Agreement delivered by facsimile, email or other means of electronic transmission shall be deemed to have the same legal effect as delivery of an original signed copy of this Agreement.

9.4 Provisions in Conflict with Law or Regulations. The provisions of this Agreement are severable, and if the Investment Administrator shall determine, with the advice of Program Counsel, that any of such provisions is in conflict with controlling laws and regulations, the conflicting provision shall be disregarded; provided, however, that such determination shall not affect any of the remaining provisions of this Agreement or render invalid or improper any action taken or omitted prior to such determination.

9.5 Beneficiaries. This Agreement is made solely for the benefit of those Local Governments that are Parties and deemed parties hereto and, with the exception of the Investment Administrator, Board of Directors, Custodian, Program Counsel, and Auditor, no other Person is entitled to any right or benefit under this Agreement.

9.6 Assignment. The Investment Administrator, Custodian, Program Counsel or Auditor may not transfer or agree to assign its rights and duties under this Agreement without the prior written consent or affirmative vote at a meeting of the holders of at least a majority of the aggregate number of the outstanding Units, except if the rights and obligations of PFM Asset Management LLC are assigned to the PFM Asset Management LLC's parent company, U.S. Bancorp Asset Management, Inc., or any other registered investment adviser that is an Affiliate of U.S. Bancorp, provided, however, that the Board and Custodian be provided seven (7) days' written notice of such assignment.

9.7 Entire Agreement. This Agreement constitutes the entire agreement of the parties hereto relating to the Program and supersedes all prior contracts or agreements whether oral or written.

9.8 Headings. The headings in this Agreement are for reference only and shall not affect the interpretation of this Agreement.

*[Signature Pages Follow.]*

IN WITNESS WHEREOF, the undersigned have caused this Fourth Amended and Restated Shared Services Investment Agreement to be executed as of the day and year first above written.

**PFM ASSET MANAGEMENT LLC**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: Managing Director

**U.S. BANK NATIONAL ASSOCIATION**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

**NEW JERSEY ASSET & REBATE MANAGEMENT PROGRAM**

By: \_\_\_\_\_

Name: \_\_\_\_\_

Title: President of Board of Directors

**EXHIBIT A**

**BY-LAWS**



**EXHIBIT B**  
**INVESTMENT GUIDELINES**

**EXHIBIT C**  
**CUSTODIAN FEE SCHEDULE**

**Trust and Custody Fee:**

NJ/TERM	0.4 basis points (0.00004)
Joint Account	0.4 basis points (0.00004)
Separately Managed Account	0.6 basis points (0.00006)

**Transaction Processing Fees:**

Book Entry Trades (Automated)	\$6.00 per transaction
Wire Distributions	\$4.50 per transaction
Repo Trades	\$10.00 per transaction
Physical Trades	\$15.00 per transaction

**Service and Fee Assumptions:**

- Customized Legal Documentation Fee for modifications to the Standard U.S. Bank Custody Agreement other than State Jurisdiction, and for items that require IT&C Legal Review available at \$1,000.
- Annual fee per account: \$1,200 for the Joint Account and each NJTERM portfolio.
- Custody fees are billed or charged to the account monthly unless special arrangements are agreed to on separately managed accounts with the Custodian.
- U.S. Bank does not have investment management responsibility.
- This fee schedule pertains to domestic securities, i.e.; DTC and ADRs. International securities priced separately.
- U.S. Bank reserves the right to re-evaluate pricing and implement a change in the fee schedule with 30-day notice.
- Out-of-Pocket expenses e.g., shipping fees or transfer fees, not included.
- Should the Investment Administrator resign or be terminated the fee schedule will revert to the custodian's then prevailing standard fee schedule, and fees will continue to be billed directly to the Program.