HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY
Board Meeting – September 5, 2018 – 3:00 pm
315 Court St., 4th Floor, Clerks Large Conference Room
Clearwater, FL 33756

AGENDA

1. CALL TO ORDER
   Pledge of Allegiance and Moment of Reflection
   Introductions

2. PUBLIC COMMENTS

3. APPROVAL OF MINUTES
   A. August minutes
   B. July minutes

4. TREASURER’S REPORTS
   A. July 2018
      1. General Fund
      2. Housing Trust Fund
      3. Land Assembly Fund

5. COMMUNICATIONS TO THE AUTHORITY
   A. Tampa Bay CDC usage report - $200,000 loan
   B. Clearwater Neighborhood Housing Services usage report - $60,000 loan
   C. Request for Sadowski Education Effort Fund

6. REPORTS BY STAFF
   A. HFA Operations and Special Projects Update – Kathryn Driver
   B. Multi-Family Update – Kathryn Driver
      1. Occupancy Report
   C. Single Family Update – Karmen Lemberg

7. NEW BUSINESS
   A. Ready for Life Presentation
      1. Request Letter
         (Action Item – Kathryn Driver)
   B. Adoption and Approval of Fiscal Year 18/19 Budgets
      1. Resolution
         a. Proposed General Fund Budget
         b. Proposed Housing Trust Fund Budget
         (Action Item Kathryn Driver)

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Persons are advised that, if they decide to appeal any decision made at this meeting/hearing, they will need a record of the proceedings, and, for such purposes, they may need to ensure that a verbatim record of the proceedings is made, which includes testimony and evidence upon which the appeal is to be based.
C. Investment Recommendation
   1. Memo
   2. FLCLASS
      a. Resolution
      b. Information Statement
      c. Interlocal Agreement
      d. Investment Policy
      e. 2017 Annual Report
      f. S&P Pool Profile
   3. FLSAFE
      a. Resolution
      b. Information Statement
      c. Amended and Restated Indenture of Trust
      d. About PMA Financial Network
      e. S&P Pool Profile
      (Action Item – David Jones)
D. Oceanside Estates
   a. Resolution
   (Action Item – Bob Reid)

8. ADJOURNMENT

Upcoming...

Next Meeting October 10, 2018 (This is the 2nd Wednesday in October) – 315 Court St., 4th Floor,
Clerks Large Conference Room

Persons are advised that, if they decide to appeal any decision made at this meeting/hearing, they will need a record of the proceedings, and, for such purposes, they may need to ensure that a verbatim record of the proceedings is made, which includes testimony and evidence upon which the appeal is to be based.
The Housing Finance Authority (HFA) Board of Pinellas County (as created by the Code of Ordinances of Pinellas County, Section 2-386) met in regular session in the Clerk’s Fourth Floor Conference Room, Pinellas County Courthouse, 315 Court Street, Clearwater, Florida, at 3:00 P.M. on this date with the following members present:

Casey Cane, Chairman
Robyn Fiel, Vice-Chairman
Dennis Long, Assistant Secretary

Not Present
Steven Beal, Assistant Secretary/Treasurer
Norris E. Counts, Secretary/Treasurer

Also Present
Kathryn Driver, Executive Director, HFA
Karmen Lemberg, Director of Homeownership Programs and Operations, HFA
Michael T. Cronin, Attorney, Johnson, Pope, Bokor, Ruppel & Burns, PA
Barbara Clark, Barbara Clark & Company
Helen Feinberg, Raymond James Financial
David Jones, CSG Advisors
Tim Wranovix, Raymond James
Other Interested Individuals
Chris Bartlett, Board Reporter, Deputy Clerk

AGENDA

1. CALL TO ORDER
   Pledge of Allegiance and Moment of Reflection
   Introductions

2. PUBLIC COMMENTS

3. APPROVAL OF MINUTES
   A. June 2018 Minutes

4. TREASURER’S REPORTS
   A. June 2018
      1. General Fund
      2. Housing Trust Fund
      3. Land Assembly Fund
5. COMMUNICATIONS TO THE AUTHORITY
   A. Tampa Bay CDC Usage Report – $200,000 loan
   B. Clearwater Neighborhood Housing Services Usage Report – $60,000 loan

6. REPORTS BY STAFF
   A. HFA Operations and Special Projects Update – Kathryn Driver
   B. Multi-Family Update – Kathryn Driver
      1. Occupancy Report
   C. Single Family Update – Karmen Lemberg

7. NEW BUSINESS
   A. General Fund Proposed Budget-Fiscal Year 2018-19
      1. Memo
      2. Budget
         (Action Item – Kathryn Driver)
   B. Housing Trust Fund Proposed Budget-Fiscal Year 2018-19
      1. Memo
      2. Budget
         (Action Item – Kathryn Driver)
   C. Audit Engagement Letter

8. ADJOURNMENT

CALL TO ORDER

Chairman Cane called the meeting to order at 3:00 P.M. and led the Pledge of Allegiance; whereupon, he asked for a moment of silence and reflection. At his request, those in attendance introduced themselves. A sign-in sheet and agenda packet have been filed and made a part of the record.

PUBLIC COMMENTS

No one appeared in response to the Chairman’s call for citizens wishing to be heard.

MINUTES OF THE JUNE 6, 2018 MEETING – APPROVED

Upon presentation by Chairman Cane, Ms. Fiel moved, seconded by Mr. Long and carried unanimously, that the minutes of the June 6, 2018 meeting be approved.
TREASURER’S REPORTS – APPROVED

General Fund – June 2018

Ms. Fiel presented the HFA General Fund financial statements for the month of June 2018; whereupon, she reviewed the June Cash Roll Report and moved, seconded by Mr. Long, that the financial statements be approved. Upon call for the vote, the motion carried unanimously.

Housing Trust Fund – June 2018

Ms. Fiel presented the HFA Housing Trust Fund financial statements for the month of June 2018; whereupon, she reviewed the June Cash Roll Report and moved, seconded by Mr. Long, that the financial statements be approved. Upon call for the vote, the motion carried unanimously.

Land Assembly Fund – June 2018

Ms. Fiel presented the Land Assembly Fund financial statements for the month of June 2018; whereupon, she reviewed the June Cash Roll Report and moved, seconded by Mr. Long, that the financial statements be approved. Upon call for the vote, the motion carried unanimously.

COMMUNICATIONS TO THE AUTHORITY

Tampa Bay Community Development Corporation (CDC) Usage Report – $200,000 loan

Ms. Driver related that a monthly report detailing usage of the $200,000 loan with the Tampa Bay CDC, utilized to provide down payment assistance and closing costs loans on behalf of Pinellas County and other participating jurisdictions, is included in the agenda packet.

Clearwater Neighborhood Housing Services (CNHS) Usage Report – $60,000 loan

Ms. Driver indicated that a monthly report detailing usage of the $60,000 loan with CNHS, which is utilized to provide down payment assistance and closing costs loans, is included in the agenda packet. In response to queries by Chairman Cane, she indicated that the County program utilizing CNHS services has operated intermittently and is currently shut down, and Ms. Fiel related that the CNHS program is working with the Cities of Clearwater and Largo; and that the County
program will be handled without CNHS involvement. Ms. Driver noted that the County is funded through the State Housing Initiatives Partnership (SHIP), and discussion ensued.

**REPORTS BY STAFF**

**HFA Operations, Special Projects Update, and Multi-Family Program Update**

Ms. Driver reported on the following activities:

- She and several Board members and staff attended the Florida Association of Local Housing Finance Authorities Conference in St. Petersburg. Many of the information session presentations are available online, and she will provide copies upon request.

- The Land Assembly Fund transaction for Greenway Lofts, located in the Lealman Community Redevelopment Area in unincorporated St. Petersburg, closed on July 10.

- On July 16, she met with the City of St. Petersburg and Pinellas County to discuss ways to provide affordable housing in the City by working together as partners.

- The proposed issuance of the HFA’s multifamily housing revenue bond, related to the Tax Equity and Fiscal Responsibility Act (TEFRA) and for the Palmetto Pointe Apartments affordable housing project, was approved by the Board of County Commissioners at its July 17 meeting.

- The request for Department of Housing and Urban Development (HUD) approval related to the Oceanside Estates project is being reviewed, and the transaction is anticipated to close in late August or early September.

- She is working with Mr. Jones to explore investment opportunities for the Authority’s cash on hand, and has met with the Florida League of Cities and other investment firms.

- Preliminary audit work has been scheduled to occur on August 23 and 24.

- Ms. Lemberg will be attending the U.S. Bank Symposium for HFAs, to be held in Minneapolis later this month. She will also visit U.S. Bank facilities in order to observe their Master Servicer operations and other procedures.
• A request was made of the HFA to continue its support of the Sadowski Education Effort next year. An amount of $15,000 is included in the proposed budget to be discussed later in the meeting. A formal request will be brought to the Board as part of the September meeting agenda.

In response to query by Chairman Cane, Ms. Driver stated that the education effort is separate from the Sadowski Fund; whereupon, she reminded everyone that the HFA has an open-door policy and invited the members to stop by any time to visit, ask questions, or review documentation.

**Bright Community Trust (BCT) Update**

Attorney Cronin stated that the ongoing dialogue with BCT on behalf of the Authority has been ineffective; that he has informed BCT that the Authority strongly believes that breaches exist; and that he is recommending to the Authority that it seek relief through the legal process, creating a need for BCT to retain a litigator. He indicated that BCT has retained Charlie Harris of Trenam Law; whereupon, he read a portion of a letter sent by Mr. Harris to his office in reference to resolving the issues.

Attorney Cronin noted that he will meet with Mr. Harris on August 2; that a legal complaint is being drafted and will be available in the next 7 to 14 days; and that barring any resolution, he would return at the next meeting to recommend that the HFA file the complaint in the matter.

In response to queries by Chairman Cane, Attorney Cronin discussed several parameters that the HFA would seek to have included in a potential agreement, including, but not limited to, the following:

• All single-family and vacant lots would be transferred to the HFA, and BCT would retain the multi-family properties.

• Request the removal of BCT as Trustee of the single-family trust.

• Request for declaratory judgment that the HFA is entitled to 49 percent of the sale proceeds.

• An accounting from BCT of how the funds have been used.

• Reimbursement of attorney fees.
Regarding a scenario where the properties could be sold before the matters are resolved, Ms. Driver indicated that the majority of the parcels have improvements, which in turn have mortgages attached; and that it would be difficult to liquidate the properties. She stated that the HFA does not control the process, but that it would be alerted by a loan payoff or other request; and that often there is no way for the Authority to receive information. Attorney Cronin concurred, noting that it would be difficult to liquidate the properties in the next 30 days, and discussion ensued.

Single Family Program Update

Ms. Lemberg stated that 15 loans were closed in July, noting that two borrowers cancelled out of the Hardest Hit program and moved into the normal loan program. She indicated that down-payment assistance (DPA) in Pasco and Polk Counties was lowered to $5,000 as of July 23; that DPA in Pinellas County will remain at $7,500; and that the HFA is considering issuing another single-family bond program. She noted that the August YouTube show will feature Linda Kemp from Raymond James Financial, who discusses what to expect when meeting with a lender for the first time.

Responding to query by Chairman Cane regarding American with Disabilities Act compliance within HFA web pages, Ms. Lemberg discussed working with the County to ensure the website is compliant. She related that the Authority’s website will receive a complete overhaul; that the information will be streamlined with less duplication; and that she is not anticipating any additional or future costs associated with the update, and discussion ensued.

NEW BUSINESS

General Fund Proposed Budget – Fiscal Year 2018/2019

Ms. Driver stated that budget resolutions will be brought before the Board at its next regular meeting. She related that the proposed budget provides more detailed line items to better match the line items of the Authority’s Profit and Loss statements, which the members receive on a monthly basis; and that future statements will include comparisons of actual revenue and expenses to the budget on both a monthly and year-to-date basis.

Ms. Driver indicated that revenues and expenses in the proposed budget will remain similar to the current year’s budget; and that the only major difference in expenses is the additional costs associated with the possible issuance of a new single-family bond, mentioned earlier, and
discussion ensued regarding an increase to cover an expected increase in shared costs for building maintenance and common areas, and other small changes to specific line items.

Mr. Long moved, seconded by Ms. Fiel, that the Authority approve the General Fund Proposed Budget for Fiscal Year 2018/2019 in concept subject to the resolution and final form of the proposed budget being brought back to the HFA meeting in September. Upon call for the vote, the motion carried unanimously.

Ms. Driver related that the budget may be revised to include cash assets left over at the end of the current fiscal year; and that she anticipates approximately $200,000 in excess revenue will be added to the final budget.

**Housing Trust Fund Proposed Budget – Fiscal Year 2018/2019**

Ms. Driver related that the Board of County Commissioners has not allocated funding for the Housing Trust Fund Budget in the next fiscal year; that the fund will remain at approximately $800,000; and that the budget includes only program income and any funds remaining from prior allocations. She stated that the proposed budget does not change much from the current fiscal year; and that she anticipates spending nearly the same amount of funds on new projects, including the down payment assistance and closing costs programs.

Mr. Long moved, seconded by Ms. Fiel, that the Authority approve the Housing Trust Fund Budget for Fiscal Year 2018/2019 in concept subject to the resolution and final form of the proposed budget being brought back to the HFA meeting in September. Upon call for the vote, the motion carried unanimously.

**Audit Engagement Letter**

Ms. Driver stated that an engagement letter is received each year to help facilitate the audit process; and that a copy of the engagement letter with HFA Auditor Esther Nichols is included in the agenda packet. She indicated that with help from Ms. Clark, she has included specific dates in the letter to help clarify deadlines, language to ensure that any drafts from the auditor are received with highlighted changes, and assurances that any issues that may arise will be brought to the Authority’s attention immediately and not after the fact; whereupon, she stated that Ms. Nichols will be present for the interim audit in August.
In response to queries by Chairman Cane, Ms. Driver stated that $50,000 has been budgeted to cover audit expenses; that the Authority will be billed in installments as the audit work is completed; and that she does not anticipate the costs will fluctuate.

Mr. Long moved, seconded by Ms. Fiel and carried unanimously, that the audit engagement letter be approved.

Responding to queries by the members regarding authorizing special projects during the audit, Ms. Clark stated that a review of internal controls and other projects are part of a standard audit; and that it is common for the auditor to declare an hourly rate in the engagement letter for any additional work requested beyond the scope of a standard audit.

ADJOURNMENT

Following a motion to adjourn by Ms. Fiel, seconded by Mr. Long and carried, Chairman Cane adjourned the meeting at 3:44 P.M.

__________________________________________
Secretary/Treasurer
Clearwater, Florida, July 3, 2018

The Housing Finance Authority (HFA) Board of Pinellas County (as created by the Code of Ordinances of Pinellas County, Section 2-386) met in regular session in the Clerk’s Fourth Floor Conference Room, Pinellas County Courthouse, 315 Court Street, Clearwater, Florida, at 3:00 P.M. on this date with the following members present:

Casey Cane, Chairman
Robyn Fiel, Vice-Chairman
Steven Beal, Assistant Secretary/Treasurer
Dennis Long, Assistant Secretary

Not Present
Norris E. Counts, Secretary/Treasurer

Also Present
Kathryn Driver, Executive Director, HFA
Karmen Lemberg, Director of Homeownership Programs and Operations, HFA
Michael T. Cronin, Attorney, Johnson, Pope, Bokor, Ruppel & Burns, PA
Tim Wranovix, Raymond James
Other Interested Individuals
Lynn M. Abbott, Deputy Clerk, Board Reporter

AGENDA

1. CALL TO ORDER
   Pledge of Allegiance and Moment of Reflection
   Introductions

2. PUBLIC COMMENTS

3. APPROVAL OF MINUTES
   A. June 22, 2018 TEFRA Hearing Minutes

4. TREASURER’S REPORTS
   A. May 2018
      1. General Fund
      2. Housing Trust Fund
      3. Land Assembly Fund

5. COMMUNICATIONS TO THE AUTHORITY
   A. Tampa Bay CDC Usage Report – $200,000 loan
   B. Clearwater Neighborhood Housing Services Usage Report – $60,000 loan
   C. Florida Retirement System
CALL TO ORDER

Chairman Cane called the meeting to order at 3:00 P.M. and asked for a moment of silence and reflection; whereupon, he led the Pledge of Allegiance, and at his request, those in attendance introduced themselves. A sign-in sheet and agenda packet have been filed and made a part of the record.

PUBLIC COMMENTS

No one appeared in response to the Chairman’s call for citizens wishing to be heard.

MINUTES OF THE JUNE 22, 2018 TEFRA HEARING – APPROVED

Upon presentation by Chairman Cane, Ms. Fiel moved, seconded by Mr. Long and carried unanimously, that the minutes of the June 22, 2018 TEFRA hearing be approved.

TREASURER’S REPORTS – APPROVED

General Fund – May 2018

Mr. Beal presented the HFA General Fund financial statements for the month of May 2018; whereupon, he reviewed the May Cash Roll Report and moved, seconded by Ms. Fiel, that the financial statements be approved. Upon call for the vote, the motion carried unanimously.
Housing Trust Fund – May 2018

Mr. Beal presented the HFA Housing Trust Fund financial statements for the month of May 2018; whereupon, he reviewed the May Cash Roll Report and moved, seconded by Mr. Long, that the financial statements be approved. Upon call for the vote, the motion carried unanimously.

Land Assembly Fund – May 2018

Mr. Beal presented the Land Assembly Fund financial statements for the month of May 2018; whereupon, he reviewed the May Cash Roll Report and moved, seconded by Ms. Fiel, that the financial statements be approved. Upon call for the vote, the motion carried unanimously.

COMMUNICATIONS TO THE AUTHORITY

Tampa Bay Community Development Corporation (CDC) Usage Report – $200,000 loan

Ms. Driver related that a monthly report detailing usage of the $200,000 loan with the Tampa Bay CDC, utilized to table fund down payment and closing cost assistance loans on behalf of Pinellas County and other participating jurisdictions, is included in the agenda packet.

Clearwater Neighborhood Housing Services (CNHS) Usage Report – $60,000 loan

Ms. Driver indicated that a monthly report detailing usage of the $60,000 loan with CNHS, which is utilized to provide closing cost assistance loans in conjunction with various participating jurisdictions, is included in the agenda packet. In response to query by Chairman Cane regarding a “no activity” notation, Ms. Lemberg indicated that she reached out to CNHS; and that it is working on programs to utilize the loan and wishes to keep it open, commenting that the situation is unusual.

Florida Retirement System

Ms. Driver indicated that the HFA had submitted information in response to a Retirement Compliance Audit survey and, referring to a letter dated June 13, 2018, from the Division of Retirement, reported that it was brought to the Authority’s attention that due to new statutes, Elizabeth Fisher, a part-time employee, is eligible to participate in the Florida Retirement System (FRS), which is mandatory; and that the employer contribution for approximately six months has been paid, curing the deficiency.
In response to queries by Chairman Cane and Mr. Beal, Mses. Driver and Lemberg related that the Authority was assessed a small fine; that Ms. Fisher will be required to contribute three percent of her salary; and that she was provided with information with respect to FRS vesting requirements, and Attorney Cronin indicated that there are no legal ramifications other than compliance.

Chairman Cane inquired as to HFA employee participation in the County insurance plan, and discussion ensued wherein Mr. Long explained the distinction between various local government entities.

REPORTS BY STAFF

HFA Operations, Special Projects Update, and Multi-Family Program Update

Ms. Driver related that the monthly occupancy report for the multi-family projects is included in the agenda packet and reported on the following:

- Reminded members that the Florida Association of Local Housing Finance Authorities (ALHFA) Conference begins next Wednesday, noting that she and Ms. Lemberg have roles as moderators. She presented information regarding the event’s various discussion panels and sessions, including a legislative update, luncheon speaker, bus tour, and roundtable wrap-up, relating that EventsXD is a free application that provides access to the conference agenda and presentations.

- Reported that the Board of County Commissioners approved the termination of the Neighborhood Stabilization Program NSP1 and NSP3 specific performance agreements on June 5; and that while the Authority will continue to work with County staff and provide information, it no longer bears ongoing responsibility regarding the properties.

- Provided updates regarding the Oceanside Estates and Greenway Lofts projects.

- Indicated that she met with the City of Dunedin last week to discuss its interest in financing an affordable housing initiative and building a community partnership, and Chairman Cane commented that it would be great to see multi-family developments in north county.

- Noted that on July 16 she will meet with the County and the City of St. Petersburg to discuss future collaboration; and that on July 19 the Board of County Commissioners will vote on the TEFRA approval of the Palmetto Pointe bond issue.
• Related that discussions continue with developers regarding several potential upcoming multi-family bond issues.

• Indicated that she continues to work with the County to secure additional Land Assembly and Housing Trust Funds; that progress is being made; and that she hopes to bridge the funding gap between now and 2020, when the new Penny for Pinellas funds become effective.

• Discussed the need to conduct an updated housing market study, relating that the last study was conducted in 2012; that staff is working with the County and various cities to form a partnership to contribute funding for a combined housing study; and that each community’s wants and needs would be taken into consideration.

• Provided an update regarding the Documentary Stamp Resolution that was approved last month, noting that discussions continue regarding a simultaneous recording process for documentation and assignment of responsibility.

• She attended the Florida Government Finance Officers Association (FGFOA) conference in Orlando, relating that the organization provides pool-based health, vision, and related insurance products and services; and that she and Mr. Jones will be meeting with FGFOA staff later this month to discuss various insurance options and investment diversification opportunities.

Mr. Long suggested that a committee comprised of one or two Board members be created to pursue the dual roles of discussing the options to allow (1) HFA staff participation in the County’s insurance programs and (2) Business Technology Service (BTS) to provide information technology services, noting that the County does provide the insurance in certain instances; that BTS provides services to the Juvenile Welfare Board; and that the terms for each could be spelled out in separate interlocal agreements; whereupon, Chairman Cane related that he has no objection, and in response to his query, Attorney Cronin indicated that a vote is unnecessary at this point.

Mr. Long discussed his previous attempts to negotiate the County insurance issue, and Ms. Driver indicated that she has reached out to BTS and Human Resources to discuss the situation. In response to queries by Chairman Cane, Mr. Long related that the meetings should be scheduled at a policy management level; that a Board member could provide valuable input in the discussions; and that now would be the best time to talk to the outgoing County Administrator and Commissioners to gauge their interest and seek their support for HFA programs; whereupon, he suggested that he and Ms. Driver meet to further discuss the issues.
Bright Community Trust Update

Ms. Driver reported that Bright Community Trust has taken over the maintenance of 1703 Stone Creek, Tarpon Springs, noting that she believes that property renovations are imminent.

In response to comments and query by Chairman Cane regarding BCT’s lack of transparency and communication and change in business practices, Attorney Cronin, referring to several letters, related that he and counsel for the BCT Board have discussed the matter to identify the issues; whereupon, he provided a summary of concerns that includes securing appraisals to ensure that the fair value of the property is determined, how to handle sale proceeds, debt incursion, the lack of periodic status updates or presentations by client representatives, a specific performance agreement for townhomes, the BCT’s viability, and justification for the HFA to continue the 51/49 property interest relationship.

Attorney Cronin related his belief that the BCT Board has not been made aware of the extent of discourse and amount of correspondence between counsels for each agency and recommended that a formal mediation take place with the chairman of each board present to try to work out a solution; and that, short of taking court action, the HFA should terminate the relationship and transfer its 49-percent beneficial interests to the County. He explained that the County and the HFA previously entered into an agreement that spelled out the terms of the transfer; that the BCT was not agreeable to the terms; and that single-family homes seem to be at issue.

Chairman Cane relayed his frustration that the BCT provided no follow-up activity or communication in connection with the last mediation; and that his attempts to reach out to the BCT failed. He discussed his recent involvement in reviewing trust documents, contracts, and communications, noting that the language in executed documents seems to suggest that the BCT has violated certain terms. Attorney Cronin opined that there have been breeches; that further analysis is needed to determine level of severity; and that the Board has gone as far as it can at the staff level; whereupon, he recommended that an HFA Board representative meet with the BCT Board to explain its position and try to work towards a resolution.

Following discussion regarding potential violations, interpretations of fact, possible remedies, and items scheduled for discussion in August, Mr. Long suggested possible courses of action available to the Board, and Chairman Cane asked that the Board collaborate with the mindset of working the matter out in an amicable manner.
Following further discussion, Mr. Long moved that Attorney Cronin work with staff and present a recommendation that the Board pursue termination of its relationship with BCT and maintain its 49-percent interest in the properties; whereupon, Chairman Cane clarified the motion, requesting that counsel work with staff and present a formal recommendation at the August meeting.

Mr. Beal seconded the motion, and upon call for a vote, it carried unanimously.

Single Family Program Update

Ms. Lemberg reported that June was a busy month; that several new lenders were added to the program, bringing the total to 35; and that, starting June 13, the program will no longer table fund second mortgages; whereupon, she discussed U.S. Bank’s new loan purchase notification process, and the HFA’s monthly reimbursement to U.S. Bank.

Ms. Lemberg indicated that she attended the Pinellas Realtor Organization’s Summer Expo event, spoke with many Realtors about the HFA programs, and secured two guests for the YouTube show.

Referring to last month’s discussion regarding teaching new homeowners basic home repair, Ms. Lemberg related that in 2008 the City of St. Petersburg required new homebuyers to take a basic home repair course that cost $20; that various home repair stores had donated class materials; that P-Tech offers a similar six-week course costing $50; and that the teacher expressed an interest in facilitating a four- to six-hour class and offered to set up enrollment through P-Tech. She provided information pertaining to the proposed program, relating that classes could be offered in St. Petersburg or Clearwater; that the course could run on a six-month trial basis; and that if the Board is interested, she could send a congratulatory postcard to the new homeowners seeking their interest in enrolling in a home maintenance class that would be paid for by the HFA.

Chairman Cane explained that, in his role as a professional contractor, new homebuyers often contact him regarding maintenance issues and suggested that the HFA adopt the pilot program, and discussion ensued regarding the program’s benefits to the community. In response to queries by Mr. Long, Ms. Lemberg discussed the potential cost of the program, classroom activities, online and in-person courses, and a magazine subscription that could be provided free of charge to new homebuyers at closing; whereupon, she offered to prepare a written proposal for presentation next month.

Responding to queries by the members, Ms. Lemberg provided background information regarding the St. Petersburg class and discussed enforcement of the program, potential difficulties, and
possible program expansion into Pasco and Polk Counties. Chairman Cane relayed his support for the pilot program and requested that it be formally presented to the Board at the August meeting.

NEW BUSINESS

RESOLUTION NO. 2018-12 AUTHORIZING AND APPROVING CERTAIN ACTIONS IN CONNECTION WITH THE CLAM BAYOU MULTIFAMILY HOUSING PROPERTY TO PROVIDE AFFORDABLE MULTIFAMILY HOUSING IN ACCORDANCE WITH THE DIRECTIVES AND INITIATIVES OF THE PINELLAS COUNTY COMMUNITY HOUSING PROGRAM THROUGH PROCEEDS PROVIDED BY THE HOUSING TRUST FUND; AUTHORIZING ADDITIONAL FUNDING TO FACILITATE PHASE III OF THE CLAM BAYOU MULTIFAMILY HOUSING PROJECT AS A FOLLOW ON TO RESOLUTION 2016-06, WHICH AUTHORIZED THE ACQUISITION OF THIS PROPERTY AND UTILIZATION OF HOUSING LAND ASSEMBLY FUNDS, THE ESTABLISHMENT OF A LAND TRUST AND OTHER RELEVANT DOCUMENTS; APPROVING AND AUTHORIZING THE FORM OF A PROMISSORY NOTE IN THE FACE AMOUNT OF FOUR HUNDRED EIGHTY ONE THOUSAND NINETY THREE DOLLARS ($481,093.00) AND RELATED THIRD LEASEHOLD MORTGAGE; DELEGATING AUTHORITY TO IMPLEMENT THESE ACTIONS; AUTHORIZING ADDITIONAL REQUIRED ACTIONS AND PROVIDING AN EFFECTIVE DATE.

Ms. Driver provided background information regarding the item, noting that the City of St. Petersburg and Pinellas County have committed funding for two-thirds of the $1.4 million development cost for Phase III, the final phase of the development; and that the HFA has been asked to contribute the remaining one-third, or $481,093.00. She introduced Jack Humburg of Boley Centers and Pinellas Affordable Living; whereupon, referring to pictures depicting the progress of Phases I and II of the Preserves at Clam Bayou, he noted that the first two phases are nearing completion; that Certificates of Occupancy should be approved by late July; and that site density allows for eight additional units, but funding had not been available to complete the project.

Mr. Humburg presented an overview of the project, noting that Phase III will consist of eight one-bedroom, one-bath units available for a 12-month lease; and that supportive services will be provided for homeless and disabled veterans and individuals. In response to queries by Chairman Cane and Mr. Long, he related that 33 percent, or eight, of the 24 total units will be dedicated to veterans, and homeless individuals will occupy the remaining units; whereupon, he presented information pertaining to services provided and available to residents, operational support, and cost per unit.
Mr. Humburg provided background information regarding Pinellas Affordable Living (PAL) and Boley Centers, including their missions and services provided. In response to queries by Chairman Cane and Mr. Long, he discussed PAL’s ownership of units for all three phases of the Clam Bayou project and other developments, the development fee, the distinct relationship between the project’s developer and the general contractor, the Phase III bidding process, anticipated construction costs, the Davis-Bacon designation, project monitoring and financials, and funding commitments.

Chairman Cane applauded Mr. Humburg for his diligence and encouraged the organization to increase its percentage dedicated to displaced veterans, noting that the actual number of homeless veterans is well above the estimated total; whereupon, Mr. Humburg discussed PAL’s partnerships in several local developments and programs.

Attorney Cronin related that staff is seeking approval for funding in the amount of $481,093 through Housing Trust Fund proceeds; that the structure is a deferred note with no payment due until April 30, 2038, subject to compliance with the terms of the note, mortgage, and development documents; that Housing Trust Fund rules require that special needs’ projects encompass 15 percent of the funding awards; and that the resolution is in furtherance of the Community Housing Program. He commented that the transaction is a good leveraging of resources.

Ms. Fiel moved, seconded by Mr. Long and carried unanimously, that Resolution No. 2018-12 be adopted.

CSG Investment Review

Ms. Driver indicated that David Jones, CSG Advisors, was unable to attend today’s meeting, noting that he will be available to answer questions at the Florida ALFHA conference next week.

Referring to the memorandum included in the agenda packet, Ms. Driver presented the semi-annual investment review prepared by Mr. Jones, relating that the monthly statements of the funds, investments, and securities of the Authority were reviewed to determine their compliance with the Authority’s Investment Policy; that all mortgage-backed securities and investment interest income earned during the period from October 2017 to March 2018 are included; and that all of the reviewed investments were deemed acceptable and in accordance with the Authority’s Investment Policy.
Mr. Beal moved, seconded by Ms. Fiel and carried unanimously, that the CSG Investment Review report be approved.

**ADJOURNMENT**

Upon motion by Mr. Long, seconded by Ms. Fiel and carried unanimously, the meeting was adjourned at 4:16 P.M.

_________________________________
Secretary/Treasurer
## Balance Beginning of Month

$3,275,919.22

## Disbursements:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A Top Dog Property Services, Inc.</td>
<td>(1,775.00)</td>
</tr>
<tr>
<td>ADP</td>
<td>(202.28)</td>
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<tr>
<td>AFLAC</td>
<td>(918.36)</td>
</tr>
<tr>
<td>AmazonSmile</td>
<td>(11.97)</td>
</tr>
<tr>
<td>Barbara Clark &amp; Co, PA</td>
<td>(10,690.00)</td>
</tr>
<tr>
<td>Casey Cane</td>
<td>(116.33)</td>
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<tr>
<td>City of Dunedin</td>
<td>(20.57)</td>
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<tr>
<td>FRS</td>
<td>(3,096.93)</td>
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<tr>
<td>GNP Service, CPA, PA</td>
<td>(950.00)</td>
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*Gulf Coast Chapter Florida Government Finance Officers Association* (30.00)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>HFA Pinellas County 2nd Mortgages</td>
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<td>IGETECH365, LLC</td>
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<tr>
<td>ImageNet Consulting of Vero Beach LLC</td>
<td>(233.96)</td>
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<tr>
<td>J2 Efax Services</td>
<td>(135.76)</td>
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<tr>
<td>Johnson, Pope, Bokor, Rappaport &amp; Burns LLP</td>
<td>(5,892.00)</td>
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<tr>
<td>Karnen Lemberg</td>
<td>(154.05)</td>
</tr>
<tr>
<td>Kathryn Driver</td>
<td>(374.40)</td>
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<tr>
<td>Neighborhood Lending Partners</td>
<td>(12,923.58)</td>
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<tr>
<td>Norris Counts</td>
<td>(47.79)</td>
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<td>Payroll</td>
<td>(29,009.49)</td>
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<tr>
<td>Pinellas County BOCC</td>
<td>(394,574.33)</td>
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<tr>
<td>Pinellas County Utilities</td>
<td>(27.04)</td>
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<tr>
<td>Plymouth Plaza</td>
<td>(2,666.01)</td>
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<tr>
<td>Publix</td>
<td>(7.55)</td>
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<tr>
<td>ReadyRefresh by Nestle</td>
<td>(107.85)</td>
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<tr>
<td>Ready for Life, Inc.</td>
<td>(4,944.08)</td>
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<tr>
<td>Robyn Fiel</td>
<td>(141.13)</td>
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<tr>
<td>Spectrum Business</td>
<td>(263.28)</td>
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<tr>
<td>Staples Advantage</td>
<td>(296.92)</td>
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<tr>
<td>Steven Reil</td>
<td>(132.24)</td>
</tr>
<tr>
<td>Tampa Bay Newspapers, Inc</td>
<td>(275.00)</td>
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<tr>
<td>The UPS Store</td>
<td>(8.28)</td>
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<tr>
<td>US Bank Corporate Trust Services</td>
<td>(948.75)</td>
</tr>
<tr>
<td>Varsdesk LLC</td>
<td>(250.00)</td>
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**Total Cash Out**

($495,445.91)

### Bank Accounts

**01-101.001 General Fund 7158**

$3,120,686.86

**Subtotal - Operating**

$3,120,686.86

**01-105.001 Fed Home Loan Bank DIA**

1,763,125.29

**01-106.001 US Bank Custody Account**

1,169,440.17

**Total Bank Accounts**

$6,053,252.32

## Balance End of Month

$3,120,686.86

## General Fund - Cash Roll

Page 1 of 1
# HFA of Pinellas County
## Balance Sheet
### As of July 31, 2018

<table>
<thead>
<tr>
<th>ASSETS</th>
<th>Total</th>
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<tbody>
<tr>
<td><strong>Current Assets</strong></td>
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<tr>
<td>Bank Accounts</td>
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<tr>
<td>101.021 01-101.0021 General Fund 7158</td>
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<tr>
<td>105.001 01-105.001 Fed Home Loan Bank DIA</td>
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<tr>
<td>106.001 01-106.001 US Bank Custody Account</td>
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<tr>
<td><strong>Total Bank Accounts</strong></td>
<td>$6,053,252.32</td>
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<tr>
<td>Accounts Receivable</td>
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</tr>
<tr>
<td>115.000 Accounts Receivable</td>
<td>$1,160,992.80</td>
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<tr>
<td><strong>Total Accounts Receivable</strong></td>
<td>$1,160,992.80</td>
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<tr>
<td>Other Current Assets</td>
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<tr>
<td>01-131.002 Due From PCHF, Inc.</td>
<td>$12,300.21</td>
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<tr>
<td>01-131.003 NSP I Rec</td>
<td>$70.57</td>
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<tr>
<td>01-131.004 NSP II Rec</td>
<td>$3,347.41</td>
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<td>110.001 01-110.001 US Bank Custody Account Securities</td>
<td>$4,034,515.00</td>
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<td>111.001 01-111.001 FHLB Pledged Investments</td>
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<td><strong>Total Current Assets</strong></td>
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<td><strong>Fixed Assets</strong></td>
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<tr>
<td>01-166.901 Fixed Assets</td>
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<td><strong>Total Fixed Assets</strong></td>
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<tr>
<td><strong>Other Assets</strong></td>
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<tr>
<td>01-128-901 2nd Mortgage Port</td>
<td>$4,800,168.25</td>
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<td>01-128.902 MF Mort Portfolio</td>
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<td>01-128.903 TBCDC Revolving Cred</td>
<td>$200,000.00</td>
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<td>01-128.903.2 Clearwater Neighborhood Housing Services Revolving Loan Receivable</td>
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<td>01-128.905 Notes &amp; Mortg NSP I</td>
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<tr>
<td>01-128.906 Notes &amp; Mortg NSP II</td>
<td>$1,785,355.05</td>
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<td>01-128.907 Notes &amp; Mortg NSP 3</td>
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<td>01-129.001 Temporary holding account</td>
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<td>01-134.001 Non Depreciable Asset</td>
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<td>01-155.001 Long-term Prepaid Exp</td>
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<td>01-156.901 HFA Bond Program</td>
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<td>01-156.903 GSE Program Multi-Co</td>
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<td>01-170.000 Deferred Outflows</td>
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<td><strong>TOTAL ASSETS</strong></td>
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### LIABILITIES AND EQUITY

#### Liabilities

**Current Liabilities**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td>Accounts Payable</td>
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</tr>
<tr>
<td>01-202.001 Accounts Pay - Other</td>
<td>9,446.24</td>
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<tr>
<td>01-202.002 Accounts Payable</td>
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<td>Total Accounts Payable</td>
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<tr>
<td>Credit Cards</td>
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<td>01-202.005 Regions Commercial Bankcard</td>
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<tr>
<td>Due to LAF</td>
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<td>01-202.006 Salaries and Fringes Payable</td>
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<td>01-203.200 Capital Lease-Current Portion</td>
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<td>Total Other Current Liabilities</td>
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<td>Total Current Liabilities</td>
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**Long-Term Liabilities**

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<tr>
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<tr>
<td>01-206.001 Capital Lease Payable</td>
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<td>01-208.000 SHIP Liability</td>
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<td>01-208.009 NSP I Oblig Pinel Co</td>
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<td>01-208.13 Oblig NSP II NLP</td>
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<td>01-210.001 Payments (after SunTrust)</td>
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<td>01-210.002 Deferred Revenue Mortgage Rec.</td>
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<td>01-270.000 Deferred Inflows</td>
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<td>01-280.000 Net Pension Liability</td>
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<td>Total Long-Term Liabilities</td>
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**Total Liabilities**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
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#### Equity

<table>
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<tr>
<td>3000 01-250.001 Opening Bal Equity</td>
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<td>3900 01-272.001 Retained Earnings</td>
<td>18,111,678.81</td>
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<td>Net Income</td>
<td>491,597.22</td>
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<td>Total Equity</td>
<td><strong>20,514,283.50</strong></td>
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</table>

**TOTAL LIABILITIES AND EQUITY**

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Liabilities</td>
<td><strong>6,094,092.17</strong></td>
</tr>
<tr>
<td>Total Equity</td>
<td><strong>20,514,283.50</strong></td>
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<tr>
<td><strong>TOTAL LIABILITIES AND EQUITY</strong></td>
<td><strong>26,608,375.67</strong></td>
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## HFA of Pinellas County
### Profit and Loss
#### July 2018

<table>
<thead>
<tr>
<th>Income</th>
<th>Jul 2018</th>
<th>Oct 2017 - Jul 2018 (YTD)</th>
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<tbody>
<tr>
<td>01-344.002 NSP I Grant Income</td>
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<tr>
<td>Maintenance</td>
<td>70.57</td>
<td>1,657.26</td>
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<td>Total 01-344.002 NSP I Grant Income</td>
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<td>$ 1,657.26</td>
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<tr>
<td>01-344.003 NSP II Grant Inc</td>
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<tr>
<td>Maintenance</td>
<td>1,745.72</td>
<td>24,997.29</td>
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<td>Total 01-344.003 NSP II Grant Inc</td>
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<td>$ 24,997.29</td>
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<td>01-345.100 Single Family Issuer Fees</td>
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<tr>
<td>01-345.136 SF 2010 A</td>
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<tr>
<td>01-345.137 2011A Issue</td>
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<tr>
<td>01-345.137 2011B Issue</td>
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<td>Total 01-345.100 Single Family Issuer Fees</td>
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<td>01-345.101 Multi Family Issuer Fee Income</td>
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<tr>
<td>Bayside Apartments</td>
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<td>Boca Ciega Townhomes</td>
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<td>Booker Creek</td>
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<td>25,375.00</td>
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<td>Columbian Apart</td>
<td>6,250.00</td>
<td>12,500.00</td>
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<td>James Park</td>
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<td>4,800.00</td>
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<tr>
<td>Oceanside Estates</td>
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<td>134,750.00</td>
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<td>Pinellas Heights (Series 2012)</td>
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<td>Woodlawn Trail</td>
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<tr>
<td>Jordan Park</td>
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<td>Palmetto Pointe</td>
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<tr>
<td>Total 01-345.102 Application Fees</td>
<td>$ -</td>
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<td>01-345.103 Extension Fees</td>
<td>1,669.30</td>
<td>5,077.71</td>
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<td>01-345.200 TBA Income</td>
<td>76,894.86</td>
<td>442,206.76</td>
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<td>01-345.700 Fee Income- Special Programs</td>
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<tr>
<td>Delmar Terrace South</td>
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<td>27,222.78</td>
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<tr>
<td>Greenway Lofts</td>
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<td>15,377.00</td>
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<tr>
<td>McLaughlin Project</td>
<td>18,907.50</td>
<td>18,907.50</td>
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<td>Woodlawn Trail</td>
<td>23,000.00</td>
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<td>Total 01-345.700 Fee Income- Special Programs</td>
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<td>$ 84,507.28</td>
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<td>01-345.803 Gain on Sale of FHLB Securities</td>
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<td>Amortizing Home Key Loans</td>
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<tr>
<td>Clearwater Neighborhood Housing Services, Inc.</td>
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<td>Description</td>
<td>01-345.900 Interest Income</td>
<td>01-361.101 Bank Interest</td>
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<tr>
<td>-----------------------------------------------------------------------------</td>
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<td>--------------------------</td>
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<tr>
<td>FHFC13 DPA Loans</td>
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<td>Greenwood Apartments</td>
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<td>TBCDC Revolving Cred</td>
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<td>01-361.101 Bank Interest</td>
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<tr>
<td>01-361.133 Misc Revenue</td>
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<td>01-361.134 Bond/Refunding proceeds revenue</td>
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<tr>
<td><strong>Total Income</strong></td>
<td><strong>$ 320,240.19</strong></td>
<td><strong>$ 1,781,003.28</strong></td>
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<td><strong>Gross Profit</strong></td>
<td><strong>$ 320,240.19</strong></td>
<td><strong>$ 1,781,003.28</strong></td>
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<tr>
<td><strong>Expenses</strong></td>
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<tr>
<td>01-554. 01-554.0241 NSP III Non Reimb Exp</td>
<td>75.00</td>
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<tr>
<td>01-554.001 Advertising (Legal)</td>
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<tr>
<td>01-554.002 Audit</td>
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<tr>
<td>01-554.003 Bond Participation</td>
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<td>01-554.004 Memberships</td>
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<tr>
<td>01-554.005 Contract Services</td>
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<td>00503 Network Services</td>
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<tr>
<td>554.00501 Contract Other</td>
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<td><strong>Total 01-554.005 Contract Services</strong></td>
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<td>01-554.006 Depreciation</td>
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<tr>
<td>01-554.008 Insurance</td>
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<tr>
<td>01-554.011 Lease -Building</td>
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<tr>
<td>01-554.01101 Common Area Maintenance</td>
<td>79.00</td>
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<td>Lease - HFA</td>
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<td>01-554.012 Office Supplies</td>
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<td>554.01201 Office Supplies</td>
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<td>554.01202 Postage</td>
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<td>554.01302 Prof Sv - Consult</td>
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<td><strong>Total 01-554.013 Prof Sv - Consult</strong></td>
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<td><strong>$ 61,619.28</strong></td>
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<td>01-554.014 Promotional Expense</td>
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<td>01-554.016 Salaries and Fringes</td>
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<td>.016.002 Salaries Expense</td>
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<td>.016.004 Payroll Tax Expense</td>
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<td>.016.006 Pension Expense</td>
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<td>.016.008 Insurance Expense</td>
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<td>01-554.021 Grants to Organizat</td>
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<td>Ready for Life, Inc.</td>
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<td>USF Foundation, Inc</td>
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<tr>
<td>Description</td>
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<td>Amount 2</td>
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<td>Total 01-554.023 NSP I Program Exp</td>
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<td>01-554.027 NSP II Prog Exp</td>
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<td>Total 01-554.027 NSP II Prog Exp</td>
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<td>01-591.001 Bank Fees</td>
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<td>01-591.002 Misc Expenses</td>
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<td>Total 01-591.002 Misc Expenses</td>
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<td>01-395.001 Unrealized Market Gain - FHLB Securities</td>
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<td>(435,381.41)</td>
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<td>(435,381.41)</td>
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<td>(435,381.41)</td>
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<td>(17,090.26)</td>
<td>491,597.22</td>
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### Housing Finance Authority of Pinellas County Trust Fund

#### Trust Fund - Cash Roll

**July 2018**

<table>
<thead>
<tr>
<th>Description</th>
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<tbody>
<tr>
<td><strong>Beginning Balance Operating</strong></td>
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<td><strong>Disbursements:</strong></td>
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<td><strong>Total Cash Out</strong></td>
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<tr>
<td><strong>Deposits:</strong></td>
<td></td>
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<tr>
<td>Mortgage Payments</td>
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<td>Pinellas Co Housing Authority (Redwood)</td>
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<td><strong>Total Cash In</strong></td>
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<td><strong>Ending Balance Operating</strong></td>
<td>$1,383,965.83</td>
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</tbody>
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## Housing Finance Authority of Pinellas County Trust Fund
### Balance Sheet
**As of July 31, 2018**

**ASSETS**

**Current Assets**
- **Bank Accounts**
  - 10-101.001 Regions Bank 66356: $1,383,965.83
- **Accounts Receivable**
  - 115.003 DPA Loans: $320,996.03
- **Total Current Assets**: $1,704,961.86

**Other Assets**
- 10-137.000 Due from Lealman Properties Operating Funds Account: $41,155.00
- 10-138.000 Advances to Lealman Trustee Trust Account: $423,419.45
- 10-139.000 TBCDC and CSF Loan Receivable- McLaughlin Project: $500,000.00
- 10-140.001 Second Mortgages Receivable-DPA: $1,818,928.00
- 10-145.000 Second Mortgages Receivable-MF: $279,726.14
- **Total Other Assets**: $3,063,228.59

**Total Assets**: $4,768,190.45

**LIABILITIES AND EQUITY**

**Liabilities**
- **Long-Term Liabilities**
  - 10-209.000 Due to Other Gov.: $1,000,000.00
- **Total Long-Term Liabilities**: $1,000,000.00

**Equity**
- 10-250.001 Opening Bal Equity: $(4,999.31)
- Retained Earnings: $2,866,386.53
- Net Income: $906,803.23
- **Total Equity**: $3,768,190.45

**Total Liabilities and Equity**: $4,768,190.45

---

*Friday, Aug 03, 2018 09:29:26 AM GMT-7 - Accrual Basis*
## Housing Finance Authority of Pinellas County Trust Fund
### Profit and Loss
#### July 2018

<table>
<thead>
<tr>
<th></th>
<th>Jul 2018</th>
<th>Oct 2017 - Jul 2018 (YTD)</th>
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<tbody>
<tr>
<td><strong>Income</strong></td>
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<tr>
<td>10-345.100 Distribution Juris</td>
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<tr>
<td>10-345.104 Program Income</td>
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<td></td>
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<tr>
<td>361.006 Redwood Apts</td>
<td>698.13</td>
<td>7,048.18</td>
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<td>$</td>
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<tr>
<td>Total Income</td>
<td>$ 698.13</td>
<td>$ 907,048.18</td>
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<tr>
<td>Gross Profit</td>
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<td>$ 907,048.18</td>
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<tr>
<td><strong>Expenses</strong></td>
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<td></td>
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<tr>
<td>10-554.006 Admin Expenses</td>
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<tr>
<td>Non Billed Admin Expenses</td>
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<tr>
<td>Bank Fees</td>
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<td>Office Supplies</td>
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<td>Net Income</td>
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Friday, Aug 03, 2018 09:29:31 AM GMT-7 - Accrual Basis
## Housing Finance Authority of Pinellas County Land Assembly Fund
### Cash Roll
#### July 2018

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
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</thead>
<tbody>
<tr>
<td><strong>Beginning Balance Operating</strong></td>
<td>$28,766.01</td>
</tr>
<tr>
<td><strong>Disbursements:</strong></td>
<td></td>
</tr>
<tr>
<td>Sanders Title- Greenway Lofts</td>
<td>(609,575.50)</td>
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<tr>
<td>Bank Fees</td>
<td>(26.64)</td>
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<td><strong>Total Cash Out</strong></td>
<td>(609,602.14)</td>
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<tr>
<td><strong>Deposits:</strong></td>
<td></td>
</tr>
<tr>
<td>Pinellas County BOCC- Greenway Lofts</td>
<td>609,575.50</td>
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<tr>
<td><strong>Total Cash In</strong></td>
<td>609,575.50</td>
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<td><strong>Ending Balance Operating</strong></td>
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20-101 Regions Bank 20811

<table>
<thead>
<tr>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td><strong>Ending Balance Operating</strong></td>
<td>$28,739.37</td>
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</tbody>
</table>
# Housing Finance Authority of Pinellas County Land Assembly Fund
## Statement of Financial Position
### As of July 31, 2018

### ASSETS

<table>
<thead>
<tr>
<th>Category</th>
<th>Description</th>
<th>Amount</th>
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<tbody>
<tr>
<td><strong>Current Assets</strong></td>
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<td>Bank Accounts</td>
<td>20-101 Regions Land Assembly-20811</td>
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<td><strong>Other Current Assets</strong></td>
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<td>20-133 Due from HFA of Pinellas County-GF</td>
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<td>Total Other Current Assets</td>
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<td><strong>Total Current Assets</strong></td>
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<td>20-150 Capital Assets-Land Trust-Garden Trail</td>
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<td>20-151 Capital Assets-Land Trust-Delmar Terrace South</td>
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<td>20-152 Capital Assets-Land Trust-Lealman</td>
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<td>20-153 Capital Assets-Land Trust-McLaughlin Project</td>
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<td>20-154 Capital Assets-Land Trust-Palms of Pinellas</td>
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<td>20-155 Capital Assets-Land Trust-Woodlawn Trail</td>
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<td>20-156 Capital Assets-Land Trust-3920 57th Ave N</td>
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<td>20-157 Capital Assets-Land Trust-Greenway Lofts</td>
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<td>599,575.50</td>
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<td>20-158 Capital Assets-Land Trust-3998 57th Ave N</td>
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<td>20-162 Capital Assets-Land Trust-Clam Bayou 34th Ave S.</td>
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<td>20-166 Capital Assets-Land Trust-1119 Woodlawn St.</td>
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<td>20-168 Capital Assets-Land Trust-3999 54th Ave N</td>
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<td>20-170 Accumulated Depreciation</td>
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<td><strong>TOTAL ASSETS</strong></td>
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### LIABILITIES AND EQUITY

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<th>Amount</th>
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<td><strong>TOTAL LIABILITIES AND EQUITY</strong></td>
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Friday, Aug 03, 2018 09:16:44 AM GMT-7 - Accrual Basis
Housing Finance Authority of Pinellas County Land Assembly Fund
Statement of Activity
July 2018

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<th>Oct 2017 - Jul 2018 (YTD)</th>
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<tbody>
<tr>
<td><strong>Revenue</strong></td>
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<tr>
<td>20-345 Annual Lease Fee</td>
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<tr>
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<td>345.2 Annual Lease Fee-Palms of Pinellas</td>
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<td><strong>Total 20-345 Annual Lease Fee</strong></td>
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<td>20-552 Legal &amp; Professional Fees</td>
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<td>20-556 Depreciation Expense</td>
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<tr>
<td><strong>Net Revenue</strong></td>
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<td>-$ 105,662.97</td>
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Friday, Aug 03, 2018 09:19:16 AM GMT-7 - Accrual Basis
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<th>DR</th>
<th>CASH BALANCE</th>
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</thead>
<tbody>
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<td>10/12/17</td>
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<td>Pin Ship</td>
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<tr>
<td>10/13/17</td>
<td>T. Belter</td>
<td>Pin Ship</td>
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<tr>
<td>10/25/17</td>
<td>L. Elksha</td>
<td>Pin Ship</td>
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<tr>
<td>10/27/17</td>
<td>K. Wilson</td>
<td>Pin Ship</td>
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<tr>
<td>10/27/17</td>
<td>S. Alvarado</td>
<td>Pin Ship</td>
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<tr>
<td>10/4/17</td>
<td>Deposit - M. Pavle</td>
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<td>10/4/17</td>
<td>Deposit - P. Griffin</td>
<td>Pin Cty</td>
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<tr>
<td>10/19/17</td>
<td>Deposit - S. Janvrin</td>
<td>Chwr</td>
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<tr>
<td>10/24/17</td>
<td>Deposit - S. Janvrin</td>
<td>Pin Cty</td>
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<td>$ 25,548.00</td>
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<tr>
<td>11/3/17</td>
<td>S. Halenkamp</td>
<td>Pin Ship</td>
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<tr>
<td>11/9/17</td>
<td>W. Lodyga</td>
<td>Pin Ship</td>
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<td>11/16/17</td>
<td>W. Doyle</td>
<td>Chwr Ship</td>
<td>$ 20,000.00</td>
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<tr>
<td>11/19/17</td>
<td>D. Small</td>
<td>Chwr Ship</td>
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<tr>
<td>11/17/17</td>
<td>E. Fuchs</td>
<td>Pin Ship</td>
<td>$ 7,000.00</td>
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<tr>
<td>11/14/17</td>
<td>Deposit - S. Layman</td>
<td>Pin Cty</td>
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<tr>
<td>11/14/17</td>
<td>Deposit - R. Peterson</td>
<td>Pin Cty</td>
<td>$ 7,500.00</td>
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<tr>
<td>11/14/17</td>
<td>Deposit - K. Quesad</td>
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<tr>
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<td>Deposit - K. McIntyre</td>
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<tr>
<td>11/16/17</td>
<td>Deposit - L. Elksha</td>
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<td>$ 1,548.00</td>
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<tr>
<td>12/9/17</td>
<td>D. Parker</td>
<td>Pin Ship</td>
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<td></td>
</tr>
<tr>
<td>12/9/17</td>
<td>S. Johnson</td>
<td>Pin Ship</td>
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<td>12/5/17</td>
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<tr>
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<td>Deposit - A. Gonzalez</td>
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<tr>
<td>1/24/18</td>
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<td>4/15/18</td>
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<td>S. Gibbons</td>
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<tr>
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<tr>
<td>6/5/18</td>
<td>J. Gieder</td>
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<td>7/31/18</td>
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<td>Description</td>
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<td>PCHFA Fund Balance</td>
<td>Comments</td>
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<td>Funds from PCBOCC</td>
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<td>40,000.00</td>
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<td>Funds from PCBOCC</td>
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<td>50,000.00</td>
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<tr>
<td>11/16/17</td>
<td>Sager, B C SHIP</td>
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<tr>
<td>11/17/17</td>
<td>Jones, C C SHIP</td>
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<tr>
<td>12/07/17</td>
<td>Paulick, K C SHIP</td>
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<td>20,978.00</td>
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<tr>
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<td>Funds from PCBOCC</td>
<td></td>
<td>10,978.00</td>
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</tr>
<tr>
<td>12/08/17</td>
<td>Comighod, S C SHIP</td>
<td></td>
<td>10,978.00</td>
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<td>12/07/17</td>
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<td>-</td>
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<td>05/21/18</td>
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<td>20,000.00</td>
<td>60,000.00</td>
<td>No activity</td>
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<tr>
<td>06/19/18</td>
<td></td>
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<td>60,000.00</td>
<td>No funding activity but several</td>
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<td>07/18/18</td>
<td></td>
<td></td>
<td>60,000.00</td>
<td>loans are advancing through the process</td>
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<td>07/26/18</td>
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<td>40,000.00</td>
<td>City of Clearwater Loan</td>
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<tr>
<td>08/21/18</td>
<td>No Other Closed</td>
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<td>40,000.00</td>
<td>$40,000 in Pending City of</td>
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<tr>
<td></td>
<td>Activity</td>
<td></td>
<td></td>
<td>Clearwater Loans</td>
<td></td>
</tr>
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</table>
July 27, 2018

Florida ALHFA Members:

Re: Contribution to Sadowski Education Effort for 2019

First, many thanks to all of our HFAs who contributed to the Sadowski Education Effort (SEE) these last several years. The effort has been extremely effective but the educational effort isn’t over. It’s time for everyone to again make their annual contribution to the Sadowski Education Effort.

The 2018 Legislative Session begins in January. Therefore, our professional team needs to be engaged and working by September 2018. Even if your budget system does not permit a contribution until after your fiscal year begins on October 1, we need your pledge now. And of course, contributions received in August and September are optimal.

In our previous correspondence, it was stated that with term limits, there is continual turnover in the legislature - new legislators must be educated on the value of housing finance authorities and state housing programs. Therefore, it is essential that the educational efforts be an ongoing project.

To that end, Florida ALHFA has pledged an additional $15,000 to the SEE. The HFA of Hillsborough County has pledged $15,000, and challenges its sister HFAs to match or exceed that level of contribution. Florida ALHFA strongly urges its members to actively participate in the legislative process and provide financial support in this educational effort in the amount of at least $15,000.

What has the value of the SEE been? Without SEE, the Housing Trust Funds would no longer exist, there would be no dedicated revenue for housing, and housing programs would have received no funds. In the last five years, $944 million was appropriated for housing due to SEE.

Highlights of our educational effort:

- $124 million appropriation for FY 18-19—secured despite sweeps of various funds for Parkland tragedy
- $137 million appropriation for SHIP and SAIL in FY 17-18, plus another $250 million for SAIL over past two years from Guaranty Fund
- $200 million appropriation for SHIP and SAIL in FY 16-17
- $175 million appropriation for SHIP and SAIL in FY 15-16
- $8 million allocated for local HFA DPA loans due to agreement with FHFC using Hardest Hit funds
- $167.7 million appropriation for SHIP and SAIL in FY 14-15
• $9 million was allocated directly to local HFA's for down payment assistance through the MOU with Florida Housing
• $140 million appropriation for housing from Bank Settlement monies in FY 13-14.
• Defeated attempts to eliminate Housing Trust Funds in 2011 and 2012 session

Many HFAs received reimbursement for DPA loans far in excess of their SEE contributions. Additionally, SAIL and SHIP assist our programs SAIL allows bond deals to work that otherwise would not be financially feasible and SHIP is another source of DPA for our programs. From a purely economic investment perspective, an HFA received returns for its annual SEE contributions by closing only one DPA loan.

Given these long and hard fought victories, why is additional education needed? As stated above, continued turnover in the legislature makes this effort necessary. Florida ALHFA has positioned itself to be more effective. We will continue to have an effective lobbying and public relations effort in place, led by former Senate President Ken Pruitt and Bascom Communications. But it will not be achieved if we are on the sideline watching the action. Every year that we have a strong SEE presence, our long term position is improved. We need to deliver our message that adequate housing funding means jobs for Florida's economy and enhances our ability to fulfill our mission of providing housing finance to first-time homebuyers and the provisions for affordable rental housing for our workforce. It is also essential to our mission of supporting neighborhood stabilization and revitalization.

The Sadowski Coalition expects to retain full time services and pay its expenses with a $160,000 budget. We are asking you to support this effort with a contribution of at least $15,000. The fiscal agent for these funds continues to be Florida ALHFA.

Please ensure checks are made payable to: “Sadowski Education Effort” and mailed to:
Sadowski Education Effort
1404 Alban Avenue
Tallahassee, Florida 32301

An invoice can be sent to you upon request. When you contribute, please notify us by email at mark@thehendricksoncompany.com

Upon becoming a supporter of the Sadowski Education Effort, you will be included in regular updates, by email and telephone, and your input in regard to the SEE strategies will be welcomed. A copy of the 2018 SEE Fundraising and Expenditures Report is available upon request.

Timeline: Contributions or Pledges to the Sadowski Education Effort should be received no later than September 30, 2018.

Thank you,

Harry S. Hedges
President
Florida ALHFA
<table>
<thead>
<tr>
<th>PROJECTS</th>
<th>UNITS</th>
<th>OCC (ACT)</th>
<th>LOW OCC (ACT)</th>
<th>% LOW INCL VAC LOW</th>
<th>% OCC (ACT)</th>
<th>% OCC CHANGE</th>
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<td>277</td>
<td>67</td>
<td>23%</td>
<td>VL</td>
<td>96%</td>
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<td>55</td>
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<td></td>
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<td></td>
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<tr>
<td>Bayside Court</td>
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<tr>
<td>Boca Ciega Townhomes</td>
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<td>109</td>
<td>109</td>
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<td>100%</td>
<td>0%</td>
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<tr>
<td>Booker Creek</td>
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<td>151</td>
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<td>97%</td>
<td>-1%</td>
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<td>90</td>
<td>90</td>
<td>100%</td>
<td>100%</td>
<td>+1%</td>
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<tr>
<td>Cypress Pointe****</td>
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<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>HEP West *****</td>
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<td>Reports Annually Next Report due 1/2019 (Dec Report)</td>
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<tr>
<td>James Park</td>
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<td>78</td>
<td>100%</td>
<td>98%</td>
<td>-1%</td>
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<td>Magnolia Court******</td>
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<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Pinellas Heights</td>
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<td>150</td>
<td>100%</td>
<td>98%</td>
<td>+1%</td>
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<tr>
<td>PROJECTS</td>
<td>UNITS</td>
<td>OCC (ACT)</td>
<td>OCC (ACT)</td>
<td>% LOW INCL VAC LOW</td>
<td>% OCC (ACT)</td>
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<td>100%</td>
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<td>Tarpon Village********</td>
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<td>aka Sunrise Place</td>
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<td>Transfiguration Manor*******</td>
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<td>5</td>
<td>7%</td>
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<td>188</td>
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<td>100%</td>
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</table>

* Alta Largo is required to have a minimum of 20% Very Low Income Adjusted to Family Size.
** Ashley Place reports Annually (September)
*** Boardwalk reports Annually (September)
**** Cypress Pointe reports Annually (September)
***** HEP West (December) and only required to have 28 certified units
****** Magnolia Court reports Annually (December)
******* Oak Ridge Estates reports Annually (March) and only required to have 8 certified units
******** Santo's Isle reports Annually (June)
********* Tarpon Village reports Annually (September)
********** Transfiguration Manor reports Annually (June) and only required to have 5 certified units
TO: Casey Cane, Chairman  
And Members of the Housing Finance Authority  

FROM: Karmen Lemberg, Director of Homeownership Programs and Operations  

SUBJECT: Single Family Program Update  

DATE: September 5, 2018  

Below are the numbers for the continuous lending program 2016B and the HHF program as of August 29, 2018:

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<th>Stage</th>
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<th>August HHF</th>
<th># of Loans</th>
<th>Total</th>
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<tbody>
<tr>
<td>Sold in TBA Program</td>
<td>$15,556,527</td>
<td>95</td>
<td>$11,736,689</td>
<td>81</td>
<td>176</td>
</tr>
<tr>
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<td>0</td>
<td>0</td>
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</tr>
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<td>Pooled</td>
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<td>$0</td>
<td>0</td>
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<tr>
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<td>1</td>
<td>$0</td>
<td>0</td>
<td>1</td>
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<tr>
<td>Total</td>
<td>$21,237,367</td>
<td>133</td>
<td>$11,736,689</td>
<td>81</td>
<td>214</td>
</tr>
</tbody>
</table>

Loans in the HHF program have been purchased and this is the last month of reporting for this very successful program. Of the 81 loans 29 were in Pinellas, 34 in Polk, and 19 in Pasco.

We are experiencing a slowing in our Home Key program which is not uncommon this time of year with school starting.

The September YouTube show features Deputy O'Shea speaking about Operation Medicine Cabinet and the Safety Net program.
Services and Support from this Funding:
Two RFL positions, the Transition Specialist and the Housing Specialist. These positions are filled by young adults that have “aged out” of foster care and are key to the success of this funding. Due to the crisis nature of those young adults after “aging out” of foster care, these two positions work in conjunction with one another providing support and wrap around services in the areas of housing, education, employment, being connected to a mentor and parenting support. The system often lacks support for those young adults that are still working on their Ged or High School Diploma and only provides a stipend to those enrolled in post-secondary education. RFL is working diligently to increase the number of GED graduates and assist them in going on to post-secondary.

Over the last two years since we opened our GED School in partnership with Pinellas County Schools we have had 8 graduate with their GED and 7 are currently enrolled. Currently, RFL is supporting 29 young adults that are attending St. Pete College or Pinellas Technical College. The national statistic is less than 3% of youth that “age out” will obtain a college degree. To date, RFL has 2 young adults that obtained their bachelor’s Degree and are working on their Masters, 8 young adults have obtained their AA and 16 obtained certificates through Pinellas Technical College.

The Housing Specialist will provide support and transportation for housing search, assistance with resolving landlord/tenant concerns, to recruit safe and affordable housing partners willing to rent to former foster youth, to provide 24-hour crisis intervention and to provide direct assistance and interventions aimed at assisting the young adult in achieving their goals while ensuring homeless prevention and housing stability.

The Transition Specialist will provide services in conjunction with the Housing Specialist that is primarily focused on educational and employment success so that self-sufficiency will be attained. This position will focus on every young adult obtaining their HS Diploma or GED and moving on to post-secondary or technical college and if that goal is unattainable becoming career ready and gainfully employed will be the goal.

All youth that receive support must complete the financial literacy course, complete a budget, write and essay on why the support is needed and complete all paperwork required. The funds go directly to the landlord / Apartment or utility company.

Funding Request:

2 Youth Specialist positions (former foster youth) = $50,000
Housing Financial Assistance - Deposit, Rental Assistance and Utility Assistance = $50,000
Total Request for September 2018 – August 2019 = $100,000
Thank you, Pinellas County Housing Finance Authority Board of Pinellas County for your support over the past two years. It is due to that support that we have been able to reduce the number of homeless young adults and work towards finding safe and stable for all of those we serve. It also provides RFL the opportunity to employ former foster youth who are the “experts” in this area because they have walked in those shoes and have experienced homelessness first hand. RFL is grateful for our partnership with PCHFA staff and board and are requesting that this funding continue. We look forward to presenting to the board in September and telling you first hand the tremendous impact that funding has had on the lives of so many young adults we serve that have not had the support and resources many of us had while growing up and even to this day. Attached are the statistics from the funding this past fiscal year.

Again, thank you and know that you truly are making a HUGE difference as it relates to homelessness and homelessness prevention in our community!

My Journey
Janel

Foster care didn’t quit prepare me for what was next after turning 18. From age 18 to 23, I strived hard to not be another statistic in the system. At times it felt like I failed because I have been homeless off and on from 18 to 23. I found myself on a roller coaster experiencing so many ups but then something would change, and things would spiral down quickly. Through all my ups and downs and being homeless, school became my sanctuary and I attended school no matter the circumstance. I would say for the full two years of getting my A.A degree, I was homeless off and on from sleeping on park benches, to going from shelter to shelter to couch surfing. Entering adulthood has been bitter sweet, but today I can say that I’m not where I was 2 years ago. I am proud to say in July 2018 I graduated from St. Petersburg college with my A.A Degree. People ask me how I do it. My motivation came from living in shelter environments. I looked at people who almost became comfortable in being homeless or people who had been homeless for a long time and I didn’t want that for myself. I turned away many temptations from drugs and alcohol. I struggled with a mental battle every day. School became everything to me; an escape. To be homeless was never my intention, and because of that, I built an education for myself to give me a better chance of success. I learned Education is something that can’t be taken away from you.

When I met Ready for Life, things begin to change slowly for the better. I attended a Financial Literacy course towards the end of last year and they helped me get into an apartment which was such a liberating moment for me. I moved into my place, I worked at Barnes and Noble full time and things were going great for me until I lost my job due to schedule changes and the bus schedule. I then was forced to move out after using all my school PELL to pay my bills. I was back couch surfing. The lack of affordable housing has been an issue for me to regain housing. I currently work at McDonalds part-time and unfortunately, it’s not enough to make ends meet. On July 30th I was placed on the waiting list to receive section 8. I plan to receive the financial assistance to move into an apartment once I’m accepted. It’s such a relief to know I will finally
I have a way to afford the cost of living in my own place. I thank Ready for Life and their supporters for providing a way for youth like me. Ready for Life and their supporters have moved stumbling blocks in my life to help me continue my journey to success.
Ready for Life Financial Literacy Stats

- 45 youth were assisted from October 2017 - August 2018
- 18 out of 41 were parents
- 13 out of 41 youth were assisted with utilities
- 9 out of the 13 youth who received utilities had minor children
- 6 youth were assisted with deposits, those 6 were homeless before receiving assistance
- 2 out of 6 who were homeless had children
- 29 youth received rental assistance
- 2 youth received emergency assistance
- 28 youth were employed when receiving the assistance
- 5 received SSI/SSDA income
- 65 youth successfully completed the financial literacy course

Big thanks to BB&T and Achieve Credit Union for all their support and time they invested in preparing our young adults for their future financial goals.
Method of Payment

Housing Finance Authority of Pinellas County, Florida
Youth Aging Out of Foster Care Program
September 2018 update

1. Continuing October 2018 through September 2019, Ready for Life, Inc. will submit, on a monthly basis via e-mail, an accounting invoice in the form of a spreadsheet with appropriate back documentation that will indicate the reimbursable deliverable for that particular month such as security deposit, rent enhancement, application fee, etc. The spreadsheet will include client name, purpose of deliverable, amount to be reimbursed with a final column for monthly total reimbursement to Ready for Life, Inc. Monthly submission by the 10\textsuperscript{th} of every month.

Starting October 1, 2018 and each quarter thereafter (1/1/19, 4/1/19, and 7/1/19) the HFA will forward 25\% ($12,500) of the annual amount of $50,000 for the full-time RFL Transition Specialist and the two part-time RFL Housing Specialists.

Check for 10.1.18
Check for 1.1.19
Check for 4.1.19
Check for 7.1.19
RESOLUTION No. 2018-___

A RESOLUTION PROVIDING FOR ADOPTION AND APPROVAL OF A BUDGET AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, pursuant to the Florida Housing Finance Authority Law, Chapter 159, Part IV, Florida Statutes, as amended (the "Act"), the Board of County Commissioners of Pinellas County, Florida, by Ordinance No. 82-32 adopted on October 12, 1982, as amended by Ordinance No. 89-21 dated May 16, 1989 and Ordinance No. 93-28 dated October 26, 1993 (the "Ordinance"), did create the Housing Finance Authority of Pinellas County, Florida, a public body corporate and politic of the State of Florida, (the "Authority"); and

WHEREAS, the Authority is a Special District subject to the provisions of Chapter 189, Florida Statutes ("Special District Law"); and

WHEREAS, the Special District Law has recently been amended, which requires any entity which is characterized as a Special District, such as the Authority, to adopt changes to the budget by resolution of such governmental entity in certain circumstances if total appropriations to a fund are increased; and

WHEREAS, the Authority in order to comply with the provisions of Special District Law, desires to adopt its annual budget as set forth on Exhibit "A" to this Resolution, which is entitled “General Fund Budget”, and Exhibit “B” to this Resolution, which is entitled “Housing Trust Fund Budget”.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA, THAT:

SECTION 1. The Authority hereby adopts the General Fund Budget set forth as Exhibit “A”, and the Housing Trust Fund Budget set forth as Exhibit “B”. Copies of the Budgets are attached hereto as Exhibit “A” and Exhibit “B” and made a part hereof. The General Fund Budget and Housing Trust Fund Budget will be posted on the Authority’s website within five (5) days of adoption.

SECTION 2. This Resolution shall take effect immediately upon its adoption.

ADOPTED this 5th day of September, 2018.

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA

(SEAL)

By: ____________________________
Chairman

ATTEST:

________________________________
Secretary/Treasurer

MTC/cj/686627
Memorandum

Housing Finance Authority
26750 US Highway 19 N., Suite 110
Clearwater, FL 33761
Phone: 727-223-6418

TO: Casey Cane, Chairman
And Members of the Housing Finance Authority

FROM: Kathryn Driver, Executive Director

SUBJECT: General Fund FY 2019 Budget - Proposed

DATE: September 5, 2018

We are pleased this year to present you with a proposed budget for FY 2018/2019 that depicts budgeted revenues that exceed budgeted expenditures by approximately $457,700. Total revenues are anticipated to remain relatively level from prior year while budgeted expenditures are anticipated to increase approximately 15% due to the costs associated with the anticipated issuance of a single family bond issue this fiscal year. The increase in budgeted revenues is due to anticipated carryforward funds from FY 2017/2018.
## Revenue

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>NSP I Income</td>
<td></td>
<td>1,500</td>
<td>(1,500)</td>
<td>-100%</td>
</tr>
<tr>
<td>NSP II Income</td>
<td>100,000</td>
<td>100,000</td>
<td>-</td>
<td>0%</td>
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<tr>
<td>Multifamily Revenue - Issuer Fees</td>
<td>195,000</td>
<td>150,000</td>
<td>45,000</td>
<td>30%</td>
</tr>
<tr>
<td>Single Family Revenue - Issuer Fees</td>
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<td>700,000</td>
<td>(350,000)</td>
<td>-50%</td>
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<tr>
<td>Application Fees</td>
<td>30,000</td>
<td>-</td>
<td>30,000</td>
<td>0%</td>
</tr>
<tr>
<td>Extension Fees</td>
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<td>-</td>
<td>3,500</td>
<td>0%</td>
</tr>
<tr>
<td>TBA Income</td>
<td>200,000</td>
<td>-</td>
<td>200,000</td>
<td>0%</td>
</tr>
<tr>
<td>Fee Income - Special Programs</td>
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<td>75,000</td>
<td>0%</td>
</tr>
<tr>
<td>Gain on Sale of FHLB Securities</td>
<td>110,000</td>
<td>-</td>
<td>110,000</td>
<td>0%</td>
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<tr>
<td>Interest Income</td>
<td>350,000</td>
<td>-</td>
<td>350,000</td>
<td>0%</td>
</tr>
<tr>
<td>Bank Interest</td>
<td>35,000</td>
<td>-</td>
<td>35,000</td>
<td>0%</td>
</tr>
<tr>
<td>Miscellaneous Revenue</td>
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<td>-</td>
<td>1,500</td>
<td>0%</td>
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<tr>
<td>Bond/Refunding Proceeds Revenue</td>
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<td>-</td>
<td>30,000</td>
<td>0%</td>
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<tr>
<td>General Fund Activities</td>
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<td>500,000</td>
<td>(500,000)</td>
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</tr>
<tr>
<td>DPA Income</td>
<td>-</td>
<td>40,000</td>
<td>(40,000)</td>
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<tr>
<td>Carryforward from prior year</td>
<td>400,000</td>
<td>-</td>
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</table>

Total Budgeted Revenue: 1,880,000

## Expense

<table>
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<tr>
<th></th>
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</tr>
</thead>
<tbody>
<tr>
<td>NSP III Non-reimbursable</td>
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<td>1,300</td>
<td>-</td>
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</tr>
<tr>
<td>Advertising (Legal)</td>
<td>1,000</td>
<td>1,000</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Audit</td>
<td>50,000</td>
<td>50,000</td>
<td>-</td>
<td>0%</td>
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<tr>
<td>Bond Participation (including COI)</td>
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<td>65,000</td>
<td>185,000</td>
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<td>Memberships</td>
<td>12,000</td>
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<td>Contract Services Other; Accounting Services</td>
<td>160,000</td>
<td>160,000</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Network</td>
<td>15,000</td>
<td>15,000</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Insurance</td>
<td>20,000</td>
<td>20,000</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Lease: Building</td>
<td>50,000</td>
<td>40,000</td>
<td>10,000</td>
<td>25%</td>
</tr>
<tr>
<td>Office Supplies</td>
<td>5,000</td>
<td>5,000</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Professional Services - Consultants</td>
<td>110,000</td>
<td>110,000</td>
<td>-</td>
<td>0%</td>
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<tr>
<td>Promotional Expense</td>
<td>5,000</td>
<td>5,000</td>
<td>-</td>
<td>0%</td>
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<td>Salaries, Benefits &amp; Taxes</td>
<td>450,000</td>
<td>450,000</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Telephone</td>
<td>4,500</td>
<td>4,500</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Travel</td>
<td>30,000</td>
<td>25,000</td>
<td>5,000</td>
<td>20%</td>
</tr>
<tr>
<td>Grants to Organizations</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Youth Aging Out of Foster Care Program</td>
<td>100,000</td>
<td>100,000</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Sadowski Education Effort</td>
<td>15,000</td>
<td>15,000</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>University of South Florida CRED</td>
<td>15,000</td>
<td>25,000</td>
<td>(10,000)</td>
<td>-40%</td>
</tr>
<tr>
<td>Total Grants to Organizations</td>
<td>130,000</td>
<td>140,000</td>
<td>(10,000)</td>
<td>-7%</td>
</tr>
<tr>
<td>NSP I Program Expense</td>
<td>-</td>
<td>1,700</td>
<td>(1,700)</td>
<td>-100%</td>
</tr>
<tr>
<td>Intergov Services: Recorder</td>
<td>3,500</td>
<td>3,500</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>NSP II Program Expense</td>
<td>100,000</td>
<td>100,000</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Misc. Bank Fees/Expenses</td>
<td>7,000</td>
<td>7,000</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>FHLB/LOC Interest Expense</td>
<td>18,000</td>
<td>18,000</td>
<td>-</td>
<td>0%</td>
</tr>
</tbody>
</table>

Total Budgeted Expenditures: 1,422,300
Memorandum

Housing Finance Authority
26750 US Highway 19 N., Suite 110
Clearwater, FL 33761
Phone: 727-223-6418

TO: Casey Cane, Chairman
And Members of the Housing Finance Authority

FROM: Kathryn Driver, Executive Director

SUBJECT: Housing Trust Fund FY 2019 Budget - Proposed

DATE: September 5, 2018

We are pleased this year to present you with a proposed budget for FY 2018/2019 that depicts budgeted revenues and budgeted expenditures. Total revenues are anticipated to remain stable. You will note that there is no new funding from the Board of County Commissioners this fiscal year. Program Income from prior transactions are available for future project and program expenses. Budgeted expenditures are anticipated to remain stable as well. Project and program expenditures include down payment and closing cost assistance in conjunction with our first mortgage program as well as upcoming projects with various partners.
<table>
<thead>
<tr>
<th></th>
<th>Proposed 2018/2019</th>
<th>Approved 2017/2018</th>
<th>Budget Increase (Decrease)</th>
<th>Percent Difference</th>
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</thead>
<tbody>
<tr>
<td><strong>Income:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Bank Interest</td>
<td>50</td>
<td>50</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td>Program Income &amp; Prior Allocation</td>
<td>800,000</td>
<td>300,000</td>
<td>500,000</td>
<td>167%</td>
</tr>
<tr>
<td>Fiscal Year Allocation from BCC</td>
<td>-</td>
<td>500,000</td>
<td>(500,000)</td>
<td>-100%</td>
</tr>
<tr>
<td><strong>Total Income</strong></td>
<td>800,050</td>
<td>800,050</td>
<td>-</td>
<td>0%</td>
</tr>
<tr>
<td><strong>Expenses:</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Project and Program Expenditures - new and existing</td>
<td>750,000</td>
<td>725,000</td>
<td>25,000</td>
<td>3%</td>
</tr>
<tr>
<td>Administrative Expense</td>
<td>50,000</td>
<td>75,000</td>
<td>(25,000)</td>
<td>-33%</td>
</tr>
<tr>
<td><strong>Total Expenses:</strong></td>
<td>800,000</td>
<td>800,000</td>
<td>-</td>
<td>0%</td>
</tr>
</tbody>
</table>
MEMORANDUM

TO: Housing Finance Authority of Pinellas County, Florida

FROM: David Jones, CSG Advisors

SUBJECT: 1) Annual Investment Policy Review, and
          2) Recommendation as to Florida Intergovernmental Investment Pools

DATE: August 16, 2018

Background

At its December 3, 2014 Board meeting, the Authority approved Resolution 2014-08 which
established an Investment Policy that applies to surplus funds of the Authority in excess of amounts
needed to cover short term expenses and funds in a bond indenture that are governed by said
indenture or agreement. The Investment Policy is to be reviewed annually and furthermore, the
Financial Advisor is to review the performance and status of such funds at least semi-annually.
Such semi-annual reviews have taken place and have been presented to the Board in prior
meetings. (See the Investment Policy at the end of this item).

Investment Policy Objectives

Objectives of the Investment Policy include the following:
  1. Safety of the capital to the Authority,
  2. Liquidity of Authority funds, and
  3. Investment income to the Authority.

Included in the policy is a listing of authorized investments, guidelines for risk reduction and
diversification, and the performance measurement and reporting as discussed above.

Recent Investment Performance

In the most recent measurement of investment performance for the six months October 1, 2017 to
March 21, 2018, the Authority generated total income of $262,132 which was a 3.36% annualized
return of the average asset balance. Much of the Authority’s investment returns are generated on
its portfolio of seasoned mortgage-backed securities that were released as the related bonds were
fully redeemed. The Authority’s checking accounts generate very little in interest income and as
such, we recommend utilizing several intergovernmental investment pools to generated additional
income to the Authority while continuing the safety and liquidity of such funds.
Florida Intergovernmental Investment Pools

There are four main intergovernmental investment pools in the state of Florida that serve as candidates for investing the Authority’s surplus funds:

- Florida Cooperative Liquid Asset Securities System ("FLCLASS")
- Local Government Surplus Funds Trust Fund ("Florida Prime")
- Florida Surplus Asset Fund Trust ("FL SAFE")
- Florida Municipal Investment Trust

Exhibit A provides summary of the key characteristics of the investment pools, all of which are in the highest rating category available (Aaam/AAA). Each of the funds are invested in a manner pursuant to the laws of the state of Florida and Florida’s Investment of Local Government Surplus Funds Act, Florida Statutes, Chapter 218.415. More specifically, the first three pools invest in short-term investments such as commercial paper, CDs, money market funds and short-term notes to provide maximum liquidity and safety. The FL Municipal Investment Trust has a 2-year time horizon and invests in longer dated bonds, and as such, is not the ideal investment pool for the Authority’s surplus funds.

Currently, the Authority has identified approximately $5 million of surplus cash that could be invested in such investment pools which based on their current yields between 2.10% and 2.20% would earn the Authority more than $100,000 of additional interest income per year. See below for the Authority’s average investment balances (comprised of both long-term investments and cash) over the last six months:

PCHFA Investments: Average Balances from 10/31/17 to 03/31/18
Recommendation

Investment Pools
Based on the Authority’s investment policy objectives, the underlying investments, time horizons, and returns of the pools as well as consideration of past performance, I recommend that the Board approve both the FLCLASS and FL SAFE investment pools and delegate staff to invest surplus funds not needed in its checking account. We would expect approximately half of the surplus cash to be invested in each of the investment pools to aid in diversification and liquidity.

As for accessing the accounts and directing the transfer of funds in and out of the investment pools, I would recommend the following individuals for each:

<table>
<thead>
<tr>
<th>Account Access:</th>
<th>Transfer of Funds/Direct Investments:</th>
</tr>
</thead>
<tbody>
<tr>
<td>- Casey Cane or Norris Counts</td>
<td>- Casey Cane or Norris Counts</td>
</tr>
<tr>
<td>- Kathryn Driver</td>
<td>- Kathryn Driver</td>
</tr>
<tr>
<td>- Karmen Lemberg</td>
<td>- David Jones</td>
</tr>
<tr>
<td>- David Jones</td>
<td>- David Jones</td>
</tr>
<tr>
<td>- Barbara Clark</td>
<td>-</td>
</tr>
</tbody>
</table>

Investment Policy
The Investment Policy continues to provide a framework for surplus fund investments of the Authority. I see no need for modifications to the policy and recommend that the Board approve the Investment Policy as presented.
# APPENDIX A: FLORIDA INTERGOVERNMENTAL INVESTMENT POOLS

<table>
<thead>
<tr>
<th>Name</th>
<th>Florida Cooperative Liquid Asset Securities System (&quot;FLCLASS&quot;)</th>
<th>Local Government Surplus Funds Trust Fund (&quot;Florida Prime&quot;)</th>
<th>Florida Surplus Asset Fund Trust (&quot;FL SAFE&quot;)</th>
<th>Florida Municipal Investment Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rating Agency</td>
<td>Standard &amp; Poor’s (AAAm)</td>
<td>Standard &amp; Poor’s (AAAm)</td>
<td>Standard &amp; Poor’s (AAAm)</td>
<td>Fitch (AAA)</td>
</tr>
<tr>
<td>Rates as of 8/14/18</td>
<td>2.20%</td>
<td>2.19%</td>
<td>2.11%</td>
<td>Not comparable; see below</td>
</tr>
<tr>
<td>Objective</td>
<td>1. Safety / Preservation of Principal,</td>
<td>1. Safety,</td>
<td>1. Safety of Capital,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>2. Daily Liquidity,</td>
<td>2. Liquidity, and</td>
<td>2. Liquidity of Funds,</td>
<td></td>
</tr>
<tr>
<td></td>
<td>3. Transparency, and</td>
<td>3. Competitive returns with minimal risk.</td>
<td>3. Transparency, and</td>
<td></td>
</tr>
<tr>
<td>Investment Mgmt</td>
<td>Public Trust Advisors</td>
<td>Federated Investors (Since Feb 2008)</td>
<td>Prudent Man Advisors (&quot;PMA&quot;)</td>
<td>Atlanta Capital Management</td>
</tr>
<tr>
<td>Funds Available</td>
<td>FLCLASS</td>
<td>Florida Prime</td>
<td>Money Market Pool</td>
<td>Bond Funds</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Other programs by PMA include:</td>
<td>0-2 Year</td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>Fixed Income Investment Pgm</td>
<td>1-3 Year</td>
</tr>
<tr>
<td></td>
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<td></td>
<td>Cash Flow Management</td>
<td>Intermediate</td>
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<td></td>
<td>Bond Proceeds Management</td>
<td>Broad market</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>Financial Planning Program</td>
<td>Expanded High yield</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>Core Plus Income</td>
</tr>
<tr>
<td>Comments</td>
<td>Fund opened on October 28, 2015.</td>
<td>- Established in 1977 and currently serves over 800</td>
<td>Established in 2007 and began operations</td>
<td>Operates distinct bond and equity</td>
</tr>
<tr>
<td></td>
<td>As of 12/31/16, the fund had over $1.7 billion in assets</td>
<td>participants across the state</td>
<td>in 2008 as a stable Net Asset value fund.</td>
<td>funds that can be invested in. Funds</td>
</tr>
<tr>
<td></td>
<td>under management (&quot;AUM&quot;). As of 12/31/17, the fund had over</td>
<td>- Failed to honor allredemptions in 2007/2008 but in 2009</td>
<td>are more investment funds subject to</td>
<td>are more investment funds subject to</td>
</tr>
<tr>
<td></td>
<td>$2.1 billion in AUM.</td>
<td>put procedures and changes in place</td>
<td>gains/losses than a guarantee of</td>
<td>gains/losses than a guarantee of</td>
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<td></td>
<td></td>
<td>(including a third party Investment Advisor) in an</td>
<td>principal with interest earnings.</td>
<td>principal with interest earnings.</td>
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<tr>
<td></td>
<td></td>
<td>attempt to mitigate all concerns</td>
<td></td>
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<tr>
<td></td>
<td></td>
<td>- Managed by Federated Investors</td>
<td></td>
<td></td>
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<tr>
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<td>since February 13, 2008</td>
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</table>
RESOLUTION NO. 2018-____

RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA ("AUTHORITY") APPROVING THE ENTRANCE INTO AN INTERLOCAL AGREEMENT WITH OTHER GOVERNMENTAL PARTICIPANTS FOR THE PURPOSE OF EXERCISING INVESTMENT POWER JOINTLY TO INVEST FUNDS IN CONCERT WITH OTHER PARTICIPANTS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Authority is permitted and has the power pursuant to the provisions of the Florida Statutes, including but not limited to Section 218.415 of the Florida Statutes, and its own local laws to invest certain of its funds in statutorily permitted investments, including but not limited to any intergovernmental investment pool authorized pursuant to Section 163.01, Florida Statutes, as amended (the "Florida Interlocal Cooperation Act"); and

WHEREAS, Sec. 163.01, Fla. Stat., authorizes a political subdivision, agency, or officer of the State of Florida, including but not limited to state government, county, city, school district, single and multipurpose special district, single and multi-purpose public authority, metropolitan or consolidated government, a separate legal entity or administrative entity created under subsection (7) of Section 163.01, Fla. Stat., or an independently elected county officer (each of the foregoing a "Local Government Entity" or "Entity"); to exercise jointly with any other Entity any power, privilege, or authority which such Entities share in common and which each might exercise separately;

WHEREAS, the Florida Interlocal Cooperation Act authorizes the Authority, together with other local governmental entities, to exercise jointly any power, privilege or authority which the local governmental entities share in common and which each might exercise separately pursuant to a written interlocal agreement; and

WHEREAS, Palm Beach County, Pinellas County, and Orange County Tax Collector, as initial Participants (as such term is defined in the Interlocal Agreement described below), entered into that certain Interlocal Agreement, a copy of which is attached hereto as Exhibit A (the "Interlocal Agreement"), the purpose of which is to provide the Authority and each Participant which has executed or otherwise joined the Interlocal Agreement, a substantial benefit by establishing the intergovernmental investment pool to be known as the Florida Cooperative Liquid Assets Securities System ("FLCLASS"), which is an intergovernmental investment pool as described in Section 218.415, Florida Statutes, as amended, in order to exercise such investment power jointly and invest such funds in concert with the other Participants pursuant to the Interlocal Agreement as authorized by the Florida Interlocal Cooperation Act in order to take advantage of economies of scale and perform governmental functions more efficiently; and

WHEREAS, the Authority desires to join the Interlocal Agreement as a Participant, in order to exercise investment power jointly and invest funds in concert with the other Participants
pursuant to the Interlocal Agreement in order to take advantage of economies of scale and perform governmental functions more efficiently; and 201 E. Pine Street, Suite 750 Orlando, FL 32801 T 844-220-7600 F 844-220-7900 clientservices@fclass.com www.fclass.com WHEREAS, the policy of the Interlocal Agreement shall be to place the highest priority on the safety of principal and liquidity of funds, and the optimization of investment returns shall be secondary to the requirements for safety and liquidity;

NOW, THEREFORE, BE IT RESOLVED by the Authority as follows:

SECTION 1. The Interlocal Agreement executed or otherwise joined by the Participants thereto, a copy of which is attached to this Resolution as Exhibit A and incorporated herein by reference.

SECTION 2. Pursuant to Section 2.4 of the Interlocal Agreement, the Authority hereby joins the Interlocal Agreement as a Participant and agrees to be bound by all of the terms and provisions thereof. The Authority further agrees to file an executed copy of this Resolution with the Clerk of Court of Pinellas County, Florida.

SECTION 3. This Resolution shall take effect immediately upon its filing with the Clerk of Court of Pinellas County, Florida.

ADOPTED this 5th day of September, 2018.

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA

[SEAL]

By: __________________________
Chairman, Casey Cane

Attest:

________________________
[Assistant] Secretary
EXHIBIT A

FORM OF INTERLOCAL AGREEMENT
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FLCLASS SUMMARY

The Florida Cooperative Liquid Assets Securities System (“FLCLASS” or the “Trust”) is an independent local government investment pool designed to meet the cash management and short-term investment needs of Florida governmental entities.

FLCLASS is open to all governmental entities within the State of Florida (the “State”) which include, but are not limited to, the following and the officers thereof: any State agency, county, municipality, school district, special district, clerk of the circuit court, sheriff, property appraiser, tax collector, supervisor of elections, authority, board, public corporations, quasi public authorities or any other political subdivision of the State. FLCLASS is an intergovernmental investment pool authorized under Section 218.415, Florida Statutes and was created by an interlocal agreement by and among State public agencies (the “Interlocal”) as described in Section 163.01, Florida Statutes, as amended. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Interlocal. The management of FLCLASS will be under the direction of an appointed Board of Trustees comprised of eligible Participants of the FLCLASS program.

The general objective of the Trust is to generate additional investment income for the Participants while maintaining safety and liquidity. The purpose of FLCLASS is to offer a safe, convenient and liquid investment option to Florida governmental entities. By utilizing economies of scale and professional investment management, FLCLASS will seek to generate competitive market returns in a manner that will provide for the safety of principal while meeting the liquidity needs of the Participants.

The primary investment objectives of FLCLASS in order of priority are:

SAFETY: FLCLASS will minimize risks by managing the portfolio in a manner which emphasizes the preservation of principal while maintaining a stable net asset value.

LIQUIDITY: FLCLASS provides daily liquidity to Participants of the program. Portfolio maturity and duration parameters are established to provide for the liquidity needs of the Participants.

TRANSPARENCY: FLCLASS will ensure transparency by allowing Participants to efficiently obtain portfolio and account information and will offer dedicated client service support with an easy to use technology platform.

COMPETITIVE RETURNS: FLCLASS's goal is to provide competitive returns for its Participants while adhering to the primary objectives of Safety and Liquidity. The FLCLASS investment policy and guidelines establish the policies, procedures, and strategies to assure that these objectives are met.

ELIGIBLE INVESTMENTS

FLCLASS may only be invested in a manner that is permitted pursuant to the laws of the State of Florida and Florida’s Investment of Local Government Surplus Funds Act, Florida Statutes, Chapter 218.415. Furthermore, investments will be made in accordance with the Trust’s own investment policy which is structured to meet Standard & Poor’s investment guidelines needed to maintain the highest attainable rating for a Local Government Investment Pool, ‘AAAm’, which include investments authorized under Section 218.415(16), Florida Statutes. Visit www.flclass.com for a copy of the complete FLCLASS Investment Policy.

FLCLASS INVESTMENTS

INVESTMENT OBJECTIVES

FLCLASS provides a professionally managed investment program for local governments. The general objective of FLCLASS is to generate additional investment income for the Participants while maintaining safety and liquidity. The primary investment objectives of FLCLASS in order of priority are:

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PROHIBITED INVESTMENTS
No funds of FLCLASS may be invested in the following or in any other type of investment prohibited by Section 218.415(16), Florida Statutes or other applicable law:

(a) Asset backed commercial paper securities that are classified as structured investment vehicles (SIV), collateralized debt obligations (CDO), structured arbitrage vehicles (SAV) or extendible commercial paper.

(b) Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal.

(c) Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest; and

(d) Collateralized mortgage obligations.

(e) Derivatives

INVESTMENT RESTRICTIONS
The Trust’s investments are subject to the restrictions listed below:

May not make any investment other than investments authorized by the Interlocal and the Investment Policy, as the same may be amended from time to time.

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

May not make loans, provided that the Trust may make Permitted Investments (which may include securities lending).

May not hold or provide for the custody of any Investment Property in a manner not authorized by law or by any institution or Person not authorized by law; and

May not purchase securities or shares of investment companies or any entities similar to FLCLASS.

INVESTMENT RISKS
FLCLASS Participants should specifically consider, among other things, the following risks before making a decision to purchase shares of FLCLASS. The following summary does not purport to be comprehensive or definitive of all risk factors.

INTEREST RATE RISKS:
The prices of the fixed income securities in which FLCLASS will invest rise and fall in response to changes in the interest rates paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. However, market factors, such as demand for particular fixed income securities, may cause the price of certain fixed income securities to fall while the price of other securities rise or remain unchanged. Interest rate changes have a greater effect on the price of fixed income securities with longer maturities. The investment manager will seek to manage this risk by purchasing short-term securities.

CREDIT RISKS:
Credit risk is the possibility that an issuer of a fixed income security held by FLCLASS will default on the security by failing to pay interest or principal when due. If an issuer defaults, FLCLASS will lose money. The investment manager of FLCLASS will seek to manage this risk by purchasing high quality securities.

STABLE NET ASSET VALUE RISKS:
Although the investment manager attempts to manage the Trust such that it maintains a stable Net Asset Value (NAV) of $1.00 per share, there is no guarantee that it will be able to do so. FLCLASS is not registered under the Investment Company Act of 1940 or regulated by the Securities and Exchange Commission.

FLCLASS ORGANIZATIONAL STRUCTURE

PARTICIPANTS
FLCLASS is open to all governmental entities within the State which include, but are not limited to, the following and the officers thereof: any State agency, county, municipality, school district, special district, clerk of the circuit court, sheriff, property appraiser, tax collector, supervisor of elections, authority, board, public corporations, quasi public authorities or any
other political subdivision of the State. FLCLASS is an authorized investment as an intergovernmental investment pool under Florida Statutes Section 218.415 and was created by the Interlocal by and among Florida public agencies as described in Section 163.01, Florida Statutes, as amended.

Each Participant shall have the right to invest funds for credit to such Participant’s account. There is no minimum amount that must be invested, nor is there any limitation on the aggregate amount of funds that any Participant may invest at one time. Similarly, each Participant has the right from time to time to request payment of an amount equal to or less than the amount of funds in the Participant’s account. Subject to meeting the daily times for giving notice, which may be adjusted by the Administrator, there is no limitation on the period of time that funds may be invested through the Trust prior to such payment. Upon receipt of any payment request, the Administrator notifies the Custodian of the payment request from a Participant and the requested amount is paid by the Custodian to, or on behalf of, such Participant not later than the next business day, subject only to certain calamities or crises that may affect the financial markets of the United States, as specified in the Interlocal.

Any Participant may withdraw from the Interlocal at any time without penalty upon written notice to the Administrator, who will notify the Custodian and the Board of Trustees upon receipt of such notice. The withdrawal becomes effective when the Participant’s account is equal to zero. If any Participant breaches any material covenants contained in the Interlocal or if any of its representations cease to be true, it shall be deemed to have given notice of withdrawal.

Each Participant must designate a representative to act for the Participant under the Interlocal for all purposes, including the giving of consent on behalf of the Participant and receiving notice on behalf of the Participant.

**BOARD OF TRUSTEES**

Pursuant to the Interlocal, FLCLASS is governed by a Board of Trustees (the “Board”). The Board supervises the Trust and its affairs and acts as the liaison between the Participants, the Custodian the Administrator and all service providers. The Board administers the affairs of the Trust and enters into contracts and agreements on behalf of the Trust in order to effectuate the terms of the Interlocal.

Investments made on behalf of the Participants are subject to the overall direction of the program’s Board. Initially, the number of Trustees shall be three (3) voting Trustees. The Board may expand the membership of the Board and set initial terms for each additional Trustee, provided, however, the number of Trustees shall always be an odd number, and shall not be less than three (3) at any given time. The Board approves the Trust’s investment parameters, which must also fall within the investment stipulations mandated under Florida statutes for the investment of surplus funds of the Participants.

The Board shall appoint qualified Trustee representatives of the local government entity types that participate in FLCLASS. To that end, the Board shall strive to appoint at least one Trustee (but no more than four per category) from the following categories of Local Governments: Counties, Cities and Towns, School Districts, Special Districts and Other Public Entities.

**INVESTMENT ADVISOR AND ADMINISTRATOR**

Pursuant to an agreement with the Board, Public Trust Advisors, LLC (“Public Trust”) serves as the Investment Advisor and Administrator of the Trust.

As Investment Advisor, Public Trust provides investment services to the Board. Public Trust is an investment advisory firm located in Orlando, Florida.

Public Trust is registered with the Securities and Exchange Commission as an investment advisor under the Investment Advisers Act of 1940.

As Administrator, Public Trust services all Participant accounts in the Trust, determines and allocates income of the Trust, provides certain written confirmation of the investment and withdrawal of funds by Participants, provides administrative personnel and facilities to the Trust, determines the NAV of the Trust on a daily basis, and performs all related administrative services for the Trust. At least quarterly, the Administrator provides the Board with a detailed evaluation of the performance of the Trust based upon a number of factors. This evaluation includes a comparative analysis of the Trust’s investment results in relation to industry standards, such as the performance of comparable money market mutual funds.
and various indices of money market securities.

CUSTODIAN

Wells Fargo Bank, N.A. serves as Custodian for FLCLASS pursuant to a Custodian Agreement with the Board. Wells Fargo Bank, N.A. acts as safekeeping agent for FLCLASS’s investment Portfolio(s) and serves, in accordance with the statutes of the State, as the depository in connection with the direct investment and withdrawal mechanisms of FLCLASS. Wells Fargo does not participate in the Trust’s investment decision-making process.

The Custodian shall hold the Investment Property in its capacity as Custodian for the collective benefit of each of the Participants. The Investment Property shall be custodial property of the Custodian and shall not be, or be deemed to be, an asset of the Custodian. Each Participant has an individual beneficial interest in the Investment Property to the extent of such Participant’s balance.

The Custodian shall acknowledge in the Custody Agreement that records concerning the Investment Property shall be maintained by the Administrator and that such records shall conclusively determine the interests of each Participant in the Investment Property.

LEGAL COUNSEL

Greenberg Traurig, P.A. serves as legal counsel to FLCLASS.

Greenberg Traurig, P.A.
450 South Orange Avenue, Suite 650
Orlando, FL 32801

INDEPENDENT AUDITORS

An independent certified public accounting firm has been engaged to audit the annual Financial Statements of FLCLASS. The audit contains statements of assets and liabilities, of operations and of changes in net assets. The opinion of the independent certified public accountant on such financial statements is based on an examination of the books and records of FLCLASS made in accordance with generally accepted accounting principles (GAAP).

ACCOUNT ACTIVITY

HOW TO OPEN AN ACCOUNT

Any eligible Florida unit of local government may join FLCLASS as a Participant to utilize the investment program.

After reviewing the Interlocal and Information Statement, simply complete the FLCLASS Registration Packet which can be located in the document center at www.flclass.com.

Please email all completed forms, along with a copy of the entity’s investment policy, to info@flclass.com or send them via mail to the following address:

FLCLASS Client Services
c/o Public Trust Advisors, LLC
201 E. Pine Street, Suite 750
Orlando, FL 32801

PARTICIPANT TRANSACTIONS

In order to become and remain a Participant, an entity must maintain a minimum account balance of $1.00. Participants may have more than one account.

CONTRIBUTIONS

Investments may be made by Automated Clearing House (ACH) transfer or wire transfer. Investments (contributions) received by the Trust by 3:00 p.m. EST will be invested along with the other funds in the portfolio. Funds received after 3:00 p.m. will be invested overnight by the Trust’s Administrator in the Trust’s interest bearing bank account at Wells Fargo.

REDEMPTIONS

Withdrawals from FLCLASS may be made via ACH or wire transfer. Requests for withdrawal from accounts with pre-established wire instructions will be honored on a same-day basis if received prior to 3:00 p.m. Special wire transfer requests are available only with written documentation.

There is no maximum or minimum amount that must be invested in FLCLASS pursuant to the Interlocal nor is there any maximum or minimum limitations on the aggregate amount of the Investment Funds that any Participant may have invested at any one time with FLCLASS. The Administrator shall determine, with the consent of the Board, when an event occurs which entitles
the Custodian to temporarily suspend or postpone a Participant’s right to withdrawals which may be for the whole or any part of any period (i) during which trading in securities generally on the New York Stock Exchange or the American Stock Exchange or over-the-counter market shall have been suspended or minimum prices or maximum daily charges shall have been established on such exchange or market, (ii) a general banking moratorium shall have been declared by Federal, State or the State of New York authorities or (iii) there shall have occurred any outbreak, or material escalation, of hostilities, or other calamity or crisis, the effect of which on the financial markets of the United States is such as to make it impracticable (a) to dispose of the Investment Property because of the substantial losses which might be incurred or (b) to determine the Investment Property Value in accordance with the Valuation Procedures.

PORTFOLIO TRANSACTIONS

Subject to the general supervision of the Board, the Investment Advisor is responsible for placing the orders for portfolio transactions. The Trust’s portfolio transactions occur only with broker dealers acting as principals, except for commercial paper transactions which may be placed directly.

Although the Trust does not ordinarily seek but nonetheless may make profits through short-term trading, the Investment Advisor may, on behalf of the Trust, dispose of any portfolio investment prior to its maturity if such disposition is advisable. The Trust’s policy of investing in instruments with maturities of less than two years will result in high portfolio turnover. However, since brokerage commissions are not paid on the types of investments, which the Trust may invest, any turnover resulting from such investments does not adversely affect the net asset value or net income of the Trust.

The Investment Advisor seeks to obtain the best net price and the most favorable execution of orders for the purchase and sale of portfolio securities. Portfolio investments will not be purchased from or sold to the Investment Advisor and Administrator, the Custodian or any Trustee, or any affiliate, officer, director, employee or agent of any of them.

DETERMINATION OF NET ASSET VALUE

The Administrator determines the net asset value of the shares of the portfolio as of the close of business of each day. The net asset value per share of the portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of the Trust, are accrued daily.

For the purpose of calculating the portfolio’s net asset value per share, the securities held by the portfolio are valued as follows: (1) securities for which market quotations are readily available are valued at the most recent bid price or yield equivalent as obtained from one or more market makers for such securities; (2) all other securities and assets are valued at fair market value determined in good faith.

The result of this calculation is a share value, which is rounded to the nearest penny. Accordingly, the price at which portfolio shares are sold and redeemed will not reflect net realized or unrealized gains or losses on portfolio securities which amount to less than $.005 per share. The Trust will endeavor to minimize the amount of such gains or losses. However, if net realized and unrealized gains or losses should exceed $.005 per share, a portfolio’s net asset value per share will change from $1.00 or be maintained at $1.00 per share by retention of earnings or the reduction, on a pro rata basis, of each Participant’s shares in the event of losses, or by a pro rata distribution to each Participant in the event of gains.

It is a fundamental policy of the Trust to maintain a net asset value of $1.00 per share, but for the reasons herein stated there can be no assurance that the net asset value will not vary from $1.00 per share. The net asset value per share of the Trust may be affected by general changes in interest rates resulting in increases or decreases in the value of the securities held by the Trust. The market value of such securities will vary inversely to changes in prevailing interest rates. Thus, if interest rates have increased from the time a security was purchased, such security, if sold, might be sold at a price less than its cost. Similarly, if interest rates have declined from the time a security was purchased, such security, if sold, might be sold at a price greater than its cost. If a security is held to maturity, no loss or gain is normally realized as a result of these fluctuations.

COMPUTATION OF YIELDS

The Trust quotes a daily and seven-day average yield.
for the portfolio in reports and information published by the Trust. To obtain the daily yield, a daily yield factor is first calculated. The factor is the net income for that day divided by the number of shares outstanding. The factor is then multiplied by 365 (366 in a leap year) to produce the daily yield. The seven-day average yield is obtained by averaging the daily yield for seven identified, consecutive days. The Trust may also quote its yield from time to time on other bases for the information of its Participants.

The yields quoted from time to time should not be considered a representation of the yield of the Trust in the future since the yield is not fixed. Actual yields will depend not only on the type, quality and maturities of the investments held by the Trust and changes in interest rates on such investments, but also on changes in the Trust’s expenses during the period.

Yield information may be useful in reviewing the performance of the Trust’s portfolios and for providing a basis for comparison with other investment alternatives.

**DAILY INCOME ALLOCATIONS**

All net income of the portfolio is determined as of the close of business each day (and at such other times as the Board may determine) and is credited immediately thereafter pro rata to each Participant’s account. Net income which has thus accrued to the Participants is converted as of the close of business of each day into additional shares which are thereafter held in each Participant’s account. Reinvested net income is converted into full and fractional shares at the rate of one share for each one-dollar credited.

Net income for the portfolio each day consists of: (1) all accrued interest income on assets of the portfolio; plus or minus (2) any amortized purchase discount or premium; less (3) accrued expenses.

**REPORTS TO PARTICIPANTS**

**ANNUALLY:** The Administrator shall prepare or cause to be prepared at least annually a report of operations containing a statement of the Investment Property and the Investment Property Liabilities, statements of operations, and of net changes in net assets prepared in conformity with generally accepted accounting principles consistently applied. Additionally, an opinion of an independent certified public accountant on such financial statements based on an examination of the books and records of the Participants’ Accounts, maintained by the Administrator with respect to the Investment Property.

**MONTHLY:** Subsequent to the end of each month, the Administrator shall prepare and submit, to each Participant, a statement disclosing any activity and a closing balance in each of its accounts for such month. Additionally, the Administrator, upon the request of a Participant shall furnish to the Participant a statement of such Participant’s Balance as of the date of such request, subject only to account activity on such date.

**ADDITIONAL FLCLASS INFORMATION**

**INTERNAL CONTROLS**

Per Section 218.409(2), Florida Statutes, the Administrator is responsible for establishing and maintaining an internal control structure designed to ensure that the assets of FLCLASS are protected from loss, theft or misuse. The Administrator shall establish a system of internal controls, which shall be documented in writing. The internal controls shall be reviewed by the Board of Trustees, where applicable, and with the independent auditor. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, or negligent actions by employees and officers of the Administrator.

**NAV DEVIATION POLICY**

FLCLASS is a local government investment pool with a portfolio that operates similar to a registered money market fund with the objective of maintaining a net asset value (NAV) of $1.00 per share. NAV deviations can occur due to changes in market interest rates, funds flowing into or out of the portfolio, gains or losses on the investments held in the portfolio, or unforeseen credit events for a security held in the portfolio. The NAV is calculated on a daily basis by dividing the net assets of the portfolio by the number of outstanding shares of the portfolio.

The Administrator will obtain independent prices for each security in the portfolio on a daily basis to prepare a mark-to-market assessment of the difference between the amortized cost and market value of each holding. In cases where the price of a security is difficult to obtain,
the Administrator must solicit a minimum of two dealer bids for that security. If the NAV calculation results in a deviation of 0.15 percent, or 15 basis points, the Administrator will promptly notify the Chairman of the Board to recommend what action, if any, is being taken to stabilize the NAV, and maintain the fund objectives of capital preservation and liquidity. The agreed upon plan will be documented in writing.

If the NAV calculation results in a deviation of 0.25 percent, or 25 basis points, the Administrator will consult with the Chairman of the Board on a daily basis to determine what action, if any, should be initiated to remedy the NAV deviation within 5 business days of such occurrence. If the NAV deviation cannot be remedied within one week, the Administrator will inform Standard & Poor’s of the NAV deviation. The agreed-upon plan of action will be documented in writing.

If the NAV calculation results in an actual deviation of 0.50 percent, or 50 basis points, the Board and the Administrator will determine the appropriate course of action including but not limited to (a) notification to Participants, (b) temporarily halting redemptions and subscriptions and (C) determining fund liquidation procedures, if deemed appropriate. If at any time the Administrator believes the extent of the NAV deviation from the portfolio’s amortized cost value may result in a material dilution or other unfair results to the existing Participants’ beneficial interests, the Administrator shall take such action as deemed appropriate to eliminate or reduce to the extent reasonably practicable such dilution or unfair results.

**FLCLASS FEES**

For the performance of its obligations set forth in the Program Administrative and Investment Advisor Services Agreement (the “Administrator Agreement”), the Administrator will charge a fee from the Investment Property Value (the “Daily Fee”). This Daily Fee will accrue on a daily basis and be paid monthly in arrears and prorated for any portion of the month in which the Administrator Agreement is in effect. The Daily Fee shall be calculated as follows: The Investment Property Value is multiplied by the Applicable Fee Rate and is divided by 365 or 366 days in the event of a leap year to equal the Daily Fee accrual. The Investment Property Value shall be based on the current day’s shares outstanding. For weekend days and holidays, the shares outstanding for the previous business day will be utilized for the calculation of fees. The Applicable Fee Rate shall be determined by the Administrator monthly on the first business day of each month and shall be at an annual rate equal to up to fifteen (15) basis points. The Administrator is authorized to debit the applicable monthly fee amount within five (5) business days after the end of such month. All payment records and invoices will be presented at each subsequent meeting of the Board. Fees may be waived or abated at any time, or from time to time, at the sole discretion of the Administrator. Any such waived fees may be restored by the written agreement of the Board.

**DISCLAIMER**

Any financial and/or investment decision should be made only after considerable research, consideration and involvement with an experienced professional engaged for the specific purpose. Past Performance is no guarantee of future results. Any financial and / or investment decision may incur losses.

For fully detailed FLCLASS operating rights and responsibilities refer to the FLCLASS Interlocal Agreement.
An Investment Solution for Public Funds

Interlocal Agreement
INTERLOCAL AGREEMENT

of the Intergovernmental Investment Pool known as
Florida Cooperative Liquid Assets Securities System ("FLCLASS")

Dated as of April 1, 2015

by and among

the parties that have entered into this Interlocal Agreement

THE INTERGOVERNMENTAL INVESTMENT POOL ESTABLISHED, CREATED AND AUTHORIZED BY THIS INTERLOCAL AGREEMENT IS AN AUTHORIZED INVESTMENT UNDER SECTION 218.415, FLORIDA STATUTES, AS AN INTERGOVERNMENTAL INVESTMENT POOL AUTHORIZED PURSUANT TO THE FLORIDA INTERLOCAL COOPERATION ACT OF 1969.

THIS INTERLOCAL AGREEMENT DOES NOT MEET THE DEFINITION OF A QUALIFIED PUBLIC DEPOSITORY AS DESCRIBED IN CHAPTER 280, FLORIDA STATUTES.
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This **INTERLOCAL AGREEMENT** dated as of April 1, 2015 (this "**Interlocal Agreement**") constitutes an interlocal cooperation agreement by and among the Florida public agencies (as described in Section 163.01, Florida Statutes, as amended) that have executed this Interlocal Agreement or that have or will execute counterparts of this Interlocal Agreement or Participation Certificates pursuant to Section 2.4 hereof (the "**Participants**").

**RECITALS:**

**WHEREAS,** each Participant is permitted and has the power pursuant to the provisions of the Florida Statutes, as amended, including but not limited to Section 218.415 of the Florida Statutes, and its own local laws to invest certain of its funds in statutorily permitted investments, including but not limited to any intergovernmental investment pool authorized pursuant to Section 163.01, Florida Statutes, as amended (the "**Florida Interlocal Cooperation Act**"); and

**WHEREAS,** the Florida Interlocal Cooperation Act authorizes the Participants to exercise jointly any power, privilege or authority which the Participants share in common and which each might exercise separately pursuant to a written interlocal agreement; and

**WHEREAS,** the joint exercise of such power to invest will be benefited and made more efficient if all investments acquired pursuant to this Interlocal Agreement are held by one entity, the Custodian (as defined below), which will hold such investments for the benefit of the Participants; and

**WHEREAS,** the joint exercise of such power to invest will be benefited and made more efficient if the advisory, record-keeping and other administrative functions, including the management and transmittal of investment instructions, are performed by one entity, the Administrator (defined below); and

**WHEREAS,** the policy of this Interlocal Agreement shall be to place the highest priority on the safety of principal and liquidity of funds, and the optimization of investment returns shall be secondary to the requirements for safety and liquidity;

**WHEREAS,** it is in the best interests of the Participants for each Participant to appoint an Authorized Representative to conduct certain transactions hereunder; and
WHEREAS, a Board shall be created by this Interlocal Agreement in accordance with the laws of the State of Florida as a separate interlocal governmental entity, and shall supervise the administration of FLCLASS as set forth in this Interlocal Agreement; and

WHEREAS, the Board created hereunder shall be self-perpetuating;

NOW, THEREFORE, in consideration of the premises and the representations, warranties, covenants and agreements contained herein, each party hereto agrees as follows:

ARTICLE I
DEFINITIONS

In addition to the capitalized terms defined elsewhere in this Interlocal Agreement, the following terms shall have the following meanings.

"Account" or "Accounts" shall have the meaning set forth in Section 6.5(a) hereof.

"Administrator" means Public Trust Advisors, LLC, or any Person or Persons appointed, employed or contracted with by the Board pursuant to Article V hereof.

"Administrator Agreement" means the agreement by and between the Administrator and the Board, acting on behalf of the Participants described in Section 5.1(b) hereof.

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

"Applicable Law" means Chapter 163, Chapter 125, Chapter 166, Chapter 218, Chapter 627 and Chapter 1001 of the Florida Statutes, as amended; Section 4, Article IX of the Constitution of Florida; and other applicable provisions of Florida law.

"Authorized Representative" means the person authorized to invest the funds of a Participant pursuant to Florida law who has been appointed in accordance with Section 2.1 hereof.

"Balance" for each Participant means an amount initially equal to zero that is adjusted pursuant to Article II hereof to reflect, among other things, cash investments by such Participant, cash payments to such Participant, investment results and expenses and fees incurred pursuant to this Interlocal Agreement.

"Board" means the board of the Trustees, created by this Interlocal Agreement as a separate interlocal governmental entity, and established pursuant to Article III hereof.

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

"Bylaws" means those bylaws as described in Section 4.7 hereof.

"Conflicting Provisions" shall have the meaning set forth in Section 11.2 hereof.
"Custodian" means any Person or Persons appointed and employed by the Board pursuant to Section 6.1 hereof.

"Custodian Subaccount" shall mean a sub-account created by a Participant pursuant to Section 5.9 hereof.

"Custody Agreement" means the agreement by and between the Board and a custodial bank or Trust Company as described in Article VI hereof.

"Effective Date" means the first date that execution copies of this Interlocal Agreement have been executed by the initial two Participants, and this Interlocal Agreement has been filed with the clerk of the circuit court of each county where each initial Participant is located as provided in the Florida Interlocal Cooperation Act.

"FLCLASS" or the "Trust" means the Florida Cooperative Liquid Assets Securities System, which is an intergovernmental investment pool as described in Section 218.415, Florida Statutes, as amended, and an instrumentality of the Participants, managed by the Board, and which consists of all Investment Property held by the Custodian in trust for the benefit of the Participants.

"Initial Trustees" shall have the meaning set forth in Section 3.1(a) hereof.

"Interlocal Agreement" means this Interlocal Agreement dated as of April 1, 2015 constituting an interlocal agreement by and among the initial Participants.

"Investment Advisor" means the entity serving as investment advisor to FLCLASS, which may be the Administrator or an affiliate thereof.

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

"Investment Policy" means the investment policy established by the Board with respect to the Investment Property in accordance with this Interlocal Agreement.

"Investment Procedures" means the procedures for participants to make investments set forth in Exhibit A attached hereto, as the same may be amended from time to time (notwithstanding Section 10.1(a) hereof) by the Administrator, with the consent of the Board or its Designee.

"Investment Property" means any and all securities and cash which is held in one of the Accounts and all proceeds, income, profits and gains therefrom that have not been paid to a Participant pursuant to Section 2.2 hereof, used to discharge an Investment Property Liability or offset by losses, if any, and expenses. Investment Property shall not include securities purchased in anticipation of the delivery of funds by a Participant when such funds are not actually received by the Custodian by the anticipated delivery date, and any such securities so purchased may be
immediately sold and the proceeds used to pay any Person that did in fact provide monies to purchase such securities.

"Investment Property Liability" means any liability (whether known, unknown, actual, contingent or otherwise) incurred in connection with the Investment Property pursuant to this Interlocal Agreement that is not specified in Section 7.1 hereof as being paid by the Administrator or specified in this Interlocal Agreement as being paid directly by a Participant.

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

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

"Participants" means a Unit of Local Government that has or will execute counterparts of this Interlocal Agreement or Participation Certificates pursuant to Section 2.4 hereof.

"Participation Certificate" means a resolution of the governing body of a Participant or an instrument of adoption for individual Participants authorizing the entry into this Interlocal Agreement pursuant to Section 2.4 hereof substantially in the form of the documents attached hereto as Exhibit D, or any similar certification regarding authorization to join this Interlocal Agreement, with such modifications as may be applicable to the particular Unit of Local Government.

"Payment Procedures" means the procedures for participants to request payments out of the Investment Property set forth in Exhibit B attached hereto, as the same may be amended from time to time (notwithstanding Section 10.1(a) hereof) by the Administrator, with the consent of the Board or its Designee.

"Permitted Investments" means those investments defined as such in the Investment Policy established by the Board.

"Person" means any county, municipal corporation, national association, district, corporation, limited liability company, limited liability partnership, natural person, firm, joint venture, partnership, trust, incorporated organization, group, government, or any political subdivision, department, board, commission, instrumentality or agency of any governmental entity.

"PRIME Fund" means the designation given by Participants delivering Investment Funds for investment to indicate that such Investment Funds are to be invested in accordance with the Investment Policy.

"Trust Counsel" shall mean the attorney or firm of attorneys, experienced in matter of local government law and duly admitted to practice law in the State of Florida, as may be engaged or employed by the Board.

"Trustee" means each of the persons selected pursuant to Article III and Article IV hereof to serve on the Board.
"Unit of Local Government" means any governmental entity within the State of Florida and shall include, but not be limited to, the following and the officers thereof: any state agency, county, municipality, school district, special district, clerk of the circuit court, sheriff, property appraiser, tax collector, supervisor of elections, authority, board, public corporations, quasi-public authorities or any other political subdivision of the state.

"Valuation Procedures" means the procedures for determining the value of the Investment Property set forth in Exhibit C attached hereto, as the same may be amended from time to time (notwithstanding Section 10.1(a) hereof) by the Administrator, with the consent of the Board or its Designee.
ARTICLE II
PARTICIPANTS

2.1 Authorized Representatives.

Each Participant shall select an Authorized Representative to represent its interests and act on its behalf under this Interlocal Agreement.

2.2 Investments.

(a) Each Participant shall have the right from time to time to invest Investment Funds for credit to such Participant's Balance in FLCLASS. A Participant that wishes to make such an investment shall notify the Administrator and follow the Investment Procedures. All Investment Funds will be deemed to be designated PRIME Fund. Investment Funds so designated shall be invested pursuant to the Investment Policy established by the Board. Upon such investment in accordance with the Investment Procedures, the Participant shall have an undivided interest in the Investment Property.

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

(c) No later than the end of each Business Day, the Custodian shall deliver a confirmation with respect to the transaction activity for the Accounts for the prior Business Day to the Administrator. The Administrator shall retain the confirmation in its records.

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

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

2.3 Payments.

(a) Each Participant shall have the right from time to time to request, in accordance with the Payment Procedures, that the Administrator notify the Custodian to pay to the Participant, or on its behalf, any amount (rounded to the nearest whole cent) that is less than or equal to the Participant's Balance at the time that payment is made pursuant to such request. Except as provided in the Payment Procedures, there shall be no limitation on the period of time that Investment Funds must be invested pursuant to this Interlocal Agreement prior to such payment.

(b) Upon the receipt of any payment request, the Administrator shall notify the Custodian, in writing or orally to be followed by written confirmation, of the payment request from the Participant, and the requested amount (rounded to the nearest whole cent) shall be paid by the Custodian to, or on behalf of, such Participant, as provided in Exhibit B.
(c) Whenever any payment is made to, or on behalf of, any Participant pursuant to Section 2.3(b) hereof, such Participant's Balance shall be reduced by the Administrator by the amount of such payment.

(d) Each Participant agrees that, without prior notice, the right to withdrawals may be temporarily suspended or postponed for the whole or any part of any period (i) during which trading in securities generally on the New York Stock Exchange or the American Stock Exchange or over-the-counter market shall have been suspended or minimum prices or maximum daily charges shall have been established on such exchange or market, (ii) a general banking moratorium shall have been declared by federal, State or the State of New York authorities or (iii) there shall have occurred any outbreak, or material escalation, of hostilities, or other calamity or crisis, the effect of which on the financial markets of the United States is such as to make it impracticable (a) to dispose of the Investment Property because of the substantial losses which might be incurred or (b) to determine the Investment Property Value in accordance with the Valuation Procedures set forth in Exhibit C. The Administrator shall determine, on behalf of the Board, when an event occurs which, under this Section entitles the Custodian to temporarily suspend or postpone a Participant's right to withdrawals, and shall immediately notify the Custodian and each Participant by facsimile, email, mail or telephone of such determination. Such a suspension or postponement shall not itself directly alter or affect a Participant's Balance. Such a suspension or postponement shall take effect at such time as is determined by the Administrator, and thereafter there shall be no right to request or receive payment until the first to occur of: (a) in the case of (i) or (ii) above, the time at which the Administrator declares the suspension or postponement at an end, which declaration shall occur on the first day on which the period specified in the clause (i) or (ii) above shall have expired; and (b) in the case of (iii) above, the first day on which the period specified in clause (iii) above is no longer continuing. Any Participant that requested a payment prior to any suspension or postponement of payment may withdraw its request at any time prior to the termination of the suspension or postponement.

2.4 Additional Participants After Initial Execution.

Any Person who meets the definition of a Participant that wishes to become a Participant after the Effective Date may do so by executing a counterpart to this Interlocal Agreement or a Participation Certificate substantially in the form attached hereto as Exhibit D (with such modifications as may be applicable to the particular governmental entity) or other writing deemed acceptable by the Administrator, and delivering the counterpart or the original executed Participation Certificate to the Administrator. Any entity that becomes a Participant pursuant to this Section 2.4 shall have the same rights and obligations hereunder as the other Participants.

2.5 Participant Right to Initiate a Vote to Require Board Action.

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

(a) Any Participant may withdraw from this Interlocal Agreement at any time upon written notice to the Administrator and the withdrawal shall be noted to the Board in the Administrator's next report. Upon its withdrawal from this Interlocal Agreement, a Participant shall cease to have any rights or obligations under this Interlocal Agreement except for any obligations arising on or before the date of withdrawal and the rights to withdraw the Participant's Balance. A notice of withdrawal shall be deemed to constitute a request under the Payment Procedures that an amount equal to the requesting Participant's entire Balance as of the date of such notice be paid to such Participant. No withdrawal from this Interlocal Agreement shall become effective until such Participant's Balance is equal to zero, and until such time, such Participant shall continue to possess all of the rights, and to be subject to all of the obligations, arising from this Interlocal Agreement.

(b) Any Participant that no longer qualifies as a Unit of Local Government, that breaches any material covenant contained in Article VIII hereof, or for which any of the representations contained in Article VIII hereof ceases to be true shall be deemed to have given a notice of withdrawal pursuant to Section 2.6(a) hereof immediately upon such disqualification, breach or cessation, but shall not be deemed to have requested the payment of its Balance unless and until it either makes an actual payment request or the Administrator determines that such a disqualification, breach or cessation has occurred.

2.7 Receipt of Statements and Reports; Requests.

(a) The Administrator shall provide to each Participant a copy of the statements prepared pursuant to Section 5.5 hereof and of the reports prepared pursuant to Section 5.6 hereof applicable to such Participant.

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

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

2.8 Responsibility for Authorized Representatives.

Each Participant shall be responsible for the actions or inaction of its Authorized Representative under this Interlocal Agreement, and the Administrator and Custodian are authorized to rely on the directions of the Authorized Representative without further investigation or diligence.
ARTICLE III
BOARD

3.1 Establishment of Board; Initial Board.

(a) The management of FLCLASS shall be under the direction of the Board, which is hereby created by this Interlocal Agreement as a separate interlocal governmental entity. The initial Participants have by this Interlocal Agreement appointed the following persons as the initial trustees (the "Initial Trustees") having terms ending the following date:

<table>
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<tr>
<td>Cindy Valentine</td>
<td>December 31, 2015</td>
</tr>
<tr>
<td>Sharon R. Bock</td>
<td>December 31, 2016</td>
</tr>
<tr>
<td>Ken Burke</td>
<td>December 31, 2017</td>
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</table>

(b) The Initial Trustees shall constitute the initial Board. The Board may expand the membership of the Board and set initial terms for each additional Trustee, provided, however, the number of Trustees shall not be less than three (3) nor more than thirteen (13). New and successor Trustees shall be appointed as provided for in Article IV.

3.2 General Powers.

(a) FLCLASS is hereby established as a common law trust pursuant to this Interlocal Agreement. The purpose of FLCLASS is to provide an intergovernmental investment pool in accordance with Section 218.415, Florida Statutes through which Participants may invest surplus funds in accordance with Florida law governing the investment of surplus monies of a Participant. No Participant shall be required to appropriate any funds or levy any taxes to establish FLCLASS. FLCLASS shall maintain an office of record in the State of Florida and may maintain such other offices or places of business as the Board may from time to time determine. The initial office of record of FLCLASS shall be 4767 New Broad Street Orlando, Florida 32814.

(b) The Board shall serve as the fiduciary for the Participants and shall have exclusive and absolute control over the Investment Property to the same extent as if the Board were the sole owner of the Investment Property in its own right. All powers of the Administrator or Custodian, which are described in this Interlocal Agreement shall also be powers of the Board. The Board may perform such acts as it determines in its sole discretion as proper for conducting the business of the Board. The enumeration of any specific powers shall not be construed as limiting the powers of the Board. Such powers may be exercised with or without the posting of a bond, an order or other action by any court. In construing the provisions of this Interlocal Agreement, the presumption shall be in favor of a grant of power to the Board.

3.3 Investment and Management; The Investment Program.

The Board shall have the power to subscribe for, invest in, reinvest in, purchase or otherwise acquire, hold, pledge, sell, assign, transfer, exchange, distribute or otherwise deal in or dispose of Permitted Investments pursuant to the Investment Policy established by the Board.

The general investment policy and objective of the Board shall be to provide to the Participants the preservation of capital and liquidity, while providing a competitive investment yield by investing in Permitted Investments. The Board shall appoint an Administrator and the
Board is directed to enter into the Administrator Agreement with the Administrator consistent with the terms of this Interlocal Agreement. The Administrator shall have the power to manage the Investment Property as specifically set forth in the Administrator Agreement. All modifications to the Investment Policy require Board approval by simple majority.

3.4 **Title to Investments; Rights as Holders of Investment Property**.

Legal title to all Investment Property shall be vested in the Board on behalf of the Participants and shall be held by and transferred to the Board, except that the Board shall have full and complete power to cause legal title to any Investment Property to be held, if permitted by law, in the name of any other Person as nominee, on such term, in such manner and with such powers as the Board may determine, so long as in the judgment of the Board the interests of the Board and the Participants are adequately protected.

The Board shall have full and complete power to exercise all of the rights, powers and privileges appertaining to the ownership of the Investment Property to the same extent that any individual might, and, without limiting the generality of the foregoing, to vote or give any consent, request or notice, or waive any notice either in person or by proxy or power of attorney, with or without the power of substitution, to one or more persons, which proxies and powers of attorney may be for meeting or actions generally, or for any particular meeting or action, and may include the exercise of discretionary powers.

3.5 **Payment of Expenses**.

The Board shall have full and complete power:

(a) to incur and pay any charges or expenses which in the opinion of the Board are necessary or incidental to or proper for carrying out any of the purposes of this Interlocal Agreement;

(b) to pay any taxes or assessments validly and lawfully imposed upon or against the Investment Property or the Board in connection with the Investment Property or upon or against the Investment Property or income or any part thereof;

(c) to reimburse others for payment of such expenses and taxes; and

(d) to pay appropriate compensation or fees from the Investment Property to a person with whom the Board has contracted or transacted business.

All payments or expenses incurred pursuant to this Section will be a liability payable solely from the Investment Property. The Trustees shall not be paid compensation for their services as Trustees hereunder.

3.6 **Power to Contract, Appoint, Retain and Employ**.

The Board is responsible for the investments of FLCLASS consistent with the Investment Policy established in this Interlocal Agreement and for the general administration of the business and affairs of FLCLASS. Subject to the limitations expressed in Section 3.11 of this Interlocal
Agreement, the Board shall have full and complete power to, and shall at all times, appoint, employ, retain, or contract with any person of suitable qualifications (including any corporation, partnership, trust or other entity of which one or more of them may be an Affiliate) for the transaction of the affairs of the Board.

3.7 **Insurance.**

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

3.8 **Borrowing and Indebtedness.**

The Board shall not borrow money or incur indebtedness, whether or not the proceeds thereof are intended to be used to purchase Permitted Investments or Investment Property, except as a temporary measure to facilitate the transfer of funds to the Participant which might otherwise require unscheduled dispositions of portfolio investments, but only to the extent permitted by law. No such indebtedness shall have a maturity later than that necessary to avoid the unscheduled disposition of portfolio investments.

3.9 **Remedies.**

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

3.10 **Information Statement.**

The Board shall have full and complete power to prepare, publish and distribute an Information Statement regarding FLCLASS and to amend or supplement the same from time to time.

3.11 **Contracting with Affiliates.**

To the extent permitted by law, the Board may enter into transactions with any Affiliate of the Administrator or the Custodian if:

(a) each such transaction (or type of transaction) has, after disclosure of such affiliation, been approved or ratified by the affirmative vote of a majority of the Board, and
3.12 **Further Powers.**

The Board shall have full and complete power to take all such actions, do all such matters and things, and execute all such instruments as it deems necessary, proper or desirable in order to carry out, promote or advance the interests and purposes of FLCLASS although such actions, matters or things are not herein specifically mentioned. Any determination as to what is in the best interest of FLCLASS made by the Board in good faith shall be conclusive. In construing the provisions of this Interlocal Agreement, the presumption shall be in favor of a grant of power to the Board.

3.13 **Intellectual Property.**

The parties acknowledge that pursuant to this Interlocal Agreement and/or the business activities of the Board, various types of intellectual property (the "**Intellectual Property**") may be created, including but not limited to trademarks such as "FLCLASS" and "Florida Cooperative Liquid Assets Securities Systems," among others. With regard to any and all Intellectual Property created by or for the Board, or by or for FLCLASS with regard to this Interlocal Agreement, the Board shall have all right, title and interest to such intellectual property. No other party to this Interlocal Agreement shall make any claim of ownership to any such intellectual property and shall have no rights to the Intellectual Property other than as expressly set forth in a written agreement between the Board and that other party. Except as expressly set forth in this Interlocal Agreement, the Board shall have no obligation to account to the other parties to this Interlocal Agreement for any revenues arising from the use, license or assignment of any item of Intellectual Property.

3.14 **No Liability.**

No Trustee or officer of the Board shall be subject to any personal liability whatsoever to any person, in connection with the Investment Property or affairs of the Board, other than liability arising from the bad faith, willful misfeasance, gross negligence or reckless disregard of duty by such Trustee or officer; and all persons shall look solely to the Investment Property for satisfaction of claims of any nature arising in connection with the affairs of the Board. No member or officer of the Board who is made a party to any suit or proceeding to enforce any such liability shall on account thereof be held to any personal liability.

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**ARTICLE IV**

**TRUSTEES**

4.1 **Number and Qualification.**

(a) Upon expansion of the Board after the Initial Trustees, the Board shall have at least three (3) but no more than thirteen (13) members.
(b) The Board shall strive to appoint qualified Trustees representative of the local
government entity types that participate in FLCLASS. To that end, the Board shall strive to appoint
at least one Trustee (but no more than four per category) from the following categories of Local
Governments:

(i) Counties;
(ii) Cities and Towns;
(iii) School Districts;
(iv) Special Districts;
(v) Other public entities.

(c) The Board shall be the sole judge of the appointment and qualification of its
members.

4.2 Term of Office.

The term of office for a Trustee shall be three years (or less for certain Initial Trustees) or
until a successor has been appointed and qualified, and such term shall begin at the Meeting of the
Board following the appointment. Trustees may serve any number of successive terms. The term
of Trustees shall be staggered such that the term of at least one-third of all Trustees shall expire in
any year.

4.3 Appointment of Trustees.

(a) The Board shall appoint Trustees at any regularly scheduled or special meeting by
a majority vote of the Trustees present at such meeting, provided a quorum is present. The Board
shall provide for the nomination of candidates by the Participants and shall appoint Trustees from
among the nominees submitted.

(b) After each appointment, each Participant shall by this Interlocal Agreement be
considered to have appointed each person appointed by such vote as their Trustee unless and until
removed pursuant to Resignation according to Section 4.4 or Removal according to Section 4.5.

4.4 Resignation of Trustees.

Any Trustee may resign without need for prior or subsequent accounting by notice in
writing signed by the Trustee and delivered to the Board, and such resignation shall be effective
upon such delivery, or at a later date specified in the written notice. Any vacancy created by such
removal shall be filled in accordance with subsection 4.3(a). All Trust assets held by the Trustee
in his/her capacity as Trustee shall be immediately returned to the Trust.

4.5 Removal and Vacancies.

(a) The term of office of a Trustee shall terminate and a vacancy shall occur in the
event of the death, resignation, adjudicated incompetence or other incapacity to perform the duties
of the office. In the case of a vacancy, the Trustees remaining in office shall, appoint another person as a replacement Trustee, in accordance with Section 4.3, who shall serve until the expiration of the term for the office to which the replacement Trustee is appointed. The replacement Trustee shall be considered, unless removed pursuant to this Section 4.5, the appointee of each Participant.

(b) The Board may remove a Trustee in the event of the conviction of a felony, or any other crime involving dishonesty. Such removal may occur upon the majority vote of the membership of the remaining Trustees. Any vacancy created by such removal shall be filled pursuant to this Section.

(c) Notwithstanding the forgoing, in lieu of selecting new Trustees to fill vacancies on the Board, the Board may decrease the membership of the Board by the number of such vacancies, provided however, the number of memberships shall not be less than three (3) nor more than thirteen (13).

4.6 Meetings.

(a) The Annual Meeting of the Board shall be the last meeting of the calendar year and shall be for the purpose of the appointment of Trustees, election of officers, setting the calendar for regular meetings and other organizational matters, as provided in the Bylaws. The Board shall meet not less than semiannually.

(b) Regular meetings of the Board shall be established annually in the method described in the Bylaws of the Board and may be held at the time and place so established.

(c) Special meetings of the Board may be held from time to time upon the call of the Chairperson or any two Trustees in the manner described in the Bylaws of the Board.

(d) All meetings of the Board are subject to and must comply with Section 286.011, Florida Statutes, as amended.

(e) To the extent permitted by Section 286.011, Florida Statutes, telephonic regular or special meetings by conference call or other method of electronic voice transmission which permits each participant to hear every other participant and join in the discussion are specifically authorized.

(f) To the extent permitted by Section 286.011, Florida Statutes, in the event all of the Trustees shall severally or collectively consent in writing to any action taken or to be taken by the Trust, such action is a valid action as though it had been authorized at a formal meeting.

(g) A quorum of the Board shall be a majority of all Trustees appointed and serving. Any action of the Board may be taken at a meeting by a simple majority vote of those Trustees present and voting, provided a quorum is present, unless a supermajority is required by another Section of this Interlocal Agreement or by law of the State.

4.7 Bylaws.
The Board shall adopt, and may, from time to time, amend or repeal Bylaws for the conduct of the business of the Board, consistent with this Interlocal Agreement. The Bylaws may define the duties of the respective officers, agents, employees, and representatives of the Board, and shall establish the rules of calling of meetings and determination of regular and special meetings.

4.8 **Officers.**

The Board shall annually elect a Chairperson and other officers having the responsibilities and powers described in the Bylaws.

4.9 **Conflicts of Interest.**

No Trustee shall vote on any matter which inures to his or her special private gain or loss, as that phrase is defined in Section 112.3143(1)(d), Florida Statutes. Such Trustee shall, prior to a vote being taken, disclose the nature of his or her interest in the matter from which he or she is abstaining from voting.

4.10 **Standard of Care.**

The Trustees shall use ordinary care and reasonable diligence in the administration of the Trust. Nothing contained in this Interlocal Agreement, either expressly or by implication, shall be deemed to impose any duties or responsibilities on the Trustees other than those expressly set forth in this Interlocal Agreement.

4.11 **Liability.**

A Trustee shall not be personally liable for monetary damages to any person for any statement, vote decision, or failure to act, regarding the management or policy of the Trust unless:

(a) The Trustee breached or failed to perform his or her duties as a Trustee; and

(b) The Trustee's breach of, or failure to perform, his or her duties constitutes:

(i) A violation of the criminal law, unless the Trustee had reasonable cause to believe such conduct was lawful or had no reasonable cause to believe such conduct was unlawful. A judgment or other final adjudication against a Trustee in any criminal proceeding for violation of the criminal law shall estop that Trustee in any criminal proceeding from contesting the fact that such breach, or failure to perform, constitutes a violation of the criminal law; but does not estop the Trustee from establishing that such Trustee had reasonable cause to believe that such conduct was lawful or had no reasonable cause to believe that such conduct was unlawful;

(ii) A transaction from which the Trustee derived an improper personal benefit, either directly or indirectly; or

(iii) Recklessness or an act or omission which was committed in bad faith or with malicious purpose or in a manner exhibiting wanton and willful disregard of human rights, safety, or property.
For the purposes of this Section 4.11, the term "recklessness" means the acting or omission to act, in conscious disregard of a risk: (a) known, or so obvious that it should have been known to the Trustee; and (b) known to the Trustee, or so obvious that it should have been known, to be so great as to make it highly probable that harm would follow from such action or omission.

4.12 **Indemnification.**

(a) The Trust shall, to the extent permitted by law, indemnify any person who was or is a party (other than an action by, or in the right of, the Trust), by reason of the fact that such person is or was a Trustee, officer or direct employee of the Trust against liability incurred in connection with such proceedings on behalf of the Trust, including any approval of such proceedings, if such person acted in good faith and in a manner reasonably believed to be in, or not opposed to, the best interest of the Trust and, with respect to any criminal action or proceedings, had no reasonable cause to believe such conduct was unlawful. The termination of any proceedings by judgment, order, settlement, or conviction or upon a plea of nolo contendere or its equivalent shall not, of itself, create a presumption that the person did not act in good faith and in a manner which he or she reasonably believed to be in, or not opposed to, the best interest of the Trust, or, with respect to any criminal action or proceeding, had reasonable cause to believe that his or her conduct was unlawful.

(b) In case any claim shall be made or action brought against any person in respect of which indemnity may be sought against the Trust, such indemnified person shall promptly notify the Trust in writing setting forth the particulars of such claim or action. The indemnified person shall be entitled to select and retain counsel of his or her choice. The Trust shall be responsible for the payment or immediate reimbursement for all reasonable fees and expenses incurred in the defense of such claim or action.

4.13 **Legal Title to Investment Property.**

Title to all Investment Property shall be vested in the Trust on behalf of the Participants who shall be the beneficial owners. The Board shall have full and complete power to cause legal title to any Investment Property to be held, on behalf of the Participants, by or in the name of any other entity or person as nominee, on such terms, in such manner, and with such powers as the Board may determine; provided that the interests of the Trust are adequately protected as a consequence thereof.

4.14 **Reliance on Experts.**

Each Trustee and officer of the Trust shall, in the performance of his or her duties, be fully and completely justified and protected with regard to any act or any failure to act resulting from reliance in good faith upon the books of account or other official records of the Trust, upon an opinion of Trust Counsel, or upon official reports made to the Trust by any of its officers or employees or by the Investment Advisor, Administrator, Custodian, accountants, appraisers or other experts or consultants selected with reasonable care by the Board or officers of the Trust.
ARTICLE V
ADMINISTRATOR AND TRUST COUNSEL

5.1 Appointment; General Provisions.

(a) The Board is responsible for the general investment policy and program of the Trust and for the general supervision and administration of the business and affairs of the Trust conducted by the officers, agents, employees, investment advisors, administrators, distributors or independent contractors of the Trust, consistent with the investment policy established in this Interlocal Agreement. However, the Board is not required personally to conduct all of the routine business of the Trust and, consistent with their responsibility as stated herein, the Board may, on behalf of the Trust, appoint, employ or contract with an Administrator and a Trust Counsel and may grant or delegate such authority to the Administrator, Trust Counsel or to any other person as the Board may, in its discretion, deem to be necessary or desirable for the efficient management of the Trust.

(b) The Board may appoint one or more persons to serve as the Administrator for FLCLASS. It is specifically intended that any and all provisions related to the Administrator set forth herein be memorialized in a contract between the Board and the Administrator (the "Administrator Agreement") and that this Interlocal Agreement not be construed to create any third-party beneficiary rights in any party fulfilling the role of Administrator. In the event of conflict between the provisions of this Interlocal Agreement and the provisions of the Administrator Agreement, this Interlocal Agreement shall control.

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

(d) The Administrator shall at no time have custody of, or physical control over, any of the Investment Property.

(e) The Administrator may also serve as investment advisor to FLCLASS.

5.2 Duties of the Administrator.

(a) The duties of the Administrator shall be those set forth in this Article V and the Administrator Agreement. This Article V outlines some, but not all of such duties. Such duties may be modified by the Board from time to time. The role of the Administrator is intended to effect purchases, sales or exchanges of Investment Property on behalf of the Board. The Administrator Agreement may authorize the Administrator to employ other persons to assist in the performance of the duties set forth therein.

(b) The Administrator shall at no time have custody of, or physical control over, any of the Investment Property. If a Participant in error delivers Investment Funds for investment to the Administrator instead of to the Custodian, the Administrator shall immediately transfer such Investment Funds to the Custodian. The Administrator shall not be liable for any act or omission of the Custodian, but shall be liable for the Administrator's acts and omissions as provided herein.
The Administrator understands that the monies delivered to the Custodian may only be invested pursuant to the investment parameters contained in the Investment Policy.

5.3 **Duties of the Trust Counsel.**

The duties of the Trust Counsel shall be:

(a) To construe the terms and provisions of this Interlocal Agreement and advise the Board with respect to its powers and duties thereunder;

(b) Review and approve the ordinances and joinder agreements of Public Entities desiring to become Participants;

(c) Attend all meetings of the Board and provide legal advice and consultation as requested; and

(d) Bring, prosecute, appear in, or defend, all on behalf of the Trust and in the name of the Trust any suit or administrative proceeding, for the enforcement of or arising out of or with respect to this Interlocal Agreement.

5.4 **Investment Activities and Powers.**

The Administrator shall perform the following services:

(a) advise the Board on any material changes in investment strategies based upon current market conditions;

(b) enter into securities transactions with respect to the Investment Property (to the extent permitted by the investment criteria established by the Board as set forth in the Investment Policy and all applicable law) by entering into agreements and executing other documents relating to such transactions containing provisions common for such agreements and documents in the securities industry;

(c) from time to time, review the Permitted Investments and the investment criteria set forth in the Investment Policy and, if circumstances and applicable law permit, recommend changes in such Permitted Investments and such investment criteria;

(d) provide such advice and information to the Board on matters related to investments as the Board may reasonably request, including, without limitation, research and statistical data concerning the Investment Property, whether and in what manner all rights conferred by the Investment Property may be exercised, and other matters within the scope of the investment criteria set forth in the Investment Policy;

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

(f) issue instructions to the Custodian as provided in this Interlocal Agreement; and
employ, consult with, obtain advice from, and exercise any of the Administrator's rights or powers under this Interlocal Agreement through the use of suitable agents, including auditors, legal counsel (who may be counsel to the Administrator and/or the Board), investment advisers, brokers, dealers or other advisers. Notwithstanding Section 11.8 hereof, the Administrator may transmit information concerning the Investment Property and the Participants to such agents.

5.5 Monthly Statements.

(a) Within 15 days subsequent to the end of each month, the Administrator shall prepare and submit, to each Participant which was a Participant during such month, a statement disclosing any activity and a closing Balance in each of its accounts for such month.

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

5.6 Reports.

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

5.7 Daily Calculation of Program Value and Rate of Return.

(a) The Administrator shall calculate the Investment Property Value for each Account once on each Business Day at the time and in the manner provided in the Valuation Procedures contained in Exhibit C, hereto.

(b) Upon performing the valuation specified in Section 5.7(a) hereof, the Administrator shall calculate (rounding off to the nearest whole cent) the Balance of each Participant and each Balance of each of the Participants shall be adjusted proportionately so that the total Balances of all the Participants equals the aggregate Investment Property Value for the Accounts.

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

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

(e) The Administrator shall calculate daily the rate of return earned on the Investment Property held in each Account.

5.8 Administration of FLCLASS

The Administrator shall perform the following administrative functions on behalf of the Board in connection with the implementation of this Interlocal Agreement:

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

(b) assist in the organization of Meetings of the Board, including preparation and distribution of the notices and agendas therefore;

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

(d) pay all Investment Property Liabilities in accordance with this Interlocal Agreement from any income, profits and gains from the Investment Property (but not from the principal amount thereof); and

(e) engage in marketing activities to encourage eligible Florida public sector entities to become Participants.
5.9 **Special Sub-Accounts.**

Notwithstanding anything in this Interlocal Agreement to the contrary, the Administrator from time to time may propose to the Board that the Participants establish specially designated sub-accounts with investment criteria, investment and payment procedures, fees or other characteristics different from those set forth in this Interlocal Agreement, but all in compliance with all applicable law. Such characteristics may include, without limitation, certain restrictions on amounts to be invested, holding periods prior to payments or certain other conditions to be met for payments, such as possible payment penalties, special investment criteria, investment management tailored to a particular Participant or additional fees for administering such specially designated sub-accounts. A Participant in its sole discretion may create such a special sub-account using the same procedures for establishing other sub-accounts set forth in this Interlocal Agreement. The establishment of such special sub-accounts and the terms governing the same shall not be deemed an amendment of this Interlocal Agreement. The terms governing each such sub-account shall be worked out between the Administrator and the impacted Participants, and attached hereto as Schedule 5.9 (a), (b) and so on as necessary. The Administrator may calculate the return realized by such special sub-accounts separate and apart from the returns realized by other sub-accounts maintained for each Participant.

**ARTICLE VI**

**THE CUSTODIAN**

6.1 **Qualifications.**

(a) The Board, on behalf of the Trust, shall appoint and employ a bank or trust company organized under the laws of the United States of America to serve as Custodian for FLCLASS. Such custodian shall be a qualified "depository" as defined by Chapter 280, Florida Statutes and shall invest all Investment Property in accordance therewith and in accordance with the objectives of the Trust. The Custodian shall have authority to act as the Trust's agent, subject to such restrictions, limitations and other requirements, if any, as may be established by the Board. It is specifically intended that any and all provisions related to the Custodian set forth herein be memorialized in a contract to be entered into between the Trust and the Custodian (the "Custody Agreement") and that this Interlocal Agreement not be construed to create any third-party beneficiary rights in any party fulfilling the role of the Custodian. In the event of a conflict between the provisions of this Interlocal Agreement and the provisions of the Custody Agreement, this Interlocal Agreement shall prevail.

6.2 **Successors.**

In the event that, at any time, the Custodian shall resign or shall be terminated pursuant to the provisions of the Custodian Agreement, the Board shall appoint a successor thereto.
6.3. **Prohibited Transactions.**

With respect to transactions involving Investment Property, the Custodian shall act strictly as agent for the Trust. The Board shall not purchase Permitted Investments from the Custodian or sell Permitted Investments to the Custodian.

6.4. **Appointment; Sub-Custodians.**

(a) The Custodian may employ other banks and trust companies as sub-custodians, including, without limitation, affiliates of the Custodian. The appointment of a sub-custodian under this Section shall not relieve the Custodian of any of its obligations set forth in this Interlocal Agreement. The Custodian shall use its best efforts to ensure that the collective interests of the Participants in the Investment Property is clearly indicated on the records of any sub-custodian and the Custodian shall use its best efforts to ensure that the collective interests of the Participants in the Investment Property is not diminished or adversely affected because of the Custodian's use of a sub-custodian.

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

6.5 **Powers.**

The Custodian shall perform the following services:

(a) Open and maintain such custody accounts as the Board directs through the Administrator and accept for safekeeping and for credit to the Account, in accordance with the terms hereof, all securities representing the investment of Investment Funds pursuant to Section 2.2 hereof, and the income or earnings derived therefrom.

(b) Hold the Investment Property:

(i) in its vaults physically segregated and held separate and apart from other property of the Custodian;

(ii) in its account at Depository Trust Company or other depository or clearing corporation; or

(iii) in a book entry account with the Federal Reserve Bank, in which case a separate accounting of the Investment Property shall be maintained by the Custodian at all times.

The Investment Property held by any such depository or clearing corporation or Federal Reserve Bank may be held in the name of their respective nominees, provided, however, that the custodial relationship and the interests of the Participants regarding such Investment Property shall be noted on the records of the Administrator and the custodial relationship on behalf of the Participants shall be noted on the records of the Custodian and, to the extent possible, the Custodian shall cause the custodial relationship on behalf of the Participants to be noted on the records of such depository, clearing house or Federal Reserve Bank.
(c) Notify the Administrator, in writing or verbally with written, email or facsimile confirmation, of any elective action involving the Investment Property.

(d) Upon instruction of the Administrator, the Custodian shall

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

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

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

(iv) make any payments incidental to or in connection with this Section 6.5;

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

(vi) with respect to enforcing rights in connection with the Investment Property, use its best efforts to: (a) collect, receive and receipt for all sums of money or other personal property due; (b) consent to extensions of the time for payment, or to the renewal of any securities, investments or obligations; (c) exercise any power of sale, and convey good title thereunder free of any and all interests of any and all Participants, and in connection with any such foreclosure or sale, purchase or otherwise acquire title to any personal property; (d) to the extent necessary, be a party to the reorganization of any Person and transfer to and deposit with any corporation, committee, voting trustee or other Person any securities, investments or obligations of any Person which form a part of the Investment Property, for the purpose of such reorganization or otherwise; (e) participate in any arrangement for enforcing or protecting the interests of the holders of such securities, investments or obligations and to pay any assessment levied in connection with such reorganization or arrangement; (f) extend the time (with or without security) for the payment or delivery of any debts or personal property and to execute and enter into releases, agreements and other instruments; and (g) pay or satisfy any debt or claims; and

(vii) exercise all other rights and powers and to take any action in carrying out the purposes of this Interlocal Agreement.
6.6 **Custodial Relationship: Custodian Records.**

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

(b) The Custodian shall acknowledge in the Custody Agreement that records concerning the Investment Property shall be maintained by the Administrator and that such records shall conclusively determine the interests of each Participant in the Investment Property. Within 15 days subsequent to the end of each month, the Custodian shall send statements providing the closing balance in the Account at the end of such month and the transactions performed in the Account during such month to the Administrator and the Board.

ARTICLE VII
FLCLASS COSTS AND EXPENSES

7.1 **Expenses.**

In consideration of the performance of its obligations hereunder, the Administrator shall receive a fee as set forth in the Administrator Agreement described in Section 5.2 hereof, which fee shall be paid from the earnings on the Accounts. The Administrator's fee shall be an Investment Property Liability. From its fee, the Administrator shall pay the following costs and expenses: the Custodian's fee set forth in the Custody Agreement, the costs of third parties retained by the Administrator to render investment advice pursuant to the Administrator Agreement, all custodial and securities clearance transaction charges, the cost of valuing the Investment Property, the cost of obtaining a rating, if any, the cost of other expenses agreed to by the Administrator and the Board, all Investment Property record-keeping expenses, the cost of preparing monthly and annual reports, the expense of outside auditors required pursuant to the Administrator Agreement (but only if the Administrator selects such auditors), the fees of the Administrator's and/or Board's legal counsel, the cost of Meetings of the Board, and the costs of Participant surveys and mailings. At least quarterly, the Administrator shall provide a detailed accounting of such expenses to the Board.

7.2 **Payment of Expenses.**

The Board shall have full and complete power:

(a) To incur and pay any charges or expenses which, in the opinion of the Board, are necessary or incidental to or proper for carrying out any of the purposes of this Indenture;

(b) To reimburse others for the payment therefore, including, but not limited to, the Administrator; and

(c) To pay appropriate compensation or fees from the funds managed under this Interlocal Agreement to persons with whom the Board has contracted or transacted business.
ARTICLE VIII
REPRESENTATIONS AND WARRANTIES

8.1 Representations and Warranties of Each Participant.

Each Participant hereby represents and warrants that:

(a) the Participant has taken all necessary actions and has received all necessary approvals and consents and adopted all necessary ordinances and resolutions in order to execute and deliver this Interlocal Agreement and to perform its obligations hereunder, including, without limitation, the appointment of its Authorized Representative; and

(b) the execution, delivery and performance of this Interlocal Agreement by the Participant are within the power and authority of the Participant and do not violate the laws, rules or regulations of the State of Florida applicable to the Participant or the Participant's charter or its organizational statute, instrument or documents or any other applicable federal, state or local law; and

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

ARTICLE IX
COVENANTS

9.1 Source of Investments.

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

Each party to this Interlocal Agreement hereby covenants that it shall use reasonable efforts to withdraw from this Interlocal Agreement prior to the time any of the representations and warranties made by it in Article VIII hereof ceases to be true.

**ARTICLE X**
**AMENDMENT AND TERMINATION**

10.1 **Amendment.**

(a) Unless explicitly set forth otherwise herein, this Interlocal Agreement may be amended only by a majority of the Board. Any amendment that impacts the duties, obligations or rights of either the Administrator or the Custodian shall be reduced to writing and agreed to by the affected party.

(b) Any amendment executed pursuant to Section 10.1(a) hereof will be effective upon the earlier of (i) thirty (30) days after notice is mailed or otherwise delivered, including but not limited to delivery by electronic means, to all existing Participants setting forth such amendment and permitting each Participant to terminate its participation and request payment of its balance.

(c) Notwithstanding the foregoing, the Investment Policy may be amended by a writing consented to by the Board. Any such amendment of the Investment Policy shall become effective thirty (30) days after notice thereof is sent to the Participants, Administrator and Custodian setting forth such amendment.

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

10.2 **Termination.**

(a) This Interlocal Agreement shall continue in full force and effect unless terminated as set forth in this Section 10.2. This Interlocal Agreement may be terminated at any time pursuant to a duly adopted amendment hereto approved by the unanimous vote of the Board. This Interlocal Agreement shall terminate automatically if either the Program Administration Agreement or the Custody Agreement is not amended to name a new Administrator or Custodian on or before the day that is immediately prior to the date on which the resignation, withdrawal or removal of the Administrator or Custodian would otherwise become effective.

(b) Upon the termination of this Interlocal Agreement pursuant to this Section 10.2:

(i) The Custodian, the Board and the Administrator shall carry on no business in connection with FLCLASS except for the purpose of satisfying the Investment Property Liabilities and winding up their affairs in connection with the Investment Property;
(ii) The Custodian, the Board and the Administrator shall proceed to wind up their affairs in connection with FLCLASS, and all of the powers of the Board, Administrator and Custodian under this Interlocal Agreement, the Program Administration Agreement and the Custody Agreement, respectively, shall continue until the affairs of the Board, Administrator and Custodian in connection with FLCLASS shall have been wound up, including, but not limited to, the power to collect amounts owed, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining Investment Property to one or more persons at public or private sale for consideration which may consist in whole or in part of cash, securities or other property of any kind, discharge or pay Investment Property Liabilities, and do all other acts appropriate to liquidate their affairs in connection with FLCLASS; and

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

(c) Upon termination of this Interlocal Agreement and distribution to the Participants as herein provided, the Board shall direct the Administrator to execute and lodge among the records maintained in connection with this Interlocal Agreement an instrument in writing setting forth the fact of such termination, and the Board and Participants shall thereupon be discharged from all further liabilities and duties hereunder, and the rights and benefits of all Participants hereunder shall cease and be cancelled and discharged.

ARTICLE XI
MISCELLANEOUS

11.1 Governing Law.

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

11.2 Severability.

The provisions of this Interlocal Agreement are severable, and if any one or more of such provisions (the "Conflicting Provisions") are in conflict with any applicable laws, the Conflicting Provisions shall be deemed never to have constituted a part of this Interlocal Agreement and this Interlocal Agreement may be amended pursuant to Section 10.1 hereof to remove the Conflicting Provisions; provided, however, that such conflict or amendment shall not affect or impair any of the remaining provisions of this Interlocal Agreement or render invalid or improper any action taken or omitted prior to the discovery or removal of the Conflicting Provisions.

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

11.4 No Assignment.
No party hereto may sell, assign, pledge or otherwise transfer any of its rights or benefits under this Interlocal Agreement to any other Person, and any purported sale, assignment, pledge or other transfer shall be null and void. The Board agrees not to unreasonably withhold consent to an assignment of this Interlocal Agreement or the Administrator Agreement.

11.5 Gender; Section Headings and Table of Contents.
(a) Words of the masculine gender shall mean and include correlative words of the feminine and neuter genders and words importing the singular number shall mean and include the plural number and vice versa.

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

11.6 No Partnership.
Other than the creation by the Participants of an interlocal cooperation agreement pursuant to Fla. Stat. §163.01, this Interlocal Agreement does not create or constitute an association of two or more Persons to carry on as co-owners a business for profit, and none of the parties intends this Interlocal Agreement to constitute a partnership or any other joint venture or association.

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

(a) shall be in writing;

(b) shall be deemed to be sufficient if given by (i) depositing the same in the United States mail properly addressed, postage prepaid, or (ii) electronically transmitting such notice by any means such as by facsimile transmission, email, or other electronic means whenever such notice is in a format which may be stored by the receiving party or parties, or (iii) by depositing the same with a courier delivery service, addressed to the person entitled thereto at his address or phone number as it appears on the records maintained by the Administrator;

(c) shall be deemed to have been given on the day of such transmission if delivered pursuant to subsection (b)(ii), or on the third day after deposit if delivered pursuant to subsection (b)(i) or (b)(iii); and
(d) any of the methods specified in Section 11.7(b) shall be sufficient to deliver any notice required hereunder, notwithstanding that one or more of such methods may not be specifically listed in the Sections hereunder requiring such notice.

11.8 Confidentiality.

(a) All information and recommendations furnished by the Administrator to any Participants or the Board that is marked confidential and all information and directions furnished by the Administrator to the Custodian shall be regarded as confidential by each such Person to the extent permitted by law. Nothing in this Section shall prevent any party from divulging information as required by law or from divulging information to civil, criminal, bank or securities regulatory authorities where such party may be exposed to civil or criminal proceedings or penalties for failure to comply, or from divulging information in accordance with Florida's Government in the Sunshine Law, Florida Statutes, Chapter 286, or Florida's Public Records Act, Florida Statutes, Chapter 119 or to prevent the Administrator from distributing copies of this Interlocal Agreement, the names of the Participants, or the Investment Property Value to third parties.

11.9 Entire Agreement.

This Interlocal Agreement shall constitute the entire agreement of the parties with respect to the subject matter and shall supersede all prior oral or written agreements in regard thereto.

11.10 Disputes.

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

11.11 Writings.

Whenever this Interlocal Agreement requires a notice, instruction or confirmation to be in writing or a written report to be made or a written record to be maintained, it shall be sufficient if such writing is produced or maintained by electronic means or maintained by any other photostatic, photographic, or micrographic data storage method such as digital discs as well as on paper, so long as such method complies with Chapter 119, Florida Statutes.
11.12 Effective Date.

This Interlocal Agreement shall become effective on the Effective Date.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
SIGNATURE PAGE FOR INTERLOCAL AGREEMENT

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

PARTICIPANT EXECUTION DATE: 3/30/15, as Participant

By: Ken Burke
Name: Ken Burke
Title: Pinellas County Clerk of the Circuit Court and Comptroller

STATE OF FLORIDA
COUNTY OF Pinellas

The foregoing instrument was acknowledged before me this 30th day of March, 2015 by Ken Burke of [Participant], who is personally known to me/has produced ___________ as identification.

Karen E. Lamb
Printed/Typed Name: Karen E. Lamb
Notary Public-State of: Florida
Commission Number: FF 083808

KAREN E. LAMB
MY COMMISSION # FF 083808
EXPIRES: March 19, 2018
Bonds/Tax Budget Notary Services
SIGNATURE PAGE FOR INTERLOCAL AGREEMENT

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

PARTICIPANT EXECUTION DATE: 3-31-15, as Participant

By: Sharon R. Boeck
Name: Sharon R. Boeck
Title: Clerk-Comptroller, Palm Beach Co.

STATE OF FLORIDA
COUNTY OF Palm Beach

The foregoing instrument was acknowledged before me this 31st day of March, 2015, by Sharon A. Boeck, Clerk-Comptroller, Palm Beach County, who is personally known to me, has produced as identification.

{Tara K. Ramos
Printed/Typed Name: Tara K. Ramos
Notary Public-State of: Florida
Commission Number: [Redacted]
SIGNATURE PAGE FOR INTERLOCAL AGREEMENT

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

PARTICIPANT EXECUTION DATE: April 6, 2015, as Participant

By:

Name: Scott Randolph
Title: Tax Collector

STATE OF FLORIDA
COUNTY OF Orange

The foregoing instrument was acknowledged before me this 16th day of April, 2015, by Scott Randolph, Tax Collector of Orange County, who is personally known to me, has produced as identification.

Printed/Typed Name: Kelly J. Quintero
Notary Public-State of: Florida
Commission Number: FF025172
EXHIBIT A

INVESTMENT PROCEDURES

1. The Participant shall provide a recorded call or send a written notice to the Administrator indicating the amount to be invested (there is no minimum investment). The Participant shall instruct its bank depository to wire or electronically transfer Investment Funds to the applicable Account at the Custodian for the purchase of investments to be held by the Custodian in such Account.

2. Receipt of the notice described in (1) by the Administrator as set forth in the Information Statement.

3. If Investment Funds for which notification of investment has been given, are not received by the end of the Business Day on which such notification is given, the Administrator shall deduct the value of such Investment Funds from the Participant's Balance if previously credited.

4. The Participant is prohibited from requesting payments from amounts credited to its Balance pursuant to (2) or (3) above, until such Investment Funds are received by the Custodian for the purchase of securities to be held by the Custodian.

5. These Investment Procedures may be amended from time to time pursuant to Section 10.1(d) of this Interlocal Agreement, provided, however, the Administrator will only change the times set forth above after consulting with the Custodian.
EXHIBIT B

PAYMENT PROCEDURES

1. The Participant shall provide a recorded call or send a written notice to the Administrator indicating the amount requested to be paid and shall specify from which Account the payment is to be made.

2. The Participant shall notify the Administrator in writing of the payee of the amount requested, which may be the Participant, and include any wire, electronic transfer or other payment instructions. Such payee must be listed on the list of approved payees that has been provided by the Participant to the Administrator in advance of the payment.

3. Requests for payments must be received by the Administrator as set forth in the Information Statement.

4. The Participant may only request payments of that portion of its Balance that represents Investment Funds and its proportional share of the income from the Investment Property which in all cases have actually been received by the Custodian.

5. These Payment Procedures may be amended from time to time pursuant to Section 10.1(d) of this Interlocal Agreement, provided, however, that the Administrator will only change the times set forth above after consulting with the Custodian.
EXHIBIT C

VALUATION PROCEDURES

1. Portfolio Valuation.

   A. Amortized Cost Valuation

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

   B. Mark to Market

      At least monthly or more frequently if requested by a majority of the Board, the Investment Property Value of each Account shall be determined on a mark to market basis, provided, however, the value of any collateral that is collateralizing any repurchase agreement shall be marked to market on a daily basis.

      The market value of all or a part of the securities in the Accounts will be determined from the bid and ask prices for such securities as quoted by an independent nationally recognized pricing service for the Business Day preceding the Business Day on which the determination of such market value is made (plus accrued interest to such preceding Business Day); if the securities are not so quoted on such preceding Business Day, their market value will be determined as of the next preceding Business Day on which they were so quoted. Securities not quoted by an independent nationally recognized pricing service will be valued by taking a bid quote from one primary dealer making a market in such securities or if there is no primary dealer in such securities by such other reasonable method as the Administrator shall determine.

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

2. Amendment.

   These Valuation Procedures may be amended from time to time pursuant to Section 10.1(d) of this Interlocal Agreement.
EXHIBIT D

MODEL RESOLUTION

RESOLUTION NO. ____

A RESOLUTION OF THE [GOVERNING BODY] OF THE [UNIT OF LOCAL GOVERNMENT] APPROVING THE ENTRANCE INTO AN INTERLOCAL AGREEMENT WITH OTHER GOVERNMENTAL PARTICIPANTS FOR THE PURPOSE OF EXERCISING INVESTMENT POWER JOINTLY TO INVEST FUNDS IN CONCERT WITH OTHER PARTICIPANTS; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the [Unit of Local Government] is permitted and has the power pursuant to the provisions of the Florida Statutes, including but not limited to Section 218.415 of the Florida Statutes, and its own local laws to invest certain of its funds in statutorily permitted investments, including but not limited to any intergovernmental investment pool authorized pursuant to Section 163.01, Florida Statutes, as amended (the "Florida Interlocal Cooperation Act"); and

WHEREAS, the Florida Interlocal Cooperation Act authorizes the [Unit of Local Government], together with other local governmental entities, to exercise jointly any power, privilege or authority which the local governmental entities share in common and which each might exercise separately pursuant to a written interlocal agreement; and

WHEREAS, __________________ and _____________, as initial Participants (as such term is defined in the Interlocal Agreement described below), entered into that certain Interlocal Agreement, a copy of which is attached hereto as Exhibit A (the "Interlocal Agreement"), the purpose of which is to provide the [Unit of Local Government] and each Participant which has executed or otherwise joined the Interlocal Agreement, a substantial benefit by establishing the intergovernmental investment pool to be known as the Florida Cooperative Liquid Assets Securities System ("FLCLASS"), which is an intergovernmental investment pool as described in Section 218.415, Florida Statutes, as amended, in order to exercise such investment power jointly and invest such funds in concert with the other Participants pursuant to the Interlocal Agreement as authorized by the Florida Interlocal Cooperation Act in order to take advantage of economies of scale and perform governmental functions more efficiently; and

WHEREAS, the [Unit of Local Government] desires to join the Interlocal Agreement as a Participant, in order to exercise investment power jointly and invest funds in concert with the other Participants pursuant to the Interlocal Agreement in order to take advantage of economies of scale and perform governmental functions more efficiently; and

WHEREAS, the policy of the Interlocal Agreement shall be to place the highest priority on the safety of principal and liquidity of funds, and the optimization of investment returns shall be secondary to the requirements for safety and liquidity;

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NOW, THEREFORE, BE IT RESOLVED by the [Governing Body] of the [Unit of Local Government] as follows:

SECTION 1. The Interlocal Agreement executed or otherwise joined by the Participants thereto, a copy of which is attached to this Resolution as Exhibit A and incorporated herein by reference.

SECTION 2. Pursuant to Section 2.4 of the Interlocal Agreement, the [Unit of Local Government] hereby joins the Interlocal Agreement as a Participant and agrees to be bound by all of the terms and provisions thereof. The [Unit of Local Government] further agrees to file an executed copy of this Resolution with the Clerk of Court of ___________ County, Florida.

SECTION 3. This Resolution shall take effect immediately upon its filing with the Clerk of Court of ___________ County, Florida.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]
PASSED AND ADOPTED IN PUBLIC SESSION of the _____________ of the
___________________ this ___ day of _____________, 20__.

By: ______________________________________
Name: ____________________________________
Its: ______________________________________

Attest:

_________________, [Assistant] Secretary
EXHIBIT A TO RESOLUTION

COPY OF INTERLOCAL AGREEMENT

[Attached]
INSTRUMENT OF ADOPTION

of that certain
Interlocal Agreement for the
Florida Cooperative Liquid Assets Securities System (FLCLASS)

This Instrument of Adoption (this "Instrument") is executed as of the ____ day of
_________________, 20_____, by and on behalf of ____________________________.

Reference is made to that certain Interlocal Agreement for the Florida Cooperative Liquid
Assets Securities System, dated as of __________, 2015, made by and among certain Initial Participants (as defined therein) and such additional Participants who may have heretofore and
may hereafter join therein, and as may have been and may be modified or amended as provided
therein (the "Interlocal Agreement"). Capitalized terms not defined in this Instrument shall have
the meanings given in the Interlocal Agreement.

By executing this Instrument, the undersigned represents and warrants that (a) the
undersigned is a Unit of Local Government as defined in the Interlocal Agreement; (b) the person
executing this Instrument on behalf of the undersigned is an officer of the Unit of Local
Government, authorized to execute this Instrument; (c) the undersigned has tendered to FLCLASS
the minimum investment required under the Interlocal Agreement; and (d) the undersigned (i) has
taken all required official action to adopt and authorize the execution of the Interlocal Agreement
including, without limitation, adopting a written investment policy consistent with the Interlocal
Agreement and the Investment Policy adopted thereby or amending or modifying any existing
written investment policy not consistent with the Interlocal Agreement or the Investment Policy,
and (ii) has furnished to the Board evidence satisfactory to the Board that such official action has
been taken.

By executing this Instrument, the undersigned agrees that it will be bound by all terms and
conditions of the Interlocal Agreement, as amended from time to time, including without limitation
that it will maintain a written investment policy consistent with the provisions of the Interlocal
Agreement and Investment Policy adopted thereby, as each of the same may be amended from
time to time.

[signature page to follow]
INSTRUMENT OF ADOPTION
of that certain
Interlocal Agreement for the
Florida Cooperative Liquid Assets Securities System (FLCLASS)

IN WITNESS WHEREOF, the undersigned has executed this Instrument as of the day first above written.

[NAMES OF ENTITY]

By: ______________________________
Name: __________________________
Title: ___________________________

STATE OF FLORIDA
COUNTY OF ______________

The foregoing instrument was acknowledged before me this ______ day of ____________, 20__, by _______________________, _______________, who is personally known to me/has produced ______________________ as identification.

Printed/Typed Name: ______________________________
Notary Public-State of: __________________________
Commission Number: __________________________
Florida Cooperative Liquid Asset Securities System (“FLCLASS”)  

Investment Policy

Purpose
This Policy has been established to create the principles by which the Florida Cooperative Liquid Asset Securities System (“FLCLASS”) will be invested and secured and to comply with the provisions of Florida law relating to the investment of public funds. Investment Funds may only be invested in a manner that is permitted pursuant to the laws of the State of Florida generally and Florida’s Investment of Local Government Surplus Funds Act, Florida Statutes, Chapter 218, Part IV and the Florida Interlocal Cooperation Act of 1969.

Objective
The Fund’s investment objectives are: 1) Safety & Preservation of Principal, 2) Daily Liquidity, 3) Transparency and 4) Competitive Yields.

The Fund’s investments will conform to the Permitted Investments detailed in this Investment Policy to meet Standard & Poor’s Principal Stability Fund AAAm rating requirements. The AAAm rating is the highest attainable rating for a Local Government Investment Pool.

General Provisions
The Administrator will invest FLCLASS assets in high-quality fixed income securities. To be considered high quality, a security must be rated in the two highest short-term rating categories by one or more Nationally Recognized Statistical Rating Organizations ("NRSROs"), or be deemed to be of comparable quality thereto by the Administrator. The Administrator also may enter into special transactions for FLCLASS, i.e. repurchase agreements.

FLCLASS will maintain a dollar-weighted average maturity to reset (WAMR) of 60 days or less and a dollar-weighted average maturity to final (WAMF) of 120 days or less.

FLCLASS shall at all times maintain a prudent diversification of its investment portfolio among eligible asset classes.

Procedures for Investment of Pool Monies
(a) Qualified Broker/Dealers.

The Administrator will maintain a list of qualified broker/dealers that FLCLASS may engage in investment transactions with which will be approved by the Board of Trustees, at least quarterly, and will be maintained separately from this Policy.

(b) Qualified Corporate Debt Issuers.

The Administrator will maintain a list of qualified corporate debt issuers that FLCLASS may purchase and which will be approved by the Board of Trustees, at least quarterly, and may be maintained separately from this Policy.

(c) Solicitation of Bids for Certificates of Deposit.

Bids for certificates of deposit may be solicited orally, in writing, electronically or in any combination of those methods. A record of such bids shall be maintained by the Administrator.

(d) Settlement Basis.

All purchases of investments, except investments in mutual funds or bank instruments, shall be made
on a delivery versus payment basis to a third party custodian. The safekeeping entity for all FLCLASS investments and for all collateral pledged to secure funds of FLCLASS shall be the Custodian.

**Permitted Investments**

**Obligations of the United States Government and its Agencies and Instrumentalities.**

Bills, notes and bonds issued by the U.S. Treasury and backed by the full faith and credit of the United States.

Obligations of any agency or instrumentality of the United States, including but not limited to, obligations of The Federal Farm Credit Bank, the Federal Land Bank, a Federal Home Loan Bank, the Federal Home Loan Mortgage Corporation, the Federal National Mortgage Association, the Export-Import Bank, the Tennessee Valley Authority, the Government National Mortgage Association, the World Bank, or an entity or organization that is not listed in this paragraph but that is created by, or the creation of which is authorized by, legislation enacted by the United States congress and that is subject to control by the federal government that is at least as extensive as that which governs an entity or organization listed in this paragraph.

Obligations issued by entities with liquidity support from the U.S. Government, or its agencies or instrumentalities. These support arrangements provide that the U.S. Government or its agencies or instrumentalities will advance funds to the entity to pay the obligations of the entity to the extent it has insufficient funds to pay amounts due on its obligations.

**Floating-Rate and Variable-Rate Obligations.**

Debt obligations purchased by the Fund may have interest rates that are periodically adjusted at specified intervals or whenever a benchmark rate or index changes.

Maximum final maturity per fixed-rate investment, non-sovereign government floating-rate investment, and sovereign floating-rate investments rated below 'AA-' - 13 months (397 days).

Maximum final maturity per sovereign government (including sovereign government related/guaranteed) floating-rate security rated 'AA-' or higher - Two years (762 days).

**Repurchase Agreements.**

Repurchase Agreements with a termination date of 364 days or less collateralized by U.S. Treasury obligations, Federal Agency securities and Federal Instrumentality securities listed above. The purchased securities shall have a minimum market value including accrued interest of 102 percent of the dollar value of the transaction. Collateral shall be held by the PRIME custodian or a sub-custodian, and market value of the collateral securities shall be marked-to-the market daily. Repurchase Agreement counterparties, if rated, shall have a short-term credit rating of at least A-1 or the equivalent and a long-term rating of at least A or the equivalent by at least one Nationally Recognized Statistical Rating Organizations (NRSRO).

**Commercial Paper.**

FLCLASS may invest in “prime quality” commercial paper of corporations organized under the laws of the United States or any state thereof, including paper issued by bank holding companies and high-quality asset-backed securities, with a maturity of 365 days or less. "Prime quality" means that it shall be rated in the two highest ratings category of either S&P or Moody’s or a comparable rating by a NRSRO with not more than 5% with any one issuer.
Corporate Notes and Bonds.

FLCLASS may invest in bonds, notes and other evidences of indebtedness or obligations issued by corporations organized under the laws of the United States or any state having a remaining maturity less than or equal to 397 days. All such debt obligations purchased by the Fund shall be rated at least A or better by Standard & Poor’s, Moody's, or a comparable rating by another NRSRO with not more than 5% with any one issuer.

Obligations of Banks.

Bank instruments are unsecured interest bearing deposits with banks. Bank instruments include, but are not limited to, bank accounts, time deposits, certificates of deposit and banker’s acceptances. Yankee instruments are denominated in U.S. dollars and issued by U.S. branches of foreign banks. Eurodollar instruments are denominated in U.S. dollars and issued by non-U.S. branches of U.S. or foreign banks.

Certificates of deposit and bank deposit notes with maturities of one year or less will be considered for purchase if rated in the top short-term rating category of either Moody’s or S&P or a comparable rating by another NRSRO. Bank obligations with a remaining maturity of over one year will be considered for purchase if rated A or better by Standard & Poor’s or a comparable rating by another NRSRO. The Fund will not invest in any bank obligation with a remaining maturity of greater than 397 days.

Asset Backed Securities

Asset Backed Securities that are payable from pools of obligations, most of which involve consumer or commercial debts. Asset backed securities may take the form of commercial paper, notes or pass-through certificates.

Insurance Contracts

Insurance Contracts that include guaranteed investment contracts, funding agreements and annuities. The company issuing the insurance contract must have an Insurance Financial Strength rating of A+ or equivalent by a nationally recognized rating agency. The company should have adjusted capital and surplus of at least $250 million. Contracts with any one company should not exceed five percent of that company's capital and surplus.

Collateralized Certificates of Deposit.

FLCLASS may invest in collateralized certificates of deposit as permitted by Florida law.

FDIC Insured Certificates of Deposit.

FLCLASS may invest in certificates of deposit subject to applicable FDIC insurance limits in effect at the time of purchase.

Municipal Obligations.

Any security that is a general or revenue obligation of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any of such governmental entities. At the time of purchase, the security must be rated in one of its two highest rating categories by two or more NRSRO’s that regularly rate such obligations.

The maximum exposure per municipal issuer is 5%.
The maximum final maturity per municipal investment is 13 months (397 days)
Foreign Securities

Foreign securities issued in U.S. dollars by issuers based outside the United States. The Administrator considers an issuer to be based outside the United States if:

- it is organized under the laws of, or has a principal office located in, another country;
- the principal trading market for its securities is in another country; or
- it (or its subsidiaries) derived in its most current fiscal year at least 50% of its total assets, capitalization, gross revenue or profit from goods produced, services performed or sales made in another country.

- All such debt obligations purchased by the Fund shall be rated at least A or better by Standard & Poor’s, Moody's, or a comparable rating by another NRSRO with not more than 5% with any one issuer. The maximum final maturity per foreign security investment is 13 months (397 days).

Mortgage-backed Securities

Mortgage-backed Securities with a final maturity not exceeding 397 days from the date of purchase that are collateralized first mortgage obligations or unstructured pass-through securities and rated at least AA, Aa or the equivalent by at least two NRSROs that rate the issue. The aggregate investment in mortgage-backed securities shall not exceed 25% of the total portfolio, and no more than 5% of the total portfolio shall be invested in any one issuer.

Securities Issued by Other Money Market Funds.

No-load money market mutual funds that (i) are registered with and regulated by the Securities and Exchange Commission, (ii) include in their investment objectives the maintenance of a stable net asset value of $1.00, and (iii) are rated AAAm or equivalent by at least one NRSRO.

Section 218.415(16), Florida Statutes.

Without limited the foregoing, any investments authorized under Section 218.415(16), Florida Statutes.
Florida Cooperative Liquid Assets Securities System

Annual Report

DECEMBER 31, 2017
(REPORT OF INDEPENDENT AUDITORS WITHIN)

FLCLASS Rated AAAm by Standard & Poor’s

Standard & Poor’s Ratings in no way guarantee favorable performance results and should not be construed as safety in an investment.
Chairman’s Letter
December 31, 2017

To the Participants of FLCLASS:

On behalf of the members of the FLCLASS Board of Trustees and Public Trust Advisors, LLC (Public Trust), the pool administrator and investment advisor, we are pleased to present the audited financials for the year ending December 31, 2017.

As we enter another new year, the Board of Trustees wishes to extend its gratitude to all FLCLASS Participants as together we reflect on 2017, which was, in many ways, a breakthrough year for FLCLASS. Assets under management for the fund climbed to $2.1 billion on December 22, 2017, a new all-time high. This new high represents a 24% increase over the previous record high of $1.7 billion set in December of 2016.

Participation in FLCLASS grew by 36% over the course of the year. The increased usage helps the fund to achieve further economies of scale and greater investment buying power. Fund participation is poised to grow further in 2018, a testament to the program’s overall health, as well as to its growing reputation for safety, liquidity, transparency, service and convenience.

The safety of the public dollars we manage on your behalf will always be the primary objective of FLCLASS. The fund continues to maintain the ‘AAAm’ principal stability fund rating issued by Standard and Poor’s Ratings Services. This rating symbolizes outstanding credit quality and active management. In fact, the two primary persons responsible for FLCLASS portfolio management, Randy Palomba, CFA, and Neil Waud, CFA, have more than 40 years combined experience managing local government investment pools.

The transition into 2018 also offers us an opportunity to glance forward to the year ahead. As was widely expected, the Federal Open Market Committee (FOMC) raised the target range for federal funds to 1.25-1.50% in December. Moreover, the FOMC maintained its forecast for three additional rate hikes in 2018. While the market forecasts seem to indicate slightly less optimism, the consensus is that higher interest rates will be available in the foreseeable future, good news for FLCLASS Participants statewide.

Lastly, we will be introducing a new FLCLASS website in the coming months. The marketing team over at the FLCLASS offices is working to create an enhanced online user experience. The Board believes that the new site will introduce an even more convenient, transparent view into the investment program you know and trust.

As we continue the path through 2018, the entire team at FLCLASS remains devoted to providing an unparalleled level of service to each of the local government Participants that make up the program. The extraordinary capabilities and local knowledge of our staff paired with the character, experience, and wisdom of our clients makes sitting on this Board rewarding on both a personal and professional level.

Our sincerest thanks for your continued participation and commitment to FLCLASS.

Respectfully,

[Signature]

Ken Burke, CPA
Chairman, Board of Trustees
Independent Auditors’ Report

Report of Independent Auditors

To the Board of Trustees
Florida Cooperative Liquid Assets Securities System

We have audited the accompanying financial statements of Florida Cooperative Liquid Assets Securities System (FLCLASS), which comprise the statement of net assets as of December 31, 2017, the related statement of operations for the year then ended, the related statements of changes in net assets for the years ended December 31, 2017 and 2016, and the related notes to the financial statements.

Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor’s Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity’s internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Florida Cooperative Liquid Assets Securities System as of December 31, 2017, the results of its operations for the year then ended, and the changes in its net assets for the years ended December 31, 2017 and 2016, in accordance with accounting principles generally accepted in the United States of America.

West Palm Beach, Florida
March 9, 2018

Templeton & Company, LLP
### STATEMENT OF NET ASSETS – DECEMBER 31, 2017

**INVESTMENTS, AT VALUE**

<table>
<thead>
<tr>
<th>Description</th>
<th>Principal Amount</th>
<th>Coupon Rate</th>
<th>Maturity</th>
<th>Effective Yield</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Repurchase Agreements (2%)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>JP Morgan Tri-Party (1%)*</td>
<td>$25,000,000</td>
<td>1.37%</td>
<td>01/02/18</td>
<td>1.37%</td>
<td>$25,000,000</td>
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<tr>
<td>(Collateralized by U.S. Agency Obligations with coupon rates</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>between 2.308% and 5.000% and maturing between 02/01/2041</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and 06/01/2046.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market value plus accrued interest: $25,502,092</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>RBC Tri-Party (1%)*</td>
<td>7,071,430</td>
<td>1.38</td>
<td>01/02/18</td>
<td>1.38</td>
<td>7,071,430</td>
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<tr>
<td>(Collateralized by U.S. Agency Obligations with coupon rates</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>between 3.00% and 4.50% and maturing between 03/01/2026</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>and 12/01/2047.)</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Market value plus accrued interest: $7,213,024</td>
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<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cost of ($32,071,430)</td>
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<td></td>
<td></td>
<td></td>
<td>32,071,430</td>
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<tr>
<td><strong>Certificates of Deposit (2%)</strong></td>
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<td></td>
<td></td>
<td></td>
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<td>Wells Fargo Bank NA</td>
<td>16,000,000</td>
<td>1.63 - Var.</td>
<td>02/16/18</td>
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<td>16,000,000</td>
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<td>Svenska Handelsbanken AB</td>
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<td>25,000,000</td>
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<td>Cost of ($41,000,000)</td>
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<td></td>
<td></td>
<td>41,000,000</td>
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<tr>
<td><strong>Commercial Paper (92%)</strong></td>
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<td></td>
<td></td>
<td></td>
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<tr>
<td>Chariot Funding LLC</td>
<td>10,000,000</td>
<td>Disc**</td>
<td>01/02/18</td>
<td>1.42</td>
<td>9,998,389</td>
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<tr>
<td>Institutional Secured Funding LLC</td>
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<td>01/02/18</td>
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<td>24,995,973</td>
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<td>49,991,835</td>
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<tr>
<td>Old Line Funding LLC</td>
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<td>Disc**</td>
<td>01/03/18</td>
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<td>19,995,334</td>
</tr>
<tr>
<td>Barton Capital LLC</td>
<td>19,200,000</td>
<td>Disc**</td>
<td>01/04/18</td>
<td>1.42</td>
<td>19,195,296</td>
</tr>
<tr>
<td>Manhattan Asset Funding Co.</td>
<td>15,000,000</td>
<td>1.47 - Var.</td>
<td>01/04/18</td>
<td>1.47</td>
<td>15,000,000</td>
</tr>
<tr>
<td>Toyota Motor Credit Corp.</td>
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<td>Disc**</td>
<td>01/04/18</td>
<td>1.36</td>
<td>14,996,525</td>
</tr>
<tr>
<td>Alpine Securitization</td>
<td>26,250,000</td>
<td>Disc**</td>
<td>01/05/18</td>
<td>1.44</td>
<td>26,242,445</td>
</tr>
<tr>
<td>Collateralized Commercial Paper Co.</td>
<td>15,000,000</td>
<td>1.55 - Var.</td>
<td>01/05/18</td>
<td>1.55</td>
<td>15,000,000</td>
</tr>
<tr>
<td>Institutional Secured Funding LLC</td>
<td>30,000,000</td>
<td>Disc**</td>
<td>01/05/18</td>
<td>1.48</td>
<td>29,991,366</td>
</tr>
<tr>
<td>Lexington Parker Capital</td>
<td>20,000,000</td>
<td>Disc**</td>
<td>01/05/18</td>
<td>1.47</td>
<td>19,994,244</td>
</tr>
<tr>
<td>LMA Americas LLC</td>
<td>19,500,000</td>
<td>Disc**</td>
<td>01/05/18</td>
<td>1.39</td>
<td>19,494,388</td>
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<tr>
<td>Macquarie Bank Ltd.</td>
<td>9,500,000</td>
<td>Disc**</td>
<td>01/05/18</td>
<td>1.42</td>
<td>9,497,248</td>
</tr>
<tr>
<td>Bennington Stark Capital Co.</td>
<td>35,000,000</td>
<td>Disc**</td>
<td>01/09/18</td>
<td>1.64</td>
<td>34,983,746</td>
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<tr>
<td>Kells Funding LLC</td>
<td>20,000,000</td>
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<td>01/09/18</td>
<td>1.36</td>
<td>19,990,406</td>
</tr>
<tr>
<td>NRW. Bank</td>
<td>35,000,000</td>
<td>Disc**</td>
<td>01/10/18</td>
<td>1.39</td>
<td>34,981,800</td>
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<tr>
<td>PSP Capital Inc.</td>
<td>50,000,000</td>
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<td>01/10/18</td>
<td>1.54</td>
<td>49,974,000</td>
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<tr>
<td>Anglesea Funding LLC</td>
<td>20,000,000</td>
<td>Disc**</td>
<td>01/11/18</td>
<td>1.47</td>
<td>19,988,950</td>
</tr>
<tr>
<td>La Fayette Asset Securitization LLC</td>
<td>25,000,000</td>
<td>Disc**</td>
<td>01/11/18</td>
<td>1.39</td>
<td>24,986,188</td>
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<tr>
<td>Lexington Parker Capital</td>
<td>64,250,000</td>
<td>Disc**</td>
<td>01/12/18</td>
<td>1.48</td>
<td>64,211,521</td>
</tr>
<tr>
<td>Bedford Row Funding Corp.</td>
<td>15,000,000</td>
<td>1.61 - Var.</td>
<td>01/16/18</td>
<td>1.61</td>
<td>15,000,000</td>
</tr>
<tr>
<td>Royal Bank of Canada</td>
<td>25,000,000</td>
<td>Disc**</td>
<td>01/18/18</td>
<td>1.56</td>
<td>24,978,750</td>
</tr>
<tr>
<td>National Australia Bank Ltd.</td>
<td>25,000,000</td>
<td>Disc**</td>
<td>01/22/18</td>
<td>1.68</td>
<td>24,976,668</td>
</tr>
<tr>
<td>Barton Capital LLC</td>
<td>25,000,000</td>
<td>Disc**</td>
<td>01/24/18</td>
<td>1.43</td>
<td>24,970,930</td>
</tr>
<tr>
<td>Erste Abwicklunganstalt</td>
<td>15,000,000</td>
<td>Disc**</td>
<td>01/26/18</td>
<td>1.40</td>
<td>14,982,500</td>
</tr>
<tr>
<td>Toronto Dominion Bank</td>
<td>40,000,000</td>
<td>Disc**</td>
<td>01/26/18</td>
<td>1.42</td>
<td>39,953,332</td>
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<tr>
<td>Manhattan Asset Funding Co.</td>
<td>10,000,000</td>
<td>1.67 - Var.</td>
<td>01/30/18</td>
<td>1.67</td>
<td>10,000,000</td>
</tr>
</tbody>
</table>

* Denotes percentage of net assets  ** Denotes securities purchased at a discount from par

The accompanying notes are an integral part of these financial statements.
STATEMENT OF NET ASSETS – DECEMBER 31, 2017
INVESTMENTS, AT VALUE

<table>
<thead>
<tr>
<th>Principal Amount</th>
<th>Coupon Rate</th>
<th>Maturity</th>
<th>Effective Yield</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Victory Receivables Corp.</td>
<td>$30,000,000</td>
<td>Disc**</td>
<td>01/30/18</td>
<td>1.68%</td>
</tr>
<tr>
<td>Alpine Securitization</td>
<td>25,000,000</td>
<td>Disc**</td>
<td>01/31/18</td>
<td>1.42</td>
</tr>
<tr>
<td>Bank Nederlandse Gemeent</td>
<td>20,000,000</td>
<td>Disc**</td>
<td>01/31/18</td>
<td>1.41</td>
</tr>
<tr>
<td>Bennington Stark Capital Co.</td>
<td>20,000,000</td>
<td>Disc**</td>
<td>01/31/18</td>
<td>1.52</td>
</tr>
<tr>
<td>Kells Funding LLC</td>
<td>10,000,000</td>
<td>Disc**</td>
<td>02/01/18</td>
<td>1.41</td>
</tr>
<tr>
<td>Victory Receivables Corp.</td>
<td>40,000,000</td>
<td>Disc**</td>
<td>02/01/18</td>
<td>1.43</td>
</tr>
<tr>
<td>Kells Funding LLC</td>
<td>20,000,000</td>
<td>Disc**</td>
<td>02/02/18</td>
<td>1.54</td>
</tr>
<tr>
<td>JP Morgan Securities</td>
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<td>Disc**</td>
<td>02/06/18</td>
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<tr>
<td>Erste Abwicklungsanstalt</td>
<td>15,000,000</td>
<td>Disc**</td>
<td>02/07/18</td>
<td>1.42</td>
</tr>
<tr>
<td>Toronto Dominion Bank</td>
<td>20,000,000</td>
<td>Disc**</td>
<td>02/07/18</td>
<td>1.41</td>
</tr>
<tr>
<td>NRW. Bank</td>
<td>21,200,000</td>
<td>Disc**</td>
<td>02/09/18</td>
<td>1.43</td>
</tr>
<tr>
<td>Nordea Bank AB</td>
<td>20,000,000</td>
<td>Disc**</td>
<td>02/12/18</td>
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<td>Crown Point Capital Co.</td>
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<td>Macquarie Bank Ltd.</td>
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<td>02/16/18</td>
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<td>Disc**</td>
<td>02/21/18</td>
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<tr>
<td>Old Line Funding LLC</td>
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<td>Disc**</td>
<td>03/05/18</td>
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<td>Manhattan Asset Funding Co.</td>
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<td>Disc**</td>
<td>03/06/18</td>
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<tr>
<td>Macquarie Bank Ltd.</td>
<td>25,000,000</td>
<td>Disc**</td>
<td>03/06/18</td>
<td>1.63</td>
</tr>
<tr>
<td>Collateralized Commercial Paper Co.</td>
<td>15,000,000</td>
<td>1.54 - Var.</td>
<td>03/05/18</td>
<td>1.72</td>
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<tr>
<td>Old Line Funding LLC</td>
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<td>1.48 - Var.</td>
<td>03/05/18</td>
<td>1.66</td>
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<tr>
<td>DZ Bank AG NY</td>
<td>25,000,000</td>
<td>1.49 - Var.</td>
<td>03/06/18</td>
<td>1.66</td>
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<tr>
<td>Kells Funding LLC</td>
<td>30,000,000</td>
<td>Disc**</td>
<td>03/06/18</td>
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<td>Collateralized Commercial Paper II Co.</td>
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<tr>
<td>Alpine Securitization</td>
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<tr>
<td>Macquarie Bank Ltd.</td>
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<td>03/09/18</td>
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<tr>
<td>Ontario Teachers’ Finance Trust</td>
<td>10,000,000</td>
<td>Disc**</td>
<td>03/09/18</td>
<td>1.43</td>
</tr>
<tr>
<td>Toronto Dominion Bank</td>
<td>19,800,000</td>
<td>Disc**</td>
<td>03/14/18</td>
<td>1.49</td>
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<td>Concord Minuteman Cap Co.</td>
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<td>Manhattan Asset Funding Co.</td>
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<td>03/19/18</td>
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<td>Crown Point Capital Co.</td>
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<td>1.78 - Var.</td>
<td>03/20/18</td>
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</tr>
<tr>
<td>Nordea Bank AB</td>
<td>25,000,000</td>
<td>Disc**</td>
<td>03/20/18</td>
<td>1.78</td>
</tr>
<tr>
<td>Toronto Dominion Bank</td>
<td>15,000,000</td>
<td>Disc**</td>
<td>03/20/18</td>
<td>1.67</td>
</tr>
<tr>
<td>Manhattan Asset Funding CO</td>
<td>25,000,000</td>
<td>Disc**</td>
<td>03/22/18</td>
<td>1.67</td>
</tr>
<tr>
<td>Ontario Teachers’ Finance Trust</td>
<td>25,000,000</td>
<td>Disc**</td>
<td>03/23/18</td>
<td>1.45</td>
</tr>
<tr>
<td>Coca-Cola Co.</td>
<td>15,000,000</td>
<td>Disc**</td>
<td>04/09/18</td>
<td>1.34</td>
</tr>
<tr>
<td>Concord Minuteman Cap Co.</td>
<td>25,000,000</td>
<td>Disc**</td>
<td>04/09/18</td>
<td>1.75</td>
</tr>
<tr>
<td>Danske Corporation</td>
<td>20,000,000</td>
<td>Disc**</td>
<td>04/13/18</td>
<td>1.89</td>
</tr>
<tr>
<td>Ridgefield Funding Co. LLC</td>
<td>25,000,000</td>
<td>Disc**</td>
<td>04/16/18</td>
<td>1.75</td>
</tr>
<tr>
<td>Toyota Motor Credit Corp.</td>
<td>25,000,000</td>
<td>1.44 - Var.</td>
<td>04/30/18</td>
<td>1.65</td>
</tr>
<tr>
<td>Bedford Row Funding Corp.</td>
<td>25,000,000</td>
<td>1.48 - Var.</td>
<td>05/01/18</td>
<td>1.69</td>
</tr>
<tr>
<td>Ontario Teachers’ Finance Trust</td>
<td>20,000,000</td>
<td>Disc**</td>
<td>05/09/18</td>
<td>1.53</td>
</tr>
<tr>
<td>JP Morgan Securities</td>
<td>10,000,000</td>
<td>1.61 - Var.</td>
<td>05/11/18</td>
<td>1.61</td>
</tr>
<tr>
<td>Kells Funding LLC</td>
<td>10,000,000</td>
<td>Disc**</td>
<td>05/17/18</td>
<td>1.48</td>
</tr>
<tr>
<td>JP Morgan Securities</td>
<td>15,000,000</td>
<td>1.67 - Var.</td>
<td>05/18/18</td>
<td>1.67</td>
</tr>
<tr>
<td>Anglesea Funding LLC</td>
<td>10,000,000</td>
<td>1.79 - Var.</td>
<td>05/22/18</td>
<td>1.79</td>
</tr>
</tbody>
</table>

* Denotes percentage of net assets  ** Denotes securities purchased at a discount from par

The accompanying notes are an integral part of these financial statements.
# Statement of Net Assets – December 31, 2017

## Investments, at Value

<table>
<thead>
<tr>
<th>Principal Amount</th>
<th>Coupon Rate</th>
<th>Maturity</th>
<th>Effective Yield</th>
<th>Market Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Old Line Funding LLC</td>
<td>$20,000,000</td>
<td>Disc**</td>
<td>05/25/18</td>
<td>1.74%</td>
</tr>
<tr>
<td>Starbird Funding Corp.</td>
<td>25,000,000</td>
<td>Disc**</td>
<td>05/29/18</td>
<td>1.76</td>
</tr>
<tr>
<td>Collateralized Commercial Paper Co.</td>
<td>20,000,000</td>
<td>1.57 - Var.</td>
<td>06/04/18</td>
<td>1.75</td>
</tr>
<tr>
<td>Anglesea Funding LLC</td>
<td>15,000,000</td>
<td>1.66 - Var.</td>
<td>06/05/18</td>
<td>1.82</td>
</tr>
<tr>
<td>Australia &amp; New Zealand Banking Group Ltd.</td>
<td>25,000,000</td>
<td>1.49 - Var.</td>
<td>06/05/18</td>
<td>1.67</td>
</tr>
<tr>
<td>Ridgefield Funding Co. LLC</td>
<td>20,000,000</td>
<td>1.61 - Var.</td>
<td>06/05/18</td>
<td>1.77</td>
</tr>
<tr>
<td>Australia &amp; New Zealand Banking Group Ltd.</td>
<td>20,000,000</td>
<td>1.52</td>
<td>06/07/18</td>
<td>1.68</td>
</tr>
<tr>
<td>Bedford Row Funding Corp.</td>
<td>20,000,000</td>
<td>1.52 - Var.</td>
<td>06/07/18</td>
<td>1.69</td>
</tr>
<tr>
<td>Bedford Row Funding Corp.</td>
<td>15,000,000</td>
<td>1.54 - Var.</td>
<td>06/07/18</td>
<td>1.69</td>
</tr>
<tr>
<td>Collateralized Commercial Paper II Co.</td>
<td>25,000,000</td>
<td>1.64 - Var.</td>
<td>06/08/18</td>
<td>1.77</td>
</tr>
<tr>
<td>Ridgefield Funding Co. LLC</td>
<td>25,000,000</td>
<td>1.65 - Var.</td>
<td>06/08/18</td>
<td>1.77</td>
</tr>
<tr>
<td>Anglesea Funding LLC</td>
<td>15,000,000</td>
<td>1.76 - Var.</td>
<td>06/18/18</td>
<td>1.76</td>
</tr>
<tr>
<td>Commonwealth Bank of Australia</td>
<td>20,000,000</td>
<td>1.69 - Var.</td>
<td>06/21/18</td>
<td>1.69</td>
</tr>
<tr>
<td>Australia &amp; New Zealand Banking Group Ltd.</td>
<td>25,000,000</td>
<td>1.73 - Var.</td>
<td>06/27/18</td>
<td>1.73</td>
</tr>
<tr>
<td>DNB Bank ASA</td>
<td>20,000,000</td>
<td>1.67 - Var.</td>
<td>06/27/18</td>
<td>1.67</td>
</tr>
</tbody>
</table>

Cost of ($1,949,359,029)  
1,949,151,083

### Money Market Funds (2%)*
- RBC US Government  
  55,120,171

Cost of ($55,120,171)  
55,120,171

Total Investments in Securities  
Cost of ($2,077,550,630)  
2,077,342,684

### Deposit Balances in Custodian Banks (2%)*
- Wells Fargo Bank, N.A. (2%)*  
  43,956,941

Other Assets  
Accrued Interest Receivable  
524,944

Total Assets  
2,121,824,569

Less Liabilities  
Administration and Investment Advisory Fees  
146,932

Total Liabilities  
146,932

Net Assets  
$2,121,677,637

Components of Capital  
Capital (Par Value)  
$2,121,885,583

Unrealized Depreciation on Investments  
(207,946)

Net Assets  
$2,121,677,637

Outstanding Participant Shares  
2,121,885,583

Net Asset Value per Share  
$1.00

* Denotes percentage of net assets  ** Denotes securities purchased at a discount from par

The accompanying notes are an integral part of these financial statements
STATEMENT OF OPERATIONS
(Year Ended December 31, 2017)

Investment Income $16,917,578

Expenses:
  Administration and Investment Advisory Fees 2,046,479
  Administration and Investment Advisory Fees Waived (696,805)
  Administration and Investment Advisory Fees Net 1,349,674

Net Investment Income 15,567,904

Net Gain on Investments 8,215
Change in Net Unrealized Depreciation on Investments (334,596)
Net Realized Gain and Unrealized Loss on Investments (326,381)

Net Increase in Net Assets Resulting from Operations $15,241,523

STATEMENTS OF CHANGES IN NET ASSETS
Years Ended December 31, 2017 and December 31, 2016

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>From Investment Activities:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Investment Income</td>
<td>$15,567,904</td>
<td>$4,602,963</td>
</tr>
<tr>
<td>Net Change in Unrealized Appreciation/(Depreciation) on Investments</td>
<td>(334,596)</td>
<td>101,896</td>
</tr>
<tr>
<td>Realized Gain on Investments</td>
<td>8,215</td>
<td>2,910</td>
</tr>
<tr>
<td>Net Increase in Net Assets Resulting from Operations</td>
<td>15,241,523</td>
<td>4,707,769</td>
</tr>
<tr>
<td>Distributions to Participants from Net Investment Income</td>
<td>(15,567,904)</td>
<td>(4,602,963)</td>
</tr>
<tr>
<td>Distributions to Participants from Net Realized Gain</td>
<td>(8,215)</td>
<td>(2,910)</td>
</tr>
<tr>
<td>Net Increase in Net Assets from Share Transactions</td>
<td>448,229,961</td>
<td>1,483,559,517</td>
</tr>
</tbody>
</table>

Net Increase in Net Assets 447,895,365 1,483,661,413

Net Assets:
  Beginning of Year 1,673,782,272 190,120,859
  End of Year $2,121,677,637 $1,673,782,272

The accompanying notes are an integral part of these financial statements
Note 1. Description of FLCLASS and Significant Accounting Policies

The Florida Cooperative Liquid Assets Securities System Trust ("FLCLASS") is a common law trust established, created and authorized by an Interlocal Agreement by and among participating Florida public agencies. FLCLASS is an authorized investment pool under Section 218.415(16)(a), Florida Statutes, and was established for participating Florida agencies on April 1, 2015 under the Interlocal Agreement and commenced operations on July 15, 2015 (inception). FLCLASS is available for investment by any unit of local government within the State of Florida. The purpose of FLCLASS is to enable such units to cooperate in the investment of their available funds. FLCLASS operates like a money market mutual fund with each share valued at $1.00.

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following significant accounting policies are also in conformity with accounting principles generally accepted in the United States of America for investment companies. Such policies are consistently followed by FLCLASS in the preparation of the financial statements.

FLCLASS is rated AAAm by Standard and Poor's.

Securities Valuation

Securities, other than repurchase agreements, are valued at the most recent market bid price as obtained from one or more market makers for such securities. Repurchase agreements are recorded at cost, which approximates market value.

Securities Transactions and Investment Income

Securities transactions are accounted for on a trade date basis. Realized gains and losses from securities transactions are recorded on a specific identification basis. Interest income is recognized on the accrual basis and includes amortization of premiums and accretion of discounts. The amortization of premium and accretion of discount accrual method utilized is straight line and it is deemed that there is no significant difference compared to the effective interest method.

Derivative Instruments

FLCLASS's investment policies do not allow for investments in derivatives and, for the year ended December 31, 2017, FLCLASS held no financial instruments which meet the definition of a derivative according to Financial Accounting Standards Board ("FASB") Accounting Standards Topic (ASC) 815 "Derivative Instruments and Hedging Activities".

Distributions to Participants

Distributions from net investment income are declared and paid daily. FLCLASS's policy is to distribute net realized capital gains, if any, in a reasonable time frame after the gain is realized.

Income Taxes

FLCLASS is not subject to federal, state, or local income taxes, and accordingly no tax provision has been made.

FLCLASS files tax returns annually. FLCLASS is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will significantly change.

Note 2. Fair Value Measurements

In accordance with FASB guidance, FLCLASS utilizes ASC 820 "Fair Value Measurement and Disclosure" to define fair value, establish a framework for measuring fair value, and expand disclosure requirements regarding fair value measurements. ASC 820 does not require new fair value measurements, but is applied to the extent that other accounting pronouncements require or permit fair value measurements. The standard emphasizes that fair value is a market-based measurement that should be determined based on the assumptions that market participants would use in pricing an asset or liability. Various inputs are used in determining the value of FLCLASS's portfolio investments defined pursuant to this standard.

These inputs are summarized into three broad levels:

- Level 1 – Quoted prices in active markets for identical securities.
- Level 2 – Prices determined using other significant observable inputs. Observable inputs are inputs that reflect the assumptions market participants would use in pricing a security and are developed based on market data obtained from sources independent of the reporting entity. These may include quoted prices for similar securities, interest rates, prepayment speeds, credit risk, and others. Debt securities are valued in accordance with the evaluated bid price supplied by the pricing service and are generally categorized as Level 2 in the hierarchy. Securities that are categorized as Level 2 in the hierarchy include, but are not limited to, repurchase agreements, U.S government agency securities, corporate securities, and commercial paper.
• Level 3 – Prices determined using significant unobservable inputs. In situations where quoted prices or observable inputs are unavailable or
demed less relevant (for example, when there is little or no market activity for an investment at the end of the period), unobservable inputs may
be used. Unobservable inputs are inputs that reflect the reporting entities own assumptions about the factors market participants would use in
pricing the security and would be based on the best information available under the circumstances.

There have been no significant changes in valuation techniques used in valuing any such positions held by FLCLASS since the beginning of the fiscal
year. The inputs or methodology used for valuing securities are not necessarily an indication of the risk associated with investing in those securities.
The summary of inputs used as of December 31, 2017 to value FLCLASS’s investments in securities and other financial instruments is included in the
"Valuation Inputs Summary" and "Level 3 Valuation Reconciliation of Assets" (if applicable) as noted below.

Valuation Inputs Summary (as of December 31, 2017)

<table>
<thead>
<tr>
<th>FLCLASS Portfolio</th>
<th>Valuation Inputs</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investments in Securities at Value*</td>
<td>Level 1</td>
</tr>
<tr>
<td>Repurchase Agreements</td>
<td>$</td>
</tr>
<tr>
<td>Money Market Funds</td>
<td>55,120,171</td>
</tr>
<tr>
<td>Certificates of Deposit</td>
<td>-</td>
</tr>
<tr>
<td>Commercial Paper</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>$55,120,171</td>
</tr>
</tbody>
</table>

* For the years ended December 31, 2017 and 2016, the FLCLASS Portfolio did not have significant unobservable inputs (Level 3) used in determing
fair value. Thus, a reconciliation of assets in which significant unobservable inputs (Level 3) were used in determining fair value is not applicable.

There were no transfers between Level 1 and Level 2 of the fair value hierarchy during the year.

Note 3. Investments

Custodian

Wells Fargo Bank, N.A. serves as the custodian for FLCLASS portfolios pursuant to a custodian agreement. The custodian acts as safekeeping agent for
FLCLASS’s investment portfolio and provides services as the depository in connection with direct investment and withdrawals. The custodian’s internal
records segregate investments owned by FLCLASS.

Risk Disclosure

The portfolios are subject to the following risks:
• Counterparty Risk – Counterparty risk is the risk that the counterparty or a third party will not fulfill its obligation to FLCLASS.
• Interest Rate Risk – Interest rate risk is the risk that the value of fixed-income securities will generally decline as prevailing interest rates rise,
which may cause FLCLASS’s Net Asset Value ("NAV") to likewise decrease, and vice versa.
• Market Risk – Market risk is the daily potential for an investor to experience losses from fluctuations in securities prices. This risk cannot be
diversified away.
• Credit Risk – Credit risk is the risk an issuer will be unable to make principal and interest payments when due, or will default on its obligations.

FLCLASS attempts to minimize its exposure to market and credit risk through the use of various strategies and credit monitoring techniques. FLCLASS
limits its investments in any issuer to the top two ratings issued by nationally recognized statistical rating organizations. FLCLASS’s policy is to limit its
exposure to any non-government issuer to 5% of net assets.

Investments in Securities

Florida Statutes specify that public funds only be invested in a manner that is permitted pursuant to the laws of the State of Florida generally; Florida’s
Investment of Local Government Surplus Funds Act; Florida Statutes, Chapter 218, Part IV; and the Florida Interlocal Cooperation Act of 1969. The
Board of Trustees has adopted an Investment Policy that further limits the investment instruments of FLCLASS. As summarized below, FLCLASS may
invest in:
1. Bills, notes and bonds issued by the U.S. Treasury and backed by the full faith and credit of the United States; obligations of any agency or
instrumentality of the United States; and obligations issued by entities with liquidity support from the U.S. Government, or its agencies or
instrumentalities.
2. Floating-rate and variable-rate debt obligations with interest rates that are periodically adjusted at specified intervals or whenever a bench-
mark rate or index changes; with maximum final maturity of 13 months (397 days) if rated below AA-, or for sovereign debt with maximum
final maturity of two years (762 days) if rated AA- or higher.
3. Repurchase agreements with a termination date of 364 days or less; collateralized by U.S. Treasury obligations, federal agency securities,
and federal instrumentality securities; and with a minimum market value, including accrued interest, of 102 percent of the dollar value of the transaction.

4. Commercial paper of corporations organized under the laws of the United States or any state thereof, including paper issued by bank holding companies and high-quality asset-backed securities, with a maturity of 365 days or less, rated in the two highest ratings categories of either Standard & Poor’s, Moody’s, or a comparable rating by another nationally recognized statistical rating organization (“NRSRO”), and with not more than 5% with any one issuer.

5. Corporate bonds, notes, and other evidences of indebtedness or obligations issued by corporations organized under the laws of the United States or any state, having a remaining maturity less than or equal to 397 days; rated at least A or better by Standard & Poor’s, Moody’s, or a comparable rating by another NRSRO; and with not more than 5% with any one issuer.

6. Obligations of banks, including, but not limited to: bank accounts, time deposits, certificates of deposit and banker’s acceptances.

7. Asset backed securities that are payable from pools of obligations, most of which involve consumer or commercial debts.

8. Insurance contracts, including guaranteed investment contracts, funding agreements and annuities, and with the issuing company having an insurance financial strength rating of A+ or equivalent by a national recognized rating agency.

9. Collateralized certificates of deposit as permitted by Florida law.

10. FDIC insured certificates of deposit.

11. Municipal obligations of any state of the United States, the District of Columbia, or any territorial possession of the United States or of any political subdivision, institution, department, agency, instrumentality, or authority of any of such governmental entities, rated in one of its two highest rating categories by two or more NRSROs, with maximum exposure per municipal issuer of 5%, and maximum final maturity per municipal investment of 13 months (397 days).

12. Foreign securities issued in U.S. dollars by issuers based outside the United States, rated at least A or better by Standard & Poor’s, Moody’s, or a comparable rating by another NRSRO, with not more than 5% with any one issuer, and with maximum final maturity per foreign security investment of 13 months (397 days).

13. Mortgage-backed securities with a final maturity not exceeding 397 days from the date of purchase that are collateralized first mortgage obligations or unstructured pass-through securities and rated at least AA, Aa or the equivalent by at least two NRSROs that rate the issue; aggregate investment in mortgage-backed securities not exceeding 25% of the total portfolio; and no more than 5% of the total portfolio invested in any one issuer.

14. No-load money market mutual funds that are registered with and regulated by the Securities and Exchange Commission that include in their investment objectives the maintenance of a stable net asset value of $1.00, and are rated AAAm or equivalent by at least one NRSRO.

**Note 4. Repurchase Agreements**

Funds are released from FLCLASS’s portfolio for repurchase agreements only when collateral has been wired to the custodian bank, and during the year ended December 31, 2017, FLCLASS held no uncollateralized repurchase agreements. The custodian bank reports the market value of the collateral securities to FLCLASS at least on a weekly basis. If the seller of the agreement defaults and the value of the collateral declines, the immediate realization of the full amount of the agreement by FLCLASS may be limited. FLCLASS may use Bank of America NA, BMO Harris Bank NA, Goldman Sachs & Co, JPM Securities PLC, Merrill Lynch Pierce Fenner & Smith, RBC Capital Markets LLC, UBS Securities LLC and Wells Fargo Securities as a safekeeping agent for repurchase agreements. Interest earned on repurchase agreements as a percentage of total interest earned accounted for 7% for the year ended December 31, 2017.

**Note 5. Administration and Investment Advisory Fees**

Investment advisory and administration and marketing services are provided by Public Trust Advisors, LLC (Public Trust). Fees are calculated daily and paid monthly in arrears and prorated for any portion of the month in which the investment services agreement with Public Trust is in effect. The daily fee shall be calculated as follows: the investment property value is multiplied by the applicable fee rate and is divided by 365 or 366 days in the event of a leap year to equal the daily fee accrual. The Investment Property Value shall be based on the current day’s shares outstanding. For weekend days and holidays, the shares outstanding for the previous business day will be utilized for the calculation of fees. The Applicable Fee Rate shall be determined monthly on the first business day of each month and shall be at an annual rate equal to fifteen (15) basis points.

Fees may be waived or abated at any time, or from time to time, at the sole discretion of Public Trust. Any such waived fees may be restored by the written agreement of the Board of Trustees. Public Trust pays all fees associated with other services as mutually agreed upon with the Board of Trustees.
Note 6. Share Transactions

Transactions in shares during the twelve months ended December 31, 2017 and 2016 for the FLCLASS portfolio were as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
</tr>
</thead>
<tbody>
<tr>
<td>Shares sold</td>
<td>2,595,111,608</td>
<td>1,893,586,729</td>
</tr>
<tr>
<td>Shares issued on reinvestment of distributions</td>
<td>15,553,382</td>
<td>4,605,131</td>
</tr>
<tr>
<td>Shares redeemed</td>
<td>(2,153,435,029)</td>
<td>(414,632,343)</td>
</tr>
<tr>
<td>Net increase</td>
<td>457,229,961</td>
<td>1,483,559,517</td>
</tr>
</tbody>
</table>

At December 31, 2017, five participants held more than a 5% participation interest in FLCLASS. The holdings of these five participants is approximately 65% of the portfolio at December 31, 2017. Investment activities of these participants could have a material impact on FLCLASS.

Note 7. Financial Highlights for a Share Outstanding Throughout Each Period

Financial highlights for the years ended December 31, 2017 and December 31, 2016 and the period July 15, 2015 (Inception) through December 31, 2015 are presented as follows:

<table>
<thead>
<tr>
<th></th>
<th>2017</th>
<th>2016</th>
<th>2015</th>
</tr>
</thead>
<tbody>
<tr>
<td>Per Share Data</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Asset Value - Beginning of Period</td>
<td>$1.00</td>
<td>$1.00</td>
<td>$1.00</td>
</tr>
<tr>
<td>Net Investment Income Earned and Distributed to Shareholders</td>
<td>$0.011</td>
<td>$0.007</td>
<td>$0.001</td>
</tr>
<tr>
<td>Net Asset Value - End of Period</td>
<td>$1.00</td>
<td>$1.00</td>
<td>$1.00</td>
</tr>
<tr>
<td>TOTAL RETURN</td>
<td>1.142%</td>
<td>0.661%</td>
<td>0.096%</td>
</tr>
<tr>
<td>RATIOS</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Net Assets-End of period (§000 Omitted)</td>
<td>$2,121,678</td>
<td>$1,673,782</td>
<td>$190,121</td>
</tr>
<tr>
<td>Ratio of Expenses to Average Net Assets Gross</td>
<td>0.150%</td>
<td>0.149%</td>
<td>0.078%</td>
</tr>
<tr>
<td>Ratio of Expenses to Average Net Assets Waived</td>
<td>0.051%</td>
<td>0.066%</td>
<td>0.035%</td>
</tr>
<tr>
<td>Ratio of Expenses to Average Net Assets</td>
<td>0.099%</td>
<td>0.083%</td>
<td>0.043%</td>
</tr>
<tr>
<td>Ratio of Net Investment Income to Average Net Assets</td>
<td>0.251%</td>
<td>0.704%</td>
<td>0.114%</td>
</tr>
</tbody>
</table>

Note 8. Subsequent Events

In accordance with the provisions set forth in ASC 855-10, Subsequent Events, Management has evaluated the possibility of subsequent events existing in FLCLASS’s financial statements. Management has determined that there were no material events that would require disclosure in FLCLASS’s financial statements as of March 9, 2018.

Note 9. Related Parties

All trustees of FLCLASS are officers of participating governments.
BOARD OF TRUSTEES

Ms. Sharon Bock
Clerk of the Circuit Court and Comptroller, Palm Beach County

Mr. Ken Burke, CPA
Clerk of the Circuit Court and Comptroller, Pinellas County

Mr. James O. Cooke, IV
City Treasurer - Clerk, City of Tallahassee

Ms. Cindy Valentine, CGFO, CFCA
Chief Financial Officer, Orange County Tax Collector
Florida Cooperative Liquid Assets Securities System

About the Pool

- **Pool Rating**: AAm
- **Pool Type**: Stable NAV Government Investment Pool
- **Investment Adviser**: Public Trust Advisors, LLC
- **Portfolio Manager**: Randy Palomba, CFA & Neil Waud, CFA
- **Pool Rated Since**: April 2015
- **Custodian**: Wells Fargo Bank, N.A.
- **Distributor**: Public Trust Advisors LLC (Public Trust)

Rationale

Florida Cooperative Liquid Assets Securities System (FLCLASS) is a full-service investment pool designed to meet the cash management and investment needs of governmental entities in Florida. The pool invests in securities issued or guaranteed by the U.S. government, its agencies, or instrumentalities; high-grade commercial paper (rated 'A-1' or better), certificates of deposit, backed commercial paper, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The credit quality of the pool is excellent, with greater than 50% of the portfolio invested in securities rated 'A-1+' and the remainder in 'A-1' rated securities. The pool seeks to generate additional investment income for the Participants while maintaining safety and liquidity. The primary investment objectives of FLCLASS are to provide safety, liquidity, transparency, and competitive rates of return. The program is designed to meet the needs of governmental entities within the State of Florida, including any State agency, county, municipality, school district, special district, clerk of the circuit court, sheriff, property appraiser, tax collector, supervisor of elections, authority, board, public corporations, quasi-public authorities or any other political subdivision of the State. The pool purchases securities that are legally permissible under state statutes and are available for investment by participating entities. FLCLASS has been in operation since June 1, 2015.

Management

Public Trust Advisors, LLC serves as the pool's administrator and investment adviser. The marketing and operation functions of the portfolio are also performed by Public Trust Advisors, LLC. The pool is subject to the general supervision of the Board of Trustees which is duly elected by the FLCLASS Participants. Wells Fargo Bank, N.A. serves as custodian for the pool.

Portfolio Assets

The pool invests in securities issued or guaranteed by the U.S. government, its agencies, or instrumentalities; and high-grade commercial paper (rated 'A-1' or better), certificates of deposit, and asset backed commercial paper, repurchase agreements (collateralized at 102% by Treasuries and agencies), and approved money-market funds. The credit quality of the pool is excellent, with greater than 50% of the portfolio invested in securities rated 'A-1+' and the remainder in 'A-1' rated securities.
Florida Cooperative Liquid Assets Securities System

Data Bank as of March 27, 2018

<table>
<thead>
<tr>
<th>Net Asset Value per Share</th>
<th>Net Assets (millions)</th>
<th>Inception Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>$0.99986</td>
<td>$1,897.31</td>
<td>June 2015</td>
</tr>
</tbody>
</table>

WAM (R) * 46 days WAM (F) ** 75 days

* Weighted Average Maturity (Reset)  ** Weighted Average Maturity (Final)

Portfolio Maturity Distribution as of March 27, 2018

Portfolio Credit Quality as of March 27, 2018 *

<table>
<thead>
<tr>
<th>Rating</th>
<th>Quality</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>A-1</td>
<td>1667</td>
<td>48.5%</td>
</tr>
<tr>
<td>A-1+</td>
<td>2083</td>
<td>51.5%</td>
</tr>
</tbody>
</table>

*As assessed by S&P Global Ratings

Portfolio 7 Day Net-Yield

The yield quoted represents past performance. Past performance does not guarantee future results. Current yield may be lower or higher than the yield quoted.

Principal Stability Rating Approach and Criteria

A S&P Global Ratings principal stability fund rating, also known as a “money market fund rating,” is a forward-looking opinion about a fixed income fund’s capacity to maintain stable principal (net asset value). When assigning a principal stability rating to a fund, S&P Global Ratings analysis focuses primarily on the creditworthiness of the fund’s investments and counterparties, and also its investments’ maturity structure and management’s ability and policies to maintain the fund’s stable net asset value. Principal stability fund ratings are assigned to funds that seek to maintain a stable or an accumulating net asset value.

S&P Global Ratings is an independent credit rating agency, and its ratings, research, and analyses are periodically reviewed and updated to reflect current market conditions.

Principal stability fund ratings, or money market fund ratings, are identified by the “m” suffix (e.g., ‘AAAm’) to distinguish the principal stability rating from a S&P Global Ratings traditional issue or issuer credit rating. A traditional issue or issuer credit rating reflects S&P Global Ratings view of a borrower’s ability to meet its obligations to investors because they generally comprise shorter maturity and higher quality investments.

Principal stability fund ratings, or money market fund ratings, are used by investors to assess the quality of a fund’s investments and its potential impact on the fund’s stability.

S&P Global Ratings does not provide investment advice or underwrite securities. Its ratings and analyses are intended to assist investors in making informed investment decisions.

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RESOLUTION NO. 2018-

RESOLUTION OF THE HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA ("AUTHORITY" OR "PARTICIPANT") APPROVING THE POOLING OF A PORTION OF ITS SURPLUS FUNDS WITH OTHER LOCAL GOVERNMENT ENTITIES BY BECOMING A PARTICIPANT, AND PURCHASING SHARE OF BENEFICIAL INTEREST, IN THE FLORIDA SURPLUS ASSET FUND TRUST ("FSAFE" OR THE "TRUST"), A COMMON LAW TRUST UNDER THE LAWS OF THE STATE OF FLORIDA; PROVIDING FOR AN EFFECTIVE DATE.

WHEREAS, the Authority desires to pool its surplus public funds with other local government entities by becoming a Participant, and purchasing shares of beneficial interest, in the Florida Surplus Asset Fund Trust ("FSAFE" or the "Trust"), a common law trust under the laws of the State of Florida, and therefore passes the following resolution:

WHEREAS, Art. VIII, Sec. 2, Fla. Const., in part provides municipalities shall have governmental, corporate, and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services, and may exercise any power for municipal purposes except as otherwise provided by law;

WHEREAS, Sec. 166.021, Fla. Stat., in part provides municipalities shall have the governmental, corporate, and proprietary powers to enable them to conduct municipal government, perform municipal functions, and render municipal services, and may exercise any power for municipal purposes, except when expressly prohibited by law, and further defines a municipal purpose to mean activity or power which may be exercised by the state or its political subdivisions;

WHEREAS, Sec. 125.01, Fla. Stat., in part provides counties, by and through their legislative and governing bodies, shall have the power to carry on county government and may exercise all powers and privileges not specifically prohibited by law;

WHEREAS, Sec. 218.415, Fla. Stat., authorizes units of local government to invest and reinvest public funds in excess of the amounts needed to meet current expenses in certain enumerated investments, in any other investments authorized by the municipality or county by law or by ordinance or by a school district or special district by law or by resolution, and in addition authorizes units of local government to invest and reinvest such surplus public funds in any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Sec. 163.01, Fla. Stat.;

WHEREAS, Sec. 163.01, Fla. Stat., authorizes a political subdivision, agency, or officer of the State of Florida, including but not limited to state government, county, city, school district, single and multipurpose special district, single and multi-purpose public authority, metropolitan or
consolidated government, a separate legal entity or administrative entity created under subsection (7) of Section 163.01, Fla. Stat., or an independently elected county officer (each of the foregoing a "Local Government Entity" or "Entity"), to exercise jointly with any other Entity any power, privilege, or authority which such Entities share in common and which each might exercise separately;

WHEREAS, Section 163.01, Fla. Stat., further authorizes such public agencies to enter into contracts in the form of interlocal agreements to accomplish such purposes;

WHEREAS, under the terms of an Indenture of Trust dated as of December 11, 2007 and amended on February 29, 2008; further amended on April 30, 2008; and amended and restated on July 13, 2012, relating to the Trust (the "Indenture of Trust") any Local Government Entity desiring to participate in the Trust as a member must become a party to the Indenture of Trust;

WHEREAS, it is the intent of the Participant, with other Local Government Entities, to join in an intergovernmental investment pool pursuant to Sections 163.01 and 218.415, Fla. Stat. and to enter into the Indenture of Trust for such purpose, and that the Indenture of Trust will serve as an interlocal agreement under Section 163.01, Fla. Stat.;

WHEREAS, the Participant finds that the creation of an intergovernmental investment pool pursuant to the Indenture of Trust serves a governmental purpose for the Participant and would therefore be in the best interests of the Participant, its officials, officers, and citizens in that such a program would offer diversified and professionally managed portfolios to meet investment needs, would result in economies of scale that would create greater purchasing powers, and would thereby lower the costs traditionally associated with the investment of the assets of the Participant; and

WHEREAS, as the governing body of the Participant desires to participate in the Trust formed in accordance with the aforesaid statutes, and to purchase shares therein as provided in the Indenture of Trust, in order to pool its surplus funds with other Local Government Entities, it has passed, in accordance with applicable law the following resolution;

NOW, THEREFORE, it is hereby RESOLVED:

That the governing body of the Participant has reviewed Article VIII, Section 2, of the Florida Constitution, Sections 166.021, 125.01, 218.415, and 163.01 of the Florida Statutes, and the merits of investing in the Trust, including the Trust’s liquidity, risk diversification, flexibility, convenience, and cost compared to the alternative direct purchase of comparable investments.

That the governing body of the Participant finds that it is in the best interest of the Participant, its officials, officers, and citizens, to join with other Local Government Entities in the Trust for the purpose of pooling surplus public funds because the Trust offers diversified and professionally managed portfolios to meet investment needs, and the pooling of such surplus public funds
results in economies of scale that will create greater purchasing powers and will thereby lower the cost traditionally associated with the investment of assets of the Participant.

The governing body of the Participant hereby expressly authorizes the Participant to participate in the Trust as a member and to become a party to the Indenture of Trust, which is adopted by reference with the same effect as if it had been set out verbatim herein. A conformed copy of the Indenture of Trust shall be filed with the minutes of the meeting at which this Resolution was approved or passed.

The Participant is hereby expressly authorized to purchase shares of beneficial interest in the Trust from time to time with available funds, and to redeem some or all of its shares of beneficial interest from time to time as funds are needed for other purposes, subject to the terms and restrictions of the Indenture of Trust.

The Trustees of the Trust are designated as having official custody of the Participant’s funds which are invested by the purchase of shares of beneficial interest in the Trust.

The Authority’s Executive Director (the "Representative"), who is the official empowered to invest funds of the Participant, and each and every successor in such function, is hereby authorized and directed to execute on behalf of the Participant the Indenture of Trust and any other documents necessary to establish an account with the Trust. The Representative is hereby designated the “Treasurer” as that term is defined in the Indenture of Trust and is therefore authorized to invest surplus public funds from the Participant’s treasury by purchasing shares of the Trust with such available funds, and is authorized to redeem, from time to time, part or all of such shares as funds are needed for other purposes, subject to the terms and restrictions of the Indenture of Trust.

This Resolution shall take effect immediately upon its adoption or otherwise in accordance with applicable Florida law.

The undersigned certify that the Participant has adopted:

The above Resolution

The undersigned agree that the authorizations and instructions contained in the foregoing Resolution and the trust registration form are to remain in effect until the Trust receives written notice of any changes.
This Resolution shall become effective immediately upon its adoption.

ADOPTED this 5th day of September, 2018.

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA

[SEAL]

By: ____________________________
Chairman, Casey Cane

Attest:

________________________
[Assistant] Secretary
Florida Surplus Asset Fund Trust

Information Statement

October 26, 2017

A comprehensive cash management program exclusively for Florida local governments.

FL SAFE Stable NAV Fund
FL SAFE Variable NAV Fund
Term Series (with a fixed duration)

Also offering a Fixed Income Investment Program, Bond Proceeds Management, and Cash Flow Management services to Participants
Introduction

Florida Surplus Asset Fund Trust (the "Trust"), was established in 2007 to be an investment pool to meet the investment needs of local governments in Florida and began operations in 2008. The Trust is a common law trust under the laws of the State of Florida. Section 218.415, Florida Statutes, authorizes units of local government to invest and reinvest public funds in excess of the amounts needed to meet current expenses in certain enumerated investments, in any other investments authorized by law or by a municipal or county ordinance or by a school district or special district by law or by resolution, and in addition authorizes units of local government to invest and reinvest such surplus public funds in any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Section 163.01 of the Florida Statutes.

Section 163.01, Florida Statutes, authorizes a political subdivision, agency, or officer of the State of Florida, including but not limited to state government, county, city, school district, single and multipurpose special district, single and multi-purpose public authority, metropolitan or consolidated government, a separate legal entity or administrative entity created under subsection (7) of Section 163.01, Fla. Stat., or an independently elected county officer (each of the foregoing a "Local Government Entity" or "Entity"), to exercise jointly with any other Entity any power, privilege, or authority which such Entities share in common and which each might exercise separately.

The Indenture of Trust provides for the creation of multiple separate specialized investment portfolios called "Series" within the Trust and sets forth the manner in which the Series may be created and managed. Currently the Trust includes a liquid stable net asset value $1.00 fund called the "FL SAFE Stable NAV Fund" or "Stable NAV Fund" and one or more Term Series portfolios, as may be established from time to time, each of which has a fixed duration and may have a different investment policy as set forth herein. The Funds and each of the Series of the Term Series are separate Series of the Trust. In addition, the Trust expects as of November 1, 2017 to include a variable net asset value fund called the "FL SAFE Variable NAV Fund" or "Variable NAV Fund", which with the FL SAFE Stable NAV Fund or Stable NAV Fund is collectively the "Funds". Each Series is invested in a separate portfolio of Permitted Investments and has separate expenses. The Trust's Board of Trustees (the "Trustees") determine when and what types of Series are made available to Participants. Participants in the Trust may invest in the Stable NAV Fund, Variable NAV Fund and any Term Series portfolio, and may invest in a value added program of the Trust which is not a Series of or investment in the Trust called the Fixed Income Investment Program ("FIIP"), authorized by the Board of Trustees. Through FIIP, Participants may purchase investments for their own portfolio. The Board of Trustees may authorize other Programs of the Trust in the future. The availability of the Fixed Income Investment Program does not constitute an offering or recommendation on the part of the Trust of an investment in the Fixed Income Investment Program. See “Additional Programs and Services.”

The Stable NAV Fund has received and maintained an AAAm rating since December 2007 from Standard & Poor’s ("S&P"). Standard & Poor's principal stability fund ratings criteria are based on analysis of credit quality, market price exposure, and management. According to S&P’s rating criteria, the AAAm rating signifies excellent safety of invested principal and a superior capacity to maintain a $1.00 per share net asset value.

The Variable NAV Fund expects to receive an AAAf bond fund rating and a S1 fund volatility rating from S&P effective November 1, 2017, the expected date of the launch of such fund. Standard & Poor’s bond fund rating criteria are based on the credit risks of a fund's portfolio of investments, the level of a fund’s counterparty risk and the risk of a fund’s management ability and willingness to maintain current fund credit quality. According to S&P’s rating criteria, the AAAf rating signifies extremely strong credit quality. Standard & Poor's bond volatility rating criteria are based on the fund’s volatility of returns. According to S&P’s rating criteria, the S1 rating signifies a fund that exhibits low volatility of returns comparable to a portfolio of short-duration government securities, typically maturing within one to three years. However, it should be understood that an S&P rating is neither a "market" rating nor a recommendation to buy, hold
or sell the securities. There is no guarantee that the Funds will maintain the ratings as described above or any rating.

Many of the documents referred to in this Information Statement, including the Indenture of Trust, the Investment Policies, Participants forms, and the Standard & Poor’s credit rating reports and the rating criteria for each Fund may be found on the Trust’s website located at www.flsafe.org.

INVESTMENT OBJECTIVES AND POLICIES OF THE FUNDS

The investment objectives and policies of the Stable NAV Fund and Variable NAV Fund are described below. All investments made by the Funds are restricted to Permitted Investments (defined below) and are subject to other restrictions described below under “Investment Restrictions of the Funds”. The Investment Objective and Policies regarding the Term Series are set forth in the “Term Series Information” section.

General Objective. The general objective of the Funds is to provide the Participants the highest possible investment yield while maintaining liquidity and preserving capital by investing only in instruments authorized by Florida laws which govern the investment of funds by Government Units. The Trust seeks to attain its investment objectives by pursuing a professionally managed investment program consistent with the policies and restrictions described herein.

The FL SAFE Stable NAV Fund and Term Series seek to maintain a constant net value per share of $1.00, whereas the net asset value of the Variable NAV Fund will fluctuate as the value of securities held by that Series fluctuates. Each Series seeks to attain its investment objective by pursuing an investment program consistent with the policies and restrictions described below:

FL SAFE Stable NAV Fund. The FL SAFE Stable NAV Fund will invest solely in Permitted Investments (defined below) in such a manner as to result in an average dollar weighted maturity for the portfolio of no greater than sixty (60) days. The Permitted Investments in which the Stable Value Fund invests are selected by the Funds’ investment advisor, Prudent Man Advisors, Inc. (the “Investment Advisor”), and consist of money market instruments having a maximum maturity of 397 days except for certain floating rate bonds.

FL SAFE Variable NAV Fund. The Variable NAV Fund seeks to provide current income while maintaining limited price volatility. The Variable NAV Fund will invest in a diversified portfolio of short-term, investment-grade fixed-income securities selected by the Investment Advisor. The Variable NAV Fund will invest solely in Permitted Investments (defined below) by the Investment Advisor. The Variable NAV Fund is expected to be invested in such a manner as to result in an average dollar weighted maturity for the portfolio that does not exceed two (2) years and expects a target duration of approximately one (1) year. The Variable NAV Fund will seek to preserve capital while offering enhanced opportunities to generate income relative to the FL SAFE Stable NAV Fund. In contrast with the FL SAFE Stable NAV Fund, the net asset value of the Variable NAV Fund will fluctuate as the market value of the securities in the portfolio changes over time, and the net asset value of a Participant’s investment could decline below the amount originally invested by the Participant. A Participant that cannot bear this risk should not invest in the Variable NAV Fund.

Term Series. As set forth in the Term Series Information section, the Term Series consists of separate portfolios of Permitted Investments. Each Term Series portfolio consists of specifically identified
investments with a fixed maturity. All Participants of the Trust are eligible to participate in any Term Series. Each Participant determines whether to participate in a Term Series, and makes its own independent investment decision. The Investment Advisor selects investments for the Term Series.

The Trust may establish an unlimited number of term series of the Trust designated as Term Series portfolios. Each Term Series portfolio is a separate portfolio of the Trust with a fixed investment term and a designated maturity of at least thirty (30) days and no more than three (3) years. A Term Series portfolio shall consist of Permitted Investments and shall be available for investment by any of the Participants. Term Series portfolios are designed for Participants who will not need access to their investment prior to the termination date of the applicable Series. Term Series portfolios are intended to be held until maturity; a Participant's withdrawal prior to maturity will require seven-days' notice of redemption and will likely carry a penalty which could be substantial in that it would be intended to allow the Term Series portfolio to recoup any associated penalties, charges, losses or other costs associated with the early redemption of the investments therein.

Further Considerations Applicable to All Series. No assurance can be given that any Series will achieve its investment objectives or that any benefits described in this Information Statement will result from the placement of monies in any Series of the Trust by a Government Unit that becomes a Participant. However, the Investment Advisor intends to make all reasonable efforts to meet the applicable Series' investment objectives.

Under adverse market, economic, political or other conditions, including conditions when the Investment Advisor is unable to identify attractive investment opportunities, each Series may temporarily invest in, without limitation, to the extent permitted by applicable law, such securities and cash that the Investment Advisor believe are consistent with the preservation of a portfolio’s principal and the maintenance of suitable liquidity and yield. Should a Series make a temporary investment under such conditions, the Series may not achieve its investment objective and it may not achieve the same yield had the Series not made a temporary investment.

FL SAFE TRUST INFORMATION

Investment Risks

Although the Investment Advisor for the Trust will try to invest wisely for each Series of the Trust, all investments involve risk. A decline in short-term interest rates will reduce the yield of a Series. The Trust invests only in high-quality obligations, but there is still the risk that an issuer may be unable to make principal and interest payments when due. If an issuer fails to pay interest or to repay principal, the investment will be adversely affected and the net asset value (or "NAV") per share of a Series could decline. NAV may also be adversely affected by a substantial increase in short-term interest rates if it becomes necessary for the applicable Series to sell a fixed-rate instrument prior to maturity. A Series will have industry concentration risk to the extent its assets are concentrated in an industry (such as the banking industry). In addition, the Series' performance is subject to manager risk that a security selection could cause the applicable Series to underperform relevant benchmarks or other funds with a similar investment objective.

An investment in the Trust is not a bank deposit and is not insured or guaranteed by the Federal Deposit Insurance Corporation ("FDIC") or any other governmental or private agency. Participants could lose money investing in the Trust, and there can be no assurance that the Stable NAV Fund and any Series that seeks to maintain a stable value of $1.00 per share will be able to do so. Moreover, in contrast with the Stable NAV Fund, the net asset value of the Variable NAV Fund will fluctuate as the market value of the securities in the portfolio changes over time, and the net asset value of a Participant's investment could decline below the amount originally invested by the Participant. A Participant that cannot bear this risk should not invest in the Variable NAV Fund.

INVESTMENTS IN FL SAFE INVOLVE CERTAIN RISKS WHICH SHOULD BE CONSIDERED BY EACH POTENTIAL PARTICIPANT BEFORE INVESTING. FOR FURTHER INFORMATION REGARDING
CERTAIN RISKS ASSOCIATED WITH INVESTMENTS IN FL SAFE, SEE “PRINCIPAL RISK FACTORS” BELOW.

Investment Policy
The general investment approach and objectives of the Stable NAV Fund and Variable NAV Fund, collectively the Funds, investment activities shall be: (1) safety of capital; (2) liquidity of funds; (3) transparency; and (4) investment income, in that order.

The FL SAFE Stable NAV Fund adheres to an Investment Policy adopted by the Board of Trustees, as amended on January 18, 2013, and follows the investment criteria for an AAAm S&P rated Net Stable Value Fund. As more fully described herein:

- The Stable NAV Fund will invest only in Permitted Investments as reflected in the “Permitted Investments” section below. Asset allocation will be in full conformance with S&P guidelines.
- The Stable NAV Fund’s investments will conform to its Permitted Investments and is structured to meet S&P’s investment guidelines to achieve and maintain an AAAm rating, the highest attainable rating for a stable value Local Government Investment Pool.
- The Stable NAV Fund will not invest in asset-backed commercial paper securities that are classified as Structured Investment Vehicles, Collateralized Debt Obligations, Structured Arbitrage Vehicles, or Extendible Commercial Paper.
- The weighted average maturity of the Stable NAV Fund’s portfolio shall not exceed 60 days per S&P guidelines.
- The Stable NAV Fund seeks to maintain, but does not guarantee, a NAV at $1.00 per share. To date, the value of the Stable NAV Fund has maintained a stable net asset value within the parameters to maintain its S&P AAAm rating.

The FL SAFE Variable NAV Fund adheres to an Investment Policy adopted by the Board of Trustees on September 28, 2017, and follows the investment criteria for an AAAf and S1 S&P rated Bond Fund. As more fully described herein:

- The Variable NAV Fund will invest only in Permitted Investments as reflected in the “Permitted Investments” section below. Asset quality will be in full conformance with S&P guidelines.
- The Variable NAV Fund’s investments will conform to its Permitted Investments and is structured to meet S&P’s investment guidelines to achieve and maintain an AAAf rating, the highest attainable rating for a Bond Fund.
- The Variable NAV Fund will not invest in asset-backed commercial paper securities that are classified as Structured Investment Vehicles, Collateralized Debt Obligations, Structured Arbitrage Vehicles, or Extendible Commercial Paper.
- The Variable NAV Fund seeks to maintain low volatility of returns comparable to a portfolio of short-duration government securities, consistent with S&P guidelines for an S1 rated Bond Fund.
- The Variable NAV Fund expects to receive an AAAf bond fund rating and an S1 fund volatility rating from S&P effective November 1, 2017, the date of the launch of such Variable NAV Fund.

Permitted Investments

Investment Policies
The Funds invest in high-quality debt instruments as further defined in the FL SAFE Investment Policy pertaining to the Stable NAV Fund and the FL SAFE Variable NAV Fund Investment Policy. Debt obligations, in general, are written promises to repay a debt. Among the various types of debt obligations the Funds may purchase are obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, corporate obligations, asset-backed securities, bank obligations and other obligations permitted by applicable Florida statutes.

The permitted investments of the Stable NAV Fund comply with specific requirements of Florida law applicable to the investment of Participants’ funds, as well as applicable S&P rating requirements, and include:
1. Direct obligations of the United States Treasury;
2. Obligations backed by the full faith and credit of the United States government;
3. Obligations of agencies and instrumentalities of the United States government;
4. Certificates of deposit and other evidences of deposit with approved financial institutions;
5. Bankers’ acceptances;
6. Commercial paper and other corporate obligations;
7. Obligations of state and local governments and public authorities;
8. Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities;
9. Repurchase agreements whose underlying purchased securities consist only of the instruments listed in categories 1 through 8 above; and
10. Without limiting the foregoing, any investments authorized under Section 218.415(16), Fla. Stat.

All investments of the Stable NAV Fund shall be rated in the highest short-term rating tier by a nationally recognized rating agency at the time of purchase or shall otherwise be consistent with S&P rating requirements for maintaining a AAAm rating including requirements for collateralized deposits.

The permitted investments of the Variable NAV Fund similarly comply with specific requirements of Florida law applicable to the investment of Participants’ funds, as well as applicable S&P rating requirements, and include all of the permitted investments listed above with respect to the Stable NAV Fund as well as:

1. Asset-backed securities;
2. Obligations of agencies and instrumentalities of the United States government, including collateralized mortgage obligations and other mortgage-backed securities.

All investments of the Variable NAV Fund shall be rated in the three highest long-term rating tiers by a nationally recognized rating agency or in the highest short-term rating tier by a nationally recognized rating agency at the time of purchase, except for asset-backed securities, which shall be rated in the highest long-term rating tier by a nationally recognized rating agency or in the highest short-term rating tier by a nationally recognized rating agency at the time of purchase.

The Trust may participate in a securities lending program approved by the Board of Trustees. To date, the Trust has not participated in such a program, which would require approval by the Board of Trustees.

**U.S. Government Obligations**

The Funds invest in U.S. government obligations. These obligations include debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities. In some cases, the full faith and credit of the United States backs the payment of principal and interest on U.S. government obligations. In other cases, these obligations are backed solely by the issuing or guaranteeing agency or instrumentality itself. In these cases, there can be no assurance that the U.S. government will provide financial support to its agencies when it is not obligated to do so.
Short-Term Corporate Debt Obligations

The Funds also invest in short-term debt obligations of corporations, including such securities sometimes referred to as “commercial paper.” The Funds purchase corporate obligations if rated in the three highest rating tiers by a nationally recognized rating agency.

Asset-Backed Securities

The Variable NAV Fund also invests in asset-backed securities, which are bonds or notes backed by financial assets. Typically these assets consist of receivables such as credit card receivables, auto loans, collateralized mortgage obligations, manufactured-housing contracts and home-equity loans and the securities typically benefit from credit enhancement including letters of credit, reserve funds and over-collateralization.

Bank Obligations

The Funds may invest in interest-bearing certificates of deposit, interest-bearing time deposits or any other investments that are direct obligations of a bank that are permitted by applicable Florida law. These include bankers’ acceptances, which are time drafts or bills of exchange which, when accepted by a bank, become an irrevocable primary and unconditional obligation of the accepting bank. These bank obligations will be collateralized, uncollateralized or have FDIC insurance.

Repurchase Agreements

The Funds may enter into repurchase agreements with primary dealers, where a party agrees to sell a security to the Funds and then repurchase it at an agreed-upon price at a stated time. A repurchase agreement is like a loan by the Fund to the other party that creates a fixed return for the Fund. The Funds could incur a loss on a repurchase transaction if the seller defaults and the value of the underlying collateral declines or the Funds’ ability to sell the collateral is restricted or delayed.

Municipal Obligations

The Funds may invest in interest-bearing obligations, including tax anticipation warrants, of any governmental unit of any state, the interest on which is taxable or tax-exempt under federal law. These municipal obligations must be rated in the highest three rating categories by a major rating organization. The municipal obligations held by the Funds may be backed only by the taxing power of the issuer of such securities or may be secured by specific revenues received by the issuer.

Floating-Rate and Variable-Rate Obligations

The interest rates of certain debt obligations the Funds may purchase may be subject to reset on predetermined dates. Such securities are referred to as “floating-rate obligations” and “variable-rate obligations.” For purposes of calculating weighted average maturity for the portfolio, the interest reset date on these instruments is used.

Demand Instruments

Demand instruments are debt securities where the issuer is obligated to repay principal and pay accrued interest upon demand of the holder. Other demand instruments designate a third party to fulfill the repayment obligation. Such parties may be a dealer or bank acting on behalf of the tender agent to repurchase the security for its face value upon demand. The Funds treat demand instruments as short-term securities. For purposes of calculating weighted average maturity for the portfolio, the interest reset date on these instruments is used, even though their stated maturity may extend beyond one year.
Prohibited Investments
The Funds may not invest in any types or categories of investments except as provided above in the list of Permitted Investments. By way of example and not by limitation, the Funds cannot invest in the following types or categories of investments (“Prohibited Investments”):

1. Asset backed commercial paper securities that are classified as structured investment vehicles (SIV), collateralized debt obligations (CDO), structured arbitrage vehicles (SAV) or extendible commercial paper;

2. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; and

3. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest.

Derivatives
In addition to the list of Prohibited Investments, set forth above, the Funds may not invest in “derivatives.” When used herein, the term “derivatives” refers to (i) instruments with embedded features that alter their characteristics or income stream or allow holders to hedge or speculate on a market or spreads between markets that are external to the issuer of such instruments, or (ii) instruments which are not directly correlated on a one-to-one basis to the associated index or market.

Investment Restrictions
The Funds’ investments are subject to the restrictions listed below. These restrictions are fundamental policies of the Funds, which means that they cannot be changed without the affirmative vote of a majority of the Funds’ Participants. The Funds:

   (a) may not make any investment other than investments authorized by the Indenture of Trust and the Permitted Investments List, as the same may be amended from time to time;

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

   (c) may not make loans, provided that the Funds may make Permitted Investments (which may include securities lending);

   (d) may not hold or provide for the custody of any Fund Property in a manner not authorized by Law or by any institution or Person not authorized by Law; and

   (e) may not purchase securities or shares of investment companies or any entities similar to the Funds.

PRINCIPAL RISK FACTORS
All investments involve risk and investing in the Funds is no exception. Set forth below are the principal risk factors of the Funds.

Concentration Risk. Any fund that concentrates in a particular segment of the market will generally be more volatile than a fund that invests more broadly. Any market price movements, regulatory or technological changes, or economic conditions affecting banks or financial institutions, may have a significant impact on the Funds’ performance.
Credit Risk. The issuer of a debt security may fail to pay interest or principal when due, and changes in market interest rates may reduce the value of debt securities or reduce the Funds’ returns.

Interest Rate Risk. Rising interest rates could cause the value of the Funds’ investments — and therefore its share price as well — to decline. Conversely, any decline in interest rates is likely to cause the Funds’ yield to decline, and during periods of unusually low interest rates, the Funds’ yield may approach zero. While the Funds’ service providers may voluntarily agree to waive a portion of their fees to support a positive yield during periods of low interest rates, there is no assurance they will do so. For floating-rate obligations and variable-rate obligations, because the interest these securities pay is adjustable, there are market environments where they may have a beneficial or detrimental impact to the yield of the Funds relative to fixed rate securities issued by similar issuers and terms to maturity.

Issuer Risk. The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.

Lack of Governmental Insurance or Guarantee. An investment in the Funds is not a bank deposit. An investment in the Funds is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Liquidity Risk. A Fund could experience significant net redemptions of its shares at a time when it was unable to find willing buyers for its portfolio securities or could only sell its portfolio securities at a material loss. In addition, with respect to the Variable NAV Fund, there are restrictions on a Participant’s ability to withdraw funds from such Fund.

Management Risk. The Funds are subject to management risk, which is the risk that poor security selection by the Investment Advisor could cause a Fund to underperform relevant benchmarks or other funds with a similar investment objective. There is no guarantee of the Funds’ performance or that the Funds will meet their objective. The market value of your investment may decline and you may suffer investment loss.

Market Risk. The market price of securities owned by a Fund may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

Ratings Risk. While the FL SAFE Stable NAV Fund is currently rated AAAm by S&P, there is no guarantee that the fund will maintain this or any rating. While the FL SAFE Variable NAV Fund is expected to receive an AAAf/S1 rating by S&P, there is no guarantee that the fund will obtain or maintain this or any rating.

Regulatory Risk. Changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

Repurchase Agreement Risk. If the party that sells the securities to a Fund defaults on its obligation to repurchase them at the agreed-upon time and price, the Fund could lose money.

Stable NAV Risk. Although the FL SAFE Stable NAV Fund seeks to maintain the value of your investment at $1.00 per share, the share price is not guaranteed, and if it falls below $1.00 you can lose money. The share price could fall below $1.00 as a result of the actions of one or more large investors in the fund. The credit quality of the Stable NAV Fund’s holdings can change rapidly in certain markets, and the default of a single holding could cause the Stable NAV Fund’s share price to fall below $1.00, as could periods of high redemption pressures and/or illiquid markets. Please see “Additional Information about the Trust” for more information on the steps that may be taken if the share price falls below $1.00 per share.

Variable NAV Risk. In contrast with the FL SAFE Stable NAV Fund, the net asset value of the Variable NAV Fund will fluctuate as the market value of the securities in the portfolio changes over time, and the net asset value of a Participant’s investment could decline below the amount originally invested by the Participant. A Participant that cannot bear this risk should not invest in the Variable NAV Fund.
Temporary Suspension of Redemptions. Under certain circumstances described in “How to Buy and Redeem Shares of the Funds,” redemptions from the Funds may be temporarily suspended.

U.S. Government Obligations Risk. U.S. government obligations may be adversely impacted by changes in interest rates. For U.S. government obligations that are not backed by the full faith and credit of the U.S. government, there can be no assurance that the U.S. government will provide financial support when it is not obligated to do so.

How the Trust is Managed

The Trust is a common law trust, organized in 2007 under the laws of the State of Florida, which began operations in 2008. Each Series is an investment opportunity for government units in Florida. It is authorized to issue an unlimited number of shares of beneficial interest. The Trust has two Series of indefinite duration called the “Stable NAV Fund” and “Variable NAV Fund” and one or more additional series, as may be established from time to time, of a definite duration called the “Term Series”. Investors in the Trust are entitled to vote on the election of Trustees, certain amendments to the Trust’s Indenture of Trust and reorganization of the Trust. Investors also are entitled to vote on other matters as required by the Trust’s Indenture of Trust. Each investor is entitled to one vote, so long as Trust shares are held on the record date.

Board of Trustees

The Board of Trustees oversees the actions of the Investment Advisor, Administrator, Operational Manager and Distributor, Custodian, Legal Counsel, Safekeeping Bank and any other Service Providers (as described below), as supported by the Administrator following Board direction, and decides on general policies.

The majority of the Board of Trustees will be constituted by finance representatives that also serve as the Investment Officer per Florida Statutes for their respective governments. The Board of Trustees serve with three year overlapping terms and do not receive any monetary compensation for their service. The current Board of Trustees (as of the date hereof) are listed below:

<table>
<thead>
<tr>
<th>Trustee</th>
<th>Position1</th>
<th>Board Term</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mark Mason, CPA, City of Tamarac</td>
<td>Chairman</td>
<td>January 1, 2020</td>
</tr>
<tr>
<td>Linda Senne, CPA, CGFM, City of Venice</td>
<td>Vice Chair</td>
<td>January 1, 2018</td>
</tr>
<tr>
<td>Jerry Boop, CPA, CGFO, City of Oviedo</td>
<td>Secretary</td>
<td>January 1, 2019</td>
</tr>
<tr>
<td>Bill Kleinsorge, CPA, Sumter County</td>
<td>Treasurer</td>
<td>January 1, 2018</td>
</tr>
<tr>
<td>Harry Kyne, City of Seminole</td>
<td>Board Member, Liaison to Advisory Council</td>
<td>January 1, 2020</td>
</tr>
</tbody>
</table>

1 The Board of Trustees elects its officers each year at the Trust’s January meeting of the Board of Trustees for that calendar year.
**Administrator**

Florida Management and Administrative Services, LLC ("FMAS") is a full service management and administrative services firm based in Orlando, Florida. Its President, Jeff Larson, was involved in the establishment of FLSAFE in 2007-2008, and was retained in May 2011 by the FLSAFE Board to serve as its Administrator. Mr. Larson and the FMAS Team are active members of the FGFOA, FCCMA and other statewide organizations.

The Administrator’s primary responsibilities include, among other things, serving the Board as Administrator for the Funds, FIIP Program, and Term Series Program; coordinating requirements for Board or Participant meetings pursuant to Florida laws governing open meetings and public records; assisting with and maintaining ongoing communications and customer service with Participants; establishing an annual marketing and investment education program; assisting the Board as needed; arranging for annual audits in cooperation with the Investment Advisor; serving and assisting the Board; preparing and distributing RFPs or RFQs for services, as requested by the Board; and otherwise maintaining Trust records.

Mr. Larson is also the President of Larson Consulting Services, LLC, Orlando, ("LCS") a SEC and MSRB licensed Municipal Advisor. Some of LCS’s Financial Advisor clients are also Participants in FL SAFE.

**Operational Manager**

PMA Financial Network, Inc. (the "Operational Manager") provides operational management services to FL SAFE. The Operational Manager makes available to Participants certain investments including bank deposit products as part of the Fixed Income Investment Program. The Operational Manager is a financial services provider with over $20 billion of assets under administration as of December 31, 2016. The headquarters for the Operational Manager is Naperville, Illinois and it has a regional office in Orlando, Florida.

The Operational Manager services all investor accounts in all Series of the Trust; determines and allocates income of the Trust; provides administrative personnel and facilities to the Trust; determines the net asset value of all Series on a daily basis; and performs related administrative services for the Trust. The Operational Manager supervises all operational aspects of the Trust, other than those delegated to the Administrator, Investment Advisor, Custodian and Distributor, and as part of the Fixed Income Investment Program, makes available certain deposit products to Trust investors which are not sold through the Distributor.

**Investment Advisor**

Prudent Man Advisors, Inc. (the "Investment Advisor"), a corporation organized under the laws of the State of Illinois and an investment advisor registered with the Securities and Exchange Commission, serves as the Investment Advisor of the Trust. The Investment Advisor is an affiliate of PMA Financial Network, Inc., the Funds' Operational Manager, and PMA Securities, Inc., a registered securities broker-dealer serving as the Trust's Distributor.

The Investment Advisor’s primary responsibility is to formulate a continuing investment program and to make all decisions regarding the purchase and sale of securities for the Series of the Trust in accordance with the applicable Series’ investment objectives and policies.

**Distributor**

PMA Securities, Inc. (the "Distributor"), a broker-dealer and municipal advisor registered with the U.S. Securities and Exchange Commission and Municipal Securities Rulemaking Board, is the distributor for shares of the Trust and also makes available to Trust investors U.S. government securities and other securities and products for a municipal advisory account as part of the Fixed Income Investment Program. The Distributor, which has its headquarters in Naperville, Illinois, has a branch office in Orlando, Florida. The Distributor is a member of FINRA and SIPC.

The Distributor engages in distribution efforts; assists investors in completing and submitting registration forms; assists in preparing and distributing information about the Trust and its investment services; and
advises the Trustees regarding methods of seeking and obtaining additional investors for the Trust. The Operational Manager, Investment Advisor and Distributor are under common ownership.

**Custodian**

BMO Harris Bank, NA (BMO Harris) serves as the Custodian of the Trust and maintains custody of all securities and cash assets purchased for the benefit of Trust Participants. BMO Harris also processes trades upon receipt of authorized and proper instructions within the defined deadlines. It also serves as the depository in connection with direct investments and redemptions, and maintains the account for capital support discussed in the Capital Support section below.

**Legal Counsel**

Akerman LLP, Orlando, Florida serves as legal counsel to the Trust.

**Independent Auditor**

Clifton Larson Allen serves as the independent auditor of the Trust.

**FL SAFE Operating Bank**

BMO Harris Bank, NA is the operating bank of the Trust.

**Fees and Expenses of the Funds**

The Trust pays fees to the Administrator, the Investment Advisor, the Operational Manager and the Distributor as reflected below. The Trust also has other operating expenses such as legal, custodian, banking, rating services, insurance premiums, auditing fees and any other operating expenses not expressly assumed by any of the Trust's service providers. Each of the Funds is invested in a separate portfolio of Permitted Investments and has separate expenses. With respect to the Funds, each Fund pays those fees that identifiable to that Fund, and pays a pro-rata share of any expenses that are not specifically identified to a particular Fund based on Average Daily Net Assets (“ADNA”) of such Fund.

**The Administrator:**

The Stable NAV Fund pays the Administrator a monthly fee of $7,500 on the first business day of each month. In addition to the monthly fee, the Stable NAV Fund also pays the Administrator based on the growth of the Stable NAV Fund. This fee paid monthly in arrears, will be determined by the Board based on the Administrator's leadership and efforts with the execution and success of the Trust's Marketing Plan. This additional fee will not exceed an amount determined as follows: 0.05% for ADNA of the Stable NAV Fund of $200,000,001 up to and including $500 million; 0.04% for ADNA of $500,000,001 up to and including $1 billion; 0.03% for ADNA over $1 billion up to and including $5 billion; and 0.02% for ADNA over $5 billion. The Variable NAV Fund will pay the Administrator a monthly fee of $2,500 on the first business day of each month. In addition to the monthly fee, the Variable NAV Fund will pay the Administrator a fee based on the ADNA of the Variable NAV Fund, computed at the annual rate of 0.05% up to and including $500 million and 0.04% for ADNA over of $500 million. For additional administrative duties, the Board determined that the Administrator shall also receive up to 50% of any Royalty paid to the Trust by the Operational Manager and Distributor from the Fixed Income Investment Program and the Term Series. These fees shall be accrued daily and paid monthly in arrears on the fifteenth business day of each month.

**The Investment Advisor:**

The Stable NAV Fund pays the Investment Advisor a fee based on the ADNA of the Stable NAV Fund, computed at the annual rate of 0.07% on the first $500 million of assets and 0.0525% for assets in excess of $500 million. The Variable NAV Fund will pay the Investment Advisor a fee based on the ADNA of the Variable NAV Fund, computed at the annual rate of 0.10% of the assets on the first $500 million of assets and 0.09% for assets in excess of $500 million. These fees shall be accrued daily and paid monthly in arrears on the first business day of each month.
The Operational Manager and Distributor:

The Stable NAV Fund pays the Operational Manager and Distributor a fee based on the ADNA of the Stable NAV Fund, computed at the annual rate of 0.13% on the first $500 million of assets and 0.0975% for assets in excess of $500 million. The Variable NAV Fund will pay a fee based on the ADNA of the Variable NAV Fund, computed at the annual rate of 0.10% of the assets on the first $500 million of assets and 0.09% for assets in excess of $500 million. These fees shall be accrued daily and paid monthly in arrears on the first business day of each month.

Other Expenses/Waivers:

Other expenses payable by the Funds include, among other things, out-of-pocket expenses incurred by the Trustees in the discharge of their duties, legal fees, recording costs, fees of the Funds’ independent accountants and the cost of insurance for the Funds and its Trustees and officers. The Investment Advisor, Operational Manager and Distributor have agreed to a voluntary fee waiver to support a positive yield to the Funds that, in the opinion of such service provider, is competitive with other AAAm/AAAf or equivalent rated Local Government Investment Pools across the country. Such service providers may also waive any additional fees payable for such period as they see fit. Any fee not paid or waived shall cease to be due and payable. From time to time, the Administrator may voluntarily waive a portion of its fees.

ADDITIONAL INFORMATION ABOUT THE TRUST

Portfolio Valuation Stable NAV Fund

Portfolio securities are valued using the amortized cost method of valuation. This method involves valuing each investment at cost on the date of purchase and assuming a constant amortization to maturity of any discount or premium. Amortized cost valuation provides certainty in valuation, but may result in valuations that are higher or lower than the market price of a particular portfolio security. As a result, the Stable NAV Fund has implemented a NAV Monitoring Policy which requires the portfolio to be priced at least weekly using a third-party pricing service. In the event that the net asset value based on market prices falls outside certain tolerance levels (even though such within the limits of $0.9950 and $1.005 for maintaining a $1.00 NAV), the Stable NAV Fund has implemented procedures for certain additional actions or disclosures.

Under the Indenture of Trust, the net income of the Stable NAV Fund (including realized gains and losses on the portfolio assets) is determined once on each business day and credited proportionately to the accounts of the Participants in such manner, and with the result, that the net asset value per Share of the Stable NAV Fund shall remain at a constant dollar value of $1.00 or integral of 1/100ths thereof. The net asset value of the Stable NAV Fund is determined as of 8:00 a.m. Eastern Time on each business day for the prior business day. Any change in the constant dollar value shall be made on a pro rata basis by increasing or reducing the number of each Participant's shares. If there is a net loss, the loss will first be offset against income accrued to each Participant. To the extent that such a net loss would exceed such accrued income, the aggregate number of the Stable NAV Fund's allocated Shares will be reduced in an amount equal to the amount by which the net loss exceeds accrued income by having each Participant contribute to the Stable NAV Fund's corpus its pro rata portion of the total number of Shares required to be redeemed in order to permit the net asset value per Share of the Stable NAV Fund to be maintained at a constant dollar value. Each Participant will be deemed to have agreed to such contribution in these circumstances by its investment in the Stable NAV Fund and its adoption of the Indenture of Trust.

Distributions

Dividends of the Funds are declared daily and paid monthly. Participants are entitled to receive dividends on shares of the applicable Fund beginning on the day of purchase provided the Funds were deposited into such Fund on the day of purchase. A purchase order for shares of the Funds is accepted: (1) immediately upon receipt of a federal funds wire, or (2) when funds in the amount of the purchase are
credited to the Fund’s account with the Custodian (generally, one business day after your check is received).

**Revenue Recognition/Royalty Fees/Capital Support**

In 2011, the Board of Trustees adopted a Revenue Recognition Policy following a loss from a 2008 investment that provides that the Stable NAV Fund may sell securities prior to maturity resulting in realized capital gains or losses. This policy provides for the recognition of realized losses if the net asset value of the Stable NAV Fund is $0.995 or higher. After losses are offset by accrued income, realized losses will be amortized against interest earnings of the portfolio in an amount equal to a minimum of 2 basis points per day (for a period not to exceed eight years). In addition, the Stable NAV Fund has entered into a long term Royalty Agreement with the Operational Manager and Distributor which provides for the payment of Royalty Fees for investments made by Participants through the Fixed Income Investment Program and the Term Series. At least 50% of this Royalty fee received by the Trust will be used to support the loss from the 2008 investment until the loss in the Stable NAV Fund has been fully amortized. Finally, the Stable NAV Fund entered into a capital support agreement with the Operational Manager in October 2011 to support the net asset value of the Stable NAV Fund to the extent of the unamortized loss. As of September 22, 2017, the level of the unamortized loss was less than $39,000. In 2016, the Board of Trustees determined to suspend the Revenue Recognition Policy and the loss is continuing to be amortized through payment of the Royalty Fees. The capital support agreement shall terminate upon full amortization of the loss.

**Tax Issues**

The Funds are not subject to Federal or Florida income tax on income it realizes, nor are distributions of such income to any investor taxable if the investor is a political subdivision of the State of Florida for Federal tax purposes.

**Performance Information**

**Stable NAV Fund.** The current yield of the Stable NAV Fund, which is also known as the current annualized yield or the current seven-day yield, represents the net change, exclusive of capital changes and income other than investment income, in the value of a hypothetical account with a balance of one share (normally $1.00 a share) over a seven-day base period expressed as a percentage of the value of one share at the beginning of the seven-day period. This resulting net change in account value is then annualized by multiplying it by 365 days and dividing by 7. The Stable NAV Fund may also quote a current effective yield of the Stable NAV Fund in advertisements, sales materials and investor reports available on the Trust's website at http://www.flsafe.org. The effective yield is calculated in the same manner, but when annualized, the income earned by an investment in the Stable NAV Fund is assumed to be reinvested. The effective yield will be slightly higher than the current yield because of the compounding effect of the assumed reinvestment. At the request of the Trustees or Participants, the Stable NAV Fund may also quote the current yield from time to time on bases other than seven days for the information of its Participants.

**Variable NAV Fund.** Information regarding total returns and yield for the Variable NAV Fund is available on the Trust’s website at http://www.flsafe.org and by contacting the Operational Manager, PMA Financial Network Inc., telephone, 1-855-202-9650, during regular business hours or by mail at 2135 CityGate Lane, 7th Floor, Naperville, Illinois  60563.

For both Funds, current yield information for the Funds may be quoted in reports, literature and advertisements published by the Funds. Any waivers of fees, as set forth herein, may positively impact the performance of the Funds. Performance data quoted represents past performance, which is no guarantee of future results. Yields will vary. Any current performance information will be posted on the Trust’s website at http://www.flsafe.org.

In addition, comparative performance information about the Funds may be used from time to time in advertisements, sales literature and investor reports. This information may include data, ratings and rankings from industry publications and services. Comparisons to recognized market indices and to the returns on specific money market securities or types of securities or investments also may be used. A
description of the comparison will be provided to document that the Funds’ performance is comparable to
the indices used in any such advertisement. “Total return” refers to the average annual compounded rate
of return over a specified period (as stated in the advertisement) that would equate an initial amount
invested at the beginning of the period to the end of the period redeemable value of the investment,
assuming the reinvestment of all dividends and distributions.

Fixed Rate Investment Program. Information regarding the yield of investments made through the
Fixed Income Investment Program may be provided or reported from time to time by the Operational
Manager. It will be reported on the basis of simple interest calculated on a 365 day year or will be based
on such other methods of calculation as the Commission shall deem appropriate.

Reports to Board and Participants

The Board and Participants will receive an audited annual report from the Trust's independent auditor,
which contains important financial information about the Series of the Trust. Participants will also receive
confirmation of purchases and redemption of shares in the Funds, as well as a monthly statement
detailing the entire month’s activity.

Participants may elect to receive electronic statements detailing entire monthly activity and electronic
confirmations.

Daily Income Allocations

Stable NAV Fund Shares. All net income of the Stable NAV Fund is determined as of the close of
business on each Florida banking day (and at such other times, if any, as set forth in the Custodian or
Investment Advisory, Operational Manager and Distribution Agreements or as the Trustees may
determine) and is credited immediately thereafter pro rata to each Participant's account. Net income,
which has thus accrued to the Participants is converted as of the close of business of each calendar
month into additional shares of beneficial interest which thereafter are held in each Participant's Stable
NAV Fund account. Such net income is converted into full and fractional shares of beneficial interest at
the rate of one share for each one dollar ($1.00) credited. Although daily income accruals are not
automatically transmitted in cash, Participants may obtain cash by withdrawing shares at their net asset
value without charge.

Net income for each income period consists of (i) all accrued interest income on Fund assets, (ii) plus or
minus all realized gains or losses on Portfolio assets and any amortized purchase discount or premium,
and (iii) less the Stable NAV Fund accrued and paid expenses (including accrued expenses and fees
payable to the Investment Advisor, the Operational Manager and Distributor, the Administrator and the
Custodian) applicable to that income period.

Under the Indenture of Trust, the net income of the Stable NAV Fund (including realized gains
and losses on the portfolio assets) is determined once on each business day and credited
proportionately to the accounts of the Participants in such manner, and with the result, that the net
asset value per Share of the Stable NAV Fund shall remain at a constant dollar value of $1.00 or
integral of 1/100ths thereof. The net asset value of the Stable NAV Fund is determined as of 8:00
a.m. Eastern Time on each business day for the prior business day. Any change in the constant dollar
value shall be made on a pro rata basis by increasing or reducing the number of each Participant's
shares. If there is a net loss, the loss will first be offset against income accrued to each Participant.
To the extent that such a net loss would exceed such accrued income, the aggregate number of the
Stable NAV Fund's allocated Shares will be reduced in an amount equal to the amount by which
the net loss exceeds accrued income by having each Participant contribute to the Stable NAV Fund's corpus its pro rata portion of the total number of Shares required to be redeemed in order
to permit the net asset value per Share of the Stable NAV Fund to be maintained at a
constant dollar value. Each Participant will be deemed to have agreed to such contribution in these
circumstances by its investment in the Stable NAV Fund and its adoption of the Indenture of Trust.

Automatic Reinvestment
Stable NAV Fund. The Stable NAV Fund pays out—or distributes—the net investment income of the Fund to investors. For convenience, distributions will automatically be reinvested in the Stable NAV Fund at the then current net asset value.

Variable NAV Fund. The net income of the Variable NAV Fund is accrued daily, which has the effect of increasing the net asset value of the Series by the amount of such net income. The Series does not expect to make any distributions to shareholders of such net income.

The net asset value per share of the Variable NAV Fund for the purpose of calculating the price at which shares are issued and redeemed is determined by the Operational Manager as of the close of business of each Florida banking day. Such determination is made by subtracting from the value of the assets of such Series the amount of the applicable liabilities and dividing the remainder by the number of outstanding shares for that Series.

Under the pricing and valuation policies and procedures, debt securities held by the Variable NAV Fund are generally valued using prices provided by an independent pricing service, which uses valuation methods that are designed to approximate market or fair value, such as matrix pricing and other analytical pricing models, market transactions and dealer quotations. Debt securities with a remaining maturity of 60 days or less may be valued at amortized cost or fair value if a market price is not available. In some cases, prices may be provided by alternative pricing services or dealers. Shares of the Variable NAV Fund are valued at their last calculated net asset value per share. If market quotes are not readily available for a security held by the Variable NAV Fund, a price cannot be obtained from a pricing service or a dealer, or if the Operational Manager or its affiliate believes the price provided by the pricing service does not represent “fair value” for the security, the security is valued at “fair value” by the Fund’s Investment Advisor or affiliate. In determining fair value, the Investment Advisor or affiliate applies valuation methods that take into account all relevant factors and available information. Consequently, the value of the security used by the Variable NAV Fund to calculate its net asset value per share may differ from a quoted or published price for the same security. Fair value pricing involves subjective judgments and it is possible that the fair value determined for a security is materially different than the value that could be realized upon the sale of that security.

Term Series. The net income of each Term Series is allocated among the Participants participating in that Term Series.

HOW TO BUY AND REDEEM SHARES OF THE FUNDS

How to Buy Shares in the Funds

To buy shares in the Funds, Participants may contact the Administrator (see below) or the Distributor at (855) 202-9650 or obtain account opening forms on the Trust's website at www.flsafe.org. Completed forms should be provided to the Administrator by email, with the originals mailed to:

Attention: Jeffrey T. Larson, President
FLORIDA MANAGEMENT AND ADMINISTRATIVE SERVICES, LLC. (FMAS)
FL SAFE Administrator
10151 University Blvd. #227
Orlando, Florida 32817
Tel: 407-496-1597
Fax: 407-542-3991
jlarson@floridamanagementservices.com

Transactions in the Funds can be made by telephone with a representative of the Operational Manager. In addition, orders for the Funds may be placed electronically through the PMA Government Portfolio System (PMAGPS®). PMAGPS is the Operational Manager’s proprietary account access and electronic trading system. Investors will be able to access the PMAGPS System through the Trust’s website (www.flsafe.org).
The net asset value of the Funds is determined as of 8:00 a.m. Eastern Time on each business day for the prior business day. When shares of the Funds are purchased, the price paid will be the net asset value of the applicable Fund next determined after receipt of the order to purchase. Requests to purchase must be received by 1:00 p.m. Eastern Time for processing that day. Requests received after 1:00 p.m. Eastern Time will be processed on the following Business Day.

Account information can be obtained via the Trust's website at www.flsafe.org. To acquire on-line access, simply complete an “Account Authorization Form” and submit it to the Operational Manager at 2135 CityGate Lane, 7th Floor, Naperville, Illinois 60563. These forms can be obtained by logging onto the Funds' website at www.flsafe.org or by calling the Operational Manager at (855) 202-9650.

**Term Series or FlIP**

For purchases in a Term Series or through the Fixed Income Investment Program, investors should contact the Operational Manager or the Distributor at (855) 202-9650. Completed forms should be provided by email, with the originals mailed to:

Attention: Rene’ O’Day  
PMA Securities, Inc.  
121 South Orange Ave., Ste. 1500  
Orlando, Florida 32801  
roday@pmanetwork.com

**How to Redeem Shares in the Funds**

Authorized Participants may withdraw funds from the Funds online via the PMAGPS System available through the Trust's website or by calling the Operational Manager or Distributor at (855) 202-9650. When shares of the Funds are redeemed, the price received will be the net asset value of the applicable Fund next determined after receipt of the order to redeem. Redemption requests must be received by 1:00 p.m. Eastern Time for payment that day. Requests received after 1:00 p.m. Eastern Time will be processed on the following Business Day.

Per the Indenture of Trust, the Trustees may temporarily suspend the right of redemption or postpone the date of payment for redeemed shares during any period (i) when there shall have occurred any state of war, national emergency, act of God, banking moratorium or suspension of payments by banks in the State of Florida or any general suspension of trading or limitation of prices on the New York Stock Exchange ("NYSE") or American Stock Exchange (now known as NYSE AMEX) (other than customary week-end or holiday closings) or (ii) when any emergency exists as a result of which disposal by the Funds of its investments is not reasonably practicable because of the substantial losses which might be incurred or it is not reasonably practicable for the applicable Fund fairly to determine the value of its net assets. Such suspension or postponement shall not alter or affect a Participant's beneficial interest hereunder as measured by its Shares or the accrued interest and earnings thereon. Such suspension or payment shall take effect at such time as the Trustees shall specify but not later than the close of business on the business day next following the declaration of suspension, and thereafter there shall be no right of redemption or payment until the Trustees shall declare the suspension or postponement at an end, except that the suspension or postponement shall terminate in any event on the first day on which the period specified in subsection (a) or in this subsection (b) shall have expired, as to which the determination of the Trustees shall be conclusive. In the case of a suspension of the right of redemption or a postponement of payment for redeemed Shares, a Participant may either (i) withdraw its request for redemption or (ii) receive payment based on the net asset value existing after the termination of the suspension.

For additional information on redeeming shares in the Funds, please call the Operational Manager at (855) 202-9650.
TERM SERIES INFORMATION

Each Term Series is a separate series of shares of beneficial interest of the Trust within a fixed investment term and a maturity of no less than 30 days and no more than three years. A Term Series’ portfolio may consist of one or more CDs, obligations of the U.S. government or its agencies or instrumentalities, municipal obligations and other investments permitted under Florida statutes.

Each Term Series will have a final fixed maturity as determined by the Operational Manager and ratified by the Trustees. Term Series may have only one holding, and therefore may be highly concentrated. A Term Series may have one or more investors. Information regarding any investments or collateral for a Term Series’ portfolio will be provided to the investors in that Series by the Operational Manager or Distributor prior to settlement.

Generally, investments purchased by a Term Series will be held to maturity. However, the Investment Advisor maintains discretion to dispose of, or substitute, a security held by a Term Series if doing so is in the best interests of the Term Series. A disposition or substitution of portfolio securities may affect a Term Series’ net rate of return. Dividends from net investment income are declared daily and paid at maturity.

Each Term Series is independent from all other Term Series. This means that if one Term Series loses money, no other Term Series will suffer that loss.

Term Series are designed to be held for the full term of that Series. If an investment made in a Term Series is redeemed prior to the maturity date of that Series, seven days’ advance notice is required and a penalty will likely be assessed. The penalty, which may be substantial, could include the amount necessary to recoup for the Series any penalty charges, losses and other costs attributable to the early redemption. The redeeming investor may also experience investment losses.

The Term Series are not rated by a rating agency.

HOW THE TERM SERIES INVEST

Investment Policies

The Term Series invests in high-quality short-term debt instruments. Debt obligations, in general, are written promises to repay a debt. Among the various types of debt obligations the Term Series may purchase are obligations guaranteed by the full faith and credit of the United States, U.S. government agency obligations, commercial paper, bank obligations and other obligations permitted by applicable Florida statutes. The permitted investments of the Terms Series comply with specific requirements of Florida law applicable to the investment of Participants’ funds, and may include:

1. Direct obligations of the United States Treasury;
2. Obligations backed by the full faith and credit of the United States government;
3. Obligations of agencies and instrumentalities of the United States government;
4. Certificates of deposit and other evidences of deposit with approved financial institutions;
5. Bankers’ acceptances rated in the highest rating tier by a nationally recognized rating agency;
6. Commercial paper rated in the highest rating tier by a nationally recognized rating agency;

7. Obligations of state and local governments and public authorities rated in the two highest rating tiers by a nationally recognized rating agency;

8. Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities;

9. Repurchase agreements whose underlying purchased securities consist only of the instruments listed in categories 1 through 8 above; and

10. Without limiting the foregoing, any investments authorized under Section 218.415(16), Fla. Stat.

U.S. Government Obligations

Term Series may invest in U.S. government obligations. These obligations include debt securities issued or guaranteed by the U.S. government or one of its agencies or instrumentalities. In some cases, the full faith and credit of the United States backs the payment of principal and interest on U.S. government obligations. In other cases, these obligations are backed solely by the issuing or guaranteeing agency or instrumentality itself. In these cases, there can be no assurance that the U.S. government will provide financial support to its agencies or instrumentalities when it is not obligated to do so.

Commercial Paper

The Term Series may also invest in commercial paper if it is rated in the highest rating tier by a nationally recognized rating agency.

Bank Obligations

Term Series may invest in interest-bearing certificaties of deposit, interest-bearing time deposits or any other investments that are direct obligations of a bank that are permitted by applicable Florida law. These include bankers' acceptances, which are time drafts or bills of exchange which, when accepted by a bank, become an irrevocable primary and unconditional obligation of the accepting bank. The CDs held by any Term Series will either be insured by the FDIC up to the maximum amount of such insurance or fully collateralized by pledged securities or letters of credit provided by Federal Home Loan Banks for amounts in excess of FDIC insurance.

Repurchase Agreements

Term Series may enter into repurchase agreements, where a party agrees to sell a U.S. government obligation to the Term Series and then repurchase it at an agreed-upon price at a stated time. A repurchase agreement is like a loan by the Term Series to the other party that creates a fixed return for the Term Series. All repurchase agreements are fully collateralized with U.S. government obligations. The Term Series could incur a loss on a repurchase transaction if the seller defaults and the value of the underlying collateral declines or the Term Series’ ability to sell the collateral is restricted or delayed.

Municipal Obligations

The Term Series may invest in interest-bearing obligations, including tax anticipation warrants, of any governmental unit of any other state eligible for investment by Participants, the interest on which is taxable or tax-exempt under federal law. These municipal obligations must be rated in the highest two rating categories by a major rating organization. The municipal obligations held by a Term Series may be backed only by the taxing power of the issuer of such securities or may be secured by specific revenues received by the issuer.
Floating-Rate and Variable-Rate Obligations

The interest rates of certain debt obligations the Term Series may purchase may be subject to reset on predetermined dates. Such securities are referred to as “floating-rate obligations” and “variable-rate obligations.” Because the interest these securities pay is adjustable, there are market environments where they may have a beneficial or detrimental impact to the yield of the Term Series relative to fixed-rate securities issued by similar issuers and with similar terms to maturity. For purposes of calculating weighted average maturity for the Series, the interest reset date on these instruments is used.

Demand Instruments

Demand instruments are debt securities where the issuer is obligated to repay principal and pay accrued interest upon demand of the holder. Other demand instruments designate a third party to fulfill the repayment obligation. Such parties may be a dealer or bank acting on behalf of the tender agent to repurchase the security for its face value upon demand. The Term Series treat demand instruments as short-term securities. For purposes of calculating weighted average maturity for the Series, the longer of the interest-rate reset date or the next demand date is used, even though the investment's stated maturity may extend beyond one year.

Prohibited Investments

The Term Series may not invest in any types or categories of investments except as provided above in the list of Permitted Investments. By way of example and not by limitation, the Term Series cannot invest in the following types or categories of investments (“Prohibited Investments”):

1. Asset backed commercial paper securities that are classified as structured investment vehicles (SIV), collateralized debt obligations (CDO), structured arbitrage vehicles (SAV) or extendible commercial paper;
2. Obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal;
3. Obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security collateral and bears no interest; and
4. Collateralized mortgage obligations.

Derivatives

In addition to the list of Prohibited Investments, set forth above, Term Series may not invest in “derivatives.” When used herein, the term “derivatives” refers to (i) instruments with embedded features that alter their characteristics or income stream or allow holders to hedge or speculate on a market or spreads between markets that are external to the issuer of such instruments, or (ii) instruments which are not directly correlated on a one-to-one basis to the associated index or market.

Investment Restrictions

Term Series’ investments are subject to the restrictions listed below. These restrictions are fundamental policies of the Trust, which means that they cannot be changed without the affirmative vote of a majority of the Trust’s Participants. The Term Series:

(a) may not make any investment other than investments authorized by the Indenture of Trust and the Permitted Investments List, as the same may be amended from time to time;

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

(c) may not make loans, provided that the Term Series may make Permitted Investments (which may include securities lending);

(d) may not hold or provide for the custody of any Term Series Property in a manner not authorized by Law or by any institution or Person not authorized by Law; and

(e) may not purchase securities or shares of investment companies or any entities similar to the Trust.

Investment Policy

The Trust’s Trustees have adopted an investment policy for the Term Series. The investment policy may contain additional constraints and investment restrictions.

PRINCIPAL RISK FACTORS

All investments involve risk and investing in the Term Series is no exception. Set forth below are the principal risk factors of the Term Series.

Concentration Risk. Any fund that concentrates in a particular segment of the market or invests in a limited number of investments will generally be more volatile than a fund that invests more broadly. Any market price movements, regulatory or technological changes, or economic conditions affecting banks or financial institutions may have a significant impact on a Term Series’ performance.

Credit Risk. The issuer of a debt security may fail to pay interest or principal when due, and changes in market interest rates may reduce the value of debt securities or reduce the Term Series’ returns.

Interest Rate Risk. Rising interest rates could cause the value of the Term Series’ investments — and therefore its share price as well — to decline. Conversely, any decline in interest rates is likely to cause the Term Series’ yield to decline, and during periods of unusually low interest rates, the Term Series’ yield may approach zero.

Issuer Risk. The value of a security may decline because of adverse events or circumstances that directly relate to conditions at the issuer or any entity providing it credit or liquidity support.

Lack of Governmental Insurance or Guarantee. An investment in a Term Series is not a bank deposit. An investment in a Term Series is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Management Risk. The Term Series are subject to management risk, which is the risk that poor security selection by the Investment Advisor could cause a Term Series to underperform relevant benchmarks or other funds with a similar investment objective. There is no guarantee of the Term Series’ performance or that the Term Series will meet their objective. The market value of your investment may decline and you may suffer investment loss.

Market Risk. The market price of investments of Term Series may rapidly or unpredictably decline due to factors affecting securities markets generally or particular industries.

NAV Risk. Although the Term Series seeks to maintain the value of your investment at $1.00 per share, at maturity, upon redemption or at fiscal year-end, each outstanding Term Series will be marked to market. It is expected that the market value of a Term Series at maturity will approximate the amortized cost of the portfolio. To the extent the mark to market value deviates from the amortized cost, the share price may be above or below $1.00. Accordingly, investors could experience a loss. For Term Series that have a maturity in excess of one year, the NAV Risk may be particularly acute. Please see “How to
Buy and Redeem Shares of the Term Series” for more information on the amortized cost method of valuation.

Regulatory Risk. Changes in government regulations may adversely affect the value of a security. An insufficiently regulated industry or market might also permit inappropriate practices that adversely affect an investment.

Repurchase Agreement Risk. If the party that sells the securities to a Term Series defaults on its obligation to repurchase them at the agreed-upon time and price, the Term Series could lose money.

Temporary Suspension of Redemptions. Under certain circumstances described in “How to Buy and Redeem Shares of the Term Series,” redemptions from the Term Series may be temporarily suspended.

U.S. Government Obligations Risk. U.S. government obligations may be adversely impacted by changes in interest rates. For U.S. government obligations that are not backed by the full faith and credit of the U.S. government, there can be no assurance that the U.S. government will provide financial support when it is not obligated to do so.

HOW THE TERM SERIES ARE MANAGED

Board of Trustees

The Trustees oversee the actions of the Investment Advisor, the Operational Manager, the Distributor, the Administrator, the Custodian, the Bank, and the Legal Counsel; and decide on general policies.

PMA Entities

Prudent Man Advisors, Inc. serves as the Investment Advisor of the Term Series. PMA Securities, Inc. serves as the Distributor for the Term Series and PMA Financial Network, Inc. serves as the Term Series Operational Manager.

The Investment Advisor’s primary responsibility is to formulate a continuing investment program and to oversee all decisions regarding the purchase and sale of securities for the Term Series in accordance with the Term Series’ investment objective and policies. With approval of the Trustees, the Investment Advisor is also responsible for determining the maturity of a Term Series.

The Distributor and Operational Manager generally provide the same services to the Term Series as are provided to the Funds. The Operational Manager is responsible for calculating each Term Series’ NAV as described below under “How to Buy and Redeem Shares of the Term Series.”

Fees and Expenses of the Term Series

Each Term Series pays an advisory and management fee to the Investment Advisor, a portion of which the Investment Advisor pays to the Operational Manager. Each Term Series may also have other operating expenses.

The fees paid by the Term Series are calculated as follows:

The Investment Advisor:

In connection with investments in a Term Series, Participants pay to the Investment Advisor an annualized advisory and management fee of up to 0.25% exclusive of insurance costs and any third-party placement fees. An additional fee, not to exceed 0.10% on an annualized basis, is charged for assets that require management and administration of collateral, letters of credit or other third-party guarantees or reciprocal programs. The fees are computed and accrued daily.
Other Fees and Expenses Paid by the Term Series:

Except as provided herein, all expenses of the Term Series not allocated to the Investment Advisor and its affiliated entities, including the Operational Manager and Distributor, shall be paid by the applicable Term Series, including expenses of the Trustees, legal expenses, costs of insurance, and such other non-recurring expenses as may arise. As noted below, the PMA Entities may choose to pay such expenses on behalf of a Term Series.

Fees and Expenses Paid by the PMA Entities:

The PMA Entities shall pay the Custodian charges, audit fees and incremental PMA authorized legal fees associated with the Term Series. The Operational Manager and Distributor have agreed to pay a Royalty Fee to the Trust based on fees received by such providers from Fund Participants through the FIIP and Term Series. The initial Royalty is 20% of any gross revenues received by the Operational Manager and Distributor for investments through a Term Series or the Fixed Income Investment Program by Fund Participants, with at least 50% of such amount being used to support the net asset value for the Stable NAV Fund until a 2008 loss has been fully amortized, and 50% by Board direction paid to the FL SAFE Administrator to cover additional administrative and oversight expenses. Upon full amortization of the loss, the Royalty shall be 15% of any gross revenues received by the Operational Manager and Distributor related to Participant investments in a Term Series or the Fixed Income Investment Program, with 50% by Board Direction paid to the FL SAFE Administrator to cover additional administrative and oversight expenses. In addition, this Royalty fee may be used to offset other expenses of the Funds, including additional administrative costs related to the FIIP and Term Series program.

HOW TO BUY AND REDEEM SHARES OF THE TERM SERIES

Participants who have invested in the Funds and who wish to invest in a Term Series may do so by depositing funds to their Stable NAV Fund account to buy shares in the Term Series of their choice. Participants are provided the option to invest in each separate Term Series. When that particular Term Series matures or in the event of a redemption, the Participant’s funds in that Series will then be transferred back to the Participant’s Stable NAV Fund account.

To invest or redeem from a Term Series, contact the Operational Manager or Distributor at (855) 202-9650. To redeem prior to maturity, the investor must provide seven days’ advance notice to the Administrator and may be subject to a penalty and other losses as described herein.

The net asset value (or NAV) of each outstanding Term Series is determined daily by the Operational Manager.

Other than at maturity, upon a redemption or at the fiscal year-end, portfolio securities are generally valued using the amortized cost method. This method involves valuing each investment at cost on the date of purchase and assuming a constant amortization to maturity of any discount or premium. Amortized cost valuation provides certainty in valuation, but may result in valuations that are higher or lower than the market price of a particular portfolio security. At maturity, upon redemption and at fiscal year-end, each Term Series’ portfolio will be marked to market and such valuation will be used for determining distributions to investors and valuation for financial statement presentation. It is expected that the market value of a Term Series at maturity will approximate the amortized cost of the portfolio. A Term Series may experience a loss or gain if the market to market value deviates from the Term Series’ amortized cost. For Term Series with longer maturities, there exists a greater likelihood that the amortized cost of a portfolio may deviate from the market value within the duration of the Term Series.

WITH RESPECT TO THE TERM SERIES, REPRESENTATIVES OF THE OPERATIONAL MANAGER WILL GENERALLY CONTACT INVESTORS BY TELEPHONE REGARDING MATURITIES OF THEIR INVESTMENTS ON THE DAY OF MATURITY.

Reports to Participants
Investors receive a confirmation of subscriptions and redemptions as well as a monthly statement detailing the entire month’s activity. Investors will also receive an audited annual report which contains important financial information about the Term Series.

**DISTRIBUTIONS AND TAX ISSUES**

**Distributions**
Dividends of the Term Series are declared daily and paid at maturity. The Term Series must have available on the day of settlement funds equaling the amount of the investment in the Term Series.

**Tax Issues**
The Trust is not subject to Federal or Florida income tax on income it realizes, nor are distributions of such income to any investor taxable if the investor is a political subdivision of the State of Florida for Federal income tax purposes.

**CONFLICTS OF INTEREST**

**PMA Entities**
The PMA Entities and their affiliates and their respective directors, members, officers, partners and employees, including those involved in providing services to the Trust, are engaged in businesses in addition to the operational, distribution and investment management of the Trust.

For more information on the Investment Advisor, including a summary of potential and actual conflicts of interest relating to its advisory services, please see the Investment Advisor’s Form ADV as filed with the Securities and Exchange Commission, available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Jeffrey T. Larson**
Jeffrey T. Larson serves as the President of the Administrator. Mr. Larson is also the President of an SEC and MSRB registered municipal advisor, Larson Consulting Services, LLC (“LCS”) which is not associated with the Distributor or FLSAFE. Mr. Larson is a Series 50 SEC licensed Municipal Advisor. Some of LCS’s financial advisor clients are also Participants in FL SAFE, and may also access some of the additional programs and services noted below where FMAS receives 50% of the Royalty fees paid to the Trust by PMA.

**Service Providers**
The service providers to the Trust may from time to time act as manager, investment manager, broker, custodian, registrar, legal counsel, auditors, bankers, administrator or dealer in relation to, or otherwise be involved in, other investment funds that have similar objectives or investments as those held by the Funds. It is therefore possible that such service providers or their affiliated persons may, in the course of business, have potential conflicts of interest with the Trust.

**ADDITIONAL PROGRAMS AND SERVICES**

**Fixed Income Investment Program**
As authorized by the Board of Trustees and the Trust Administrator, the Distributor and the Operational Manager offer Trust Participants a Fixed Income Investment Program. Trust Participants may contact the Operational Manager/Distributor directly to purchase investment instruments including CDs, commercial paper, bankers’ acceptances, securities of the United States government and its agencies and instrumentalities pursuant to Section 218.415, Fla. Stat. The issuers of the instruments offered by this Program are selected based on criteria approved by the Trustees. Investors may purchase instruments of varying maturities (including maturities of more than one year) issued by a variety of issuers.
Interest on deposit products will be credited at maturity. Interest on U.S. government obligations will be posted to the investor's account on the day it is received. Interest payment dates that fall on a day other than a business day for the Trust will be credited on the next business day.

Investors purchasing investments through the Fixed Income Investment Program pay (1) an annualized mark-up of up to 0.15% on commercial paper and bankers' acceptances; and (2) an annualized mark-up of up to 0.25% on bank deposit products carrying only FDIC insurance, with an additional fee, if applicable, not to exceed 10 basis points annualized, being charged for any assets that require management and administration of collateral, letters of credit, other third party guarantees or reciprocal programs, exclusive of insurance costs and any third-party placement fees. Investors purchasing securities of the U.S. government and its agencies or municipal securities through this Program pay an annualized mark-up to the Distributor of up to 0.15% of the principal amount of each such investment.

The Operational Manager and Distributor have agreed to pay a Royalty Fee to the Trust based on fees received by such providers from Stable NAV Fund or Variable NAV Fund Participants through the Fixed Income Investment Program and Term Series. The initial Royalty is 20% of any gross revenues received by the Operational Manager and Distributor for investments through the Fixed Income Investment Program or any Term Series Program by Trust Participants, with at least 50% of such amount being used to support the net asset value for the Stable NAV Fund until a 2008 loss has been fully amortized, and the other 50% by Board action paid to the Administrator to cover additional administrative and oversight expenses. Following full amortization of the 2008 loss, the Royalty to the Trust shall be in the amount of 15% of the total gross revenues received by the Operational Manager and Distributor for investments through the FIIP or any Term Series, with 50% of the funds by Board action being paid to the Administrator to cover additional administrative and oversight expenses. The remainder of the Royalty fee may be used to offset other expenses of the Trust, including additional administrative costs due to the Fixed Income Investment Program and Term Series.

WITH RESPECT TO INVESTMENTS IN THE FIXED INCOME INVESTMENT PROGRAM, REPRESENTATIVES OF THE OPERATIONAL MANAGER/DISTRIBUTOR WILL GENERALLY CONTACT INVESTORS BY TELEPHONE REGARDING MATURITIES OF THEIR INVESTMENTS ON THE DAY OF MATURITY.

Additional Value Added Services
The Operational Manager and Distributor also offer other "Value Added" programs and services for eligible Trust Participants for cash flow management, financial planning and bond proceeds management that includes arbitrage compliance assistance.

Investors are advised that any additional services and programs that are made available directly by the Operational Manager, the Distributor or other applicable party, including the Fixed Income Investment Program, are separate from the investment Series of the Trust. The parties offering such programs are solely responsible for them, and questions regarding any such program should be directed to the party offering it.
TRUST SERVICE PROVIDERS

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AMENDED AND RESTATED

INDENTURE OF TRUST

Florida Surplus Asset Fund Trust

Amended and Restated as of July 13, 2012
INDENTURE OF TRUST

THIS AMENDED AND RESTATED INDENTURE OF TRUST (the "Indenture of Trust"), hereby amends and restates the Original Indenture of Trust dated as of December 11, 2007, as amended on February 29, 2008 and April 30, 2008. The original Indenture of Trust was made by and among Tradition Community Development District No. 1, Tradition Community Development District No. 2, and Tradition Community Development District No. 3, hereafter referred to as the “Initial Participants.”

WITNESSETH

WHEREAS, Sec. 218.415, Fla. Stat., authorizes units of local government to invest and reinvest public funds in excess of the amounts needed to meet current expenses in certain enumerated investments, in any other investments authorized by the municipality or county by law or by ordinance or by a school district or special district by law or by resolution, and in addition authorizes units of local government to invest and reinvest such surplus public funds in any intergovernmental investment pool authorized pursuant to the Florida Interlocal Cooperation Act, as provided in Sec. 163.01, Fla. Stat.;

WHEREAS, Sec. 163.01, Fla. Stat., authorizes a political subdivision, agency, or officer of the State of Florida, including but not limited to state government, county, city, school district, single and multipurpose special district, single and multi-purpose public authority, metropolitan or consolidated government, a separate legal entity or administrative entity created under subsection (7) of Section 163.01, Fla. Stat., or an independently elected county officer (each of the foregoing a “Local Government Entity” or “Entity”), to exercise jointly with any other Entity any power, privilege, or authority which such Entities share in common and which each might exercise separately;

WHEREAS, Section 163.01, Fla. Stat., further authorizes such public agencies to enter into contracts in the form of interlocal agreements to accomplish such purposes;

WHEREAS, it is the intent of the Initial Participants to create an intergovernmental investment pool pursuant to Sections 163.01 and 218.415, Fla. Stat. and that this Indenture of Trust serve as an interlocal agreement for such purpose under Section 163.01, Fla. Stat.;

WHEREAS by resolutions duly adopted, Tradition Community Development District No. 1, Tradition Community Development District No. 2, and Tradition Community Development District No. 3, respectively, found the creation of an intergovernmental investment pool pursuant to this Indenture of Trust serves a governmental purpose for said Entities and would therefore be in the best interests of said Entities, their officials, officers, and citizens in that such a program would offer diversified and professionally managed portfolios to meet investment needs, would
result in economies of scale that would create greater purchasing powers, and would thereby lower the costs traditionally associated with the investment of the assets of said Entities;

WHEREAS, each of the Initial Participants has duly taken all official action necessary and appropriate to become a party to this Indenture of Trust and perform hereunder, including, without limitation, the establishment of a written investment policy and the passing of any ordinances, resolutions or taking of other actions required under Section 218.415, Fla. Stat. and other applicable law and regulations;

WHEREAS, it is proposed that the beneficial interest in the assets of the trust fund created pursuant to the provisions of this Indenture of Trust shall be divided into non-transferable shares of beneficial interest, which shall be evidenced by a share register maintained by the Trustees or its agent, (each as defined herein); and

WHEREAS, the Initial Participants anticipate that other Local Government Entities may wish to become Participants (as defined herein) by adopting this Indenture of Trust and thus becoming a party hereto;

NOW, THEREFORE, in consideration of the mutual promises, covenants and agreements contained herein, the parties hereto, now and hereafter added pursuant to the provisions herein, promise and agree subject to the terms, covenants, conditions, purposes and provisions hereof as follows:

ARTICLE I
The Trust

1.1 Establishment; Name.

A common law trust is hereby established under this Indenture of Trust and shall be called the “Florida Surplus Asset Fund Trust” (the “Trust”). So far as may be practicable, the Trustees shall conduct the Trust’s activities, execute all documents and sue or be sued under that name, which name (and the word “Trust”) wherever used in this Indenture of Trust, except where the context otherwise requires, shall refer to the Trustees in their capacity as Trustees, and not individually or personally, and shall not refer to the officers, agents, employees, counsel, advisors, consultants, or accountants of the Trustees, nor shall such terms refer to the Participants. Should the Trustees determine that the use of such name is not practicable, legal or convenient, they may use such other designation or they may adopt such other name for the Trust as they deem proper, and the Trust may hold property and conduct its activities under such designation or name. The Trustees shall take such action as they, acting with the advice of counsel, shall deem necessary or appropriate to file or register such name in accordance with the laws of the State of Florida or the United States of America so as to protect and reserve the right of the Trust in and to such name.

1.2 Purpose; Participant Requirements; Changes of Incumbency.

(a) The purpose of the Trust is to provide a surplus funds trust fund in accordance with statute through which a Local Government Entity may invest any moneys in its treasury, which are not immediately required to be disbursed, in short and medium-term investments in accordance with
the provisions of Sections 218.415 and 163.01, Fla. Stat., or other laws of the State of Florida, from time to time in effect, governing the investment of moneys in the treasury of a Local Government Entity, and as extensively as allowed by law. No Participant shall be required to appropriate any funds or levy any taxes to establish the Trust. The Board of Trustees may provide for the payment or repayment of any establishment expenses from the earnings of the Trust.

(b) Only those Local Government Entities who have adopted this Indenture of Trust and have complied with the provisions of this Section 1.2 and Section 14.6 hereof may become Participants. The Treasurer empowered to invest funds of each Local Government Entity shall be the legal representative to act for and on behalf of such Local Government Entity for purposes of this Indenture of Trust and as such shall be a member of the Participants, which is vested with the authority to supervise the Trust as provided herein and elect the Trustees to act as fiduciary on its behalf.

(c) Each Local Government Entity adopting this Indenture of Trust, and otherwise complying with the provisions of Sections 1.2 and 14.6 hereof, shall become a Participant only upon depositing into the Trust the minimum total investment as that amount is set from time to time by the Trustees. Initially and until changed by affirmative action of the Trustees, the minimum total investment shall be $1.00 for each account. Whenever the balance in a Participant’s account is less than the minimum established by the Trustees, the Trustees may redeem the shares and close the account, provided that thirty days (30) prior notice is given to such Participant. If the Trustees change the minimum total investment to an amount greater than the investment of any Participant at the time that such change becomes effective, the investment of such Participant shall not be redeemed without such Participant’s consent.

(d) In the event that a Treasurer shall die, resign, or be removed from his office or his office shall otherwise become vacant, or he shall no longer be authorized to act on behalf of such Participant as a Treasurer, any funds placed by him in the Trust shall be held hereunder for the benefit of the Local Government Entity for which he was acting at the time the vacancy or termination of authority occurred. Any Treasurer assuming office as such either to fill a vacancy in such office or to begin a new term following the expiration of the term in office of his predecessor, or otherwise becoming authorized to act as Treasurer on behalf of such Participant, shall be the succeeding legal representative of the Local Government Entity by filing written notification of such with the Trustees in a form acceptable to the Trustees.

1.3 Location.

The Trust shall maintain an office of record in the State of Florida and may maintain such other offices or places of business as the Trustees may from time to time determine. The office of record of the Trust shall be: Florida Surplus Asset Fund Trust, c/o Florida Management and Administrative Services, Florida Safe Administration, 10151 University Blvd., Suite 227, Orlando, Florida 32817. The office of record may be changed from time to time by resolution of the Trustees, and notice of such change of the office of record shall be given to each Participant.
1.4 **Nature and Indenture of Trust; Interlocal Agreement; Filing of Indenture of Trust.**

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

(b) This Indenture of Trust is an agreement of indefinite term regarding the deposit, redeposit, investment, reinvestment and withdrawal of surplus public funds within the meaning of Section 218.415, Fla. Stat.

(c) This Indenture of Trust is an interlocal agreement within the meaning Section 163.01, Fla. Stat. This Indenture shall be filed as provided in Section 12.01 hereof.

1.5 **Definitions.**

As used in this Indenture of Trust, the following terms shall have the following meanings unless the context hereof otherwise requires:

"Administrator" shall mean any Person or Persons appointed, employed or contracted with by the Trustees under the applicable provisions of Section 3.1 hereof.

"Administration Agreement" shall mean the agreement with the Administrator referred to in Section 3.3 hereof as the same may be amended from time to time. The Administration Agreement and the Investment Advisory Agreement may be contained in the same agreement.

"Advisor" shall mean any Person or Persons appointed, employed or contracted with by the Trustees under the applicable provisions of Section 3.1 hereof.

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

"Board of Trustees" shall mean the Trustees of the Trust.

"Custodian" shall mean any Person or Persons appointed, employed or contracted with by the Trustees under the applicable provisions of Section 11.2 hereof.

"Indenture of Trust" shall mean this Indenture of Trust as amended, restated or modified from time to time, pursuant to the terms hereof. References in the Indenture of Trust to "Indenture," "hereof," "herein," "hereby" and "hereunder" shall be deemed to refer to the Indenture of Trust, as amended, and shall not be limited to the particular text, article or Section in which such words appear unless otherwise stated.
“Information Statement” shall mean the information statement or other descriptive document or documents adopted as such by the Trustees and distributed by the Trust to Participants and potential Participants of the Trust as the same may be amended by the Trustees from time to time.

“Initial Participants” shall mean those local government entities which have executed and adopted this Indenture of Trust as of the date of its establishment.

“Investment Advisory Agreement” shall mean the agreement with the Advisor referred to in Section 3.2 hereof as the same may be amended from time to time.

“Laws” shall mean common law and all ordinances, statutes, rules, regulations, orders, injunctions, decisions, opinions or decrees of any government or political subdivision or agency thereof, or any court or similar entity established by any thereof applicable to entities like the Trust and to documents like this Indenture of Trust.

“Local Government Entity” or “Local Government Entities” means a political subdivision, agency, or officer of the State of Florida, including but not limited to state government, county, city, school district, single and multipurpose special district, single and multi purpose public authority, metropolitan or consolidated government, a separate legal entity or administrative entity created under subsection (7) of Section 163.01, Fla. Stat., or an independently elected county officer.

“Non-Treasurer Trustee” means a Trustee appointed hereunder that is not a Treasurer of one of the Participants.

“Participants” shall mean the Local Government Entities which are the Initial Participants and the Local Government Entities which adopt this Indenture of Trust pursuant to Section 14.6 hereof.

“Permitted Investments” shall mean the investments of the type and nature defined as such in the Permitted Investments List.

“Permitted Investments List” shall mean the list of authorized investments for the Trust adopted as such by the Participants and distributed by the Trust to potential Participants of the Trust, as the same may be modified or amended from time to time as provided in Section 13.1 of this Indenture of Trust.

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

“Share” shall mean the unit used to denominate and measure the respective Pro Rata beneficial interests of the Participants in the Trust Property as described in Article VI.

“Share Register” shall mean the register of Shares maintained pursuant to Article VII hereof.
“Treasurer” shall mean the treasurer, chief financial officer, or other local official who is properly authorized to invest the respective Local Government Entity’s surplus public funds or as provided by statute.

“Trust” shall mean the common law trust created by this Indenture

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

“Trustees” shall mean the Persons who become fiduciaries of the Trust pursuant to Article IX hereof.

ARTICLE II
Trust Operations

2.1 General.

(a) Powers of the Participants. Subject to the provisions hereof the Participants shall have the power of supervision over the Trust and the Board of Trustees, including the power to monitor and supervise the operation of the Trust. The Participants has the full exclusive and absolute power and authority to amend this Indenture of Trust, as provided in Article VIII, to direct the investments of the Trust through the amendment of the Trust, to elect the Board of Trustees and to terminate the Trust, as well as all other powers provided herein. The Participants hereby direct that the Trust shall be administered by a Board of Trustees elected from the Participants as provided herein, subject to all rights of Participants stated in the Indenture of Trust and subject to all other restrictions set forth in this Indenture of Trust.

(b) Powers of the Board of Trustees. Subject to the rights of the Participants as provided herein, the Trustees shall be the investment officer of the Trust and shall have authority over the Trust Property and the affairs of the Trust to administer the operation of the Trust, subject to the requirements and restrictions of this Indenture of Trust. The Trustees may do and perform such acts and things as in their judgement and discretion, subject to the requirements and restrictions of this Indenture of Trust, are necessary and proper for conducting the affairs of the Trust or promoting the interest of the Trust and the Participants. The enumeration of any specific power or authority herein shall not be construed as limiting the aforesaid general power or authority or any specific power or authority. The Trustees may exercise any power authorized and granted to them by this Indenture of Trust. Such powers of the Trustees may be exercised without the necessity of any order of, or resort to, any court.
2.2 **Permitted Investments.**

The Trustees shall have full and complete power, subject in all respects to Article IV hereof:

(a) To conduct, operate and provide investment programs for the pooling of surplus public funds of Local Government Entities to take advantage of short and medium-term investments and maximize net interest earnings;

(b) For such consideration as they may deem proper and as may be required by Laws, to subscribe for, invest in, assign, transfer, exchange, distribute and otherwise deal in or dispose of Permitted Investments; and

(c) To contract for, and enter into agreements with respect to, the purchase and sale of Permitted Investments.

2.3 **Legal Title.**

(a) Legal title to all of the Trust Property shall be vested in the Trustees on behalf of the Participants, who shall be the beneficial owners except that the Trustees shall have full and complete power to cause legal title to any Trust Property to be held, on behalf of the Participants, by or in the name of the Trust, or in the name of any other Person as nominee, on such terms, in such manner, and with such powers as the Trustees may determine, so long as in their judgment the interest of the Trust is adequately protected in accordance with reasonable and customary practices.

(b) The right, title and interest of the Trustees in and to the Trust Property shall vest automatically in all persons who may hereafter become Trustees upon their due election and qualification without any further act. Upon the resignation, disability, removal, adjudication as an incompetent, or death of a Trustee he (and in the event of his death, his estate) shall automatically cease to have any right, title or interest in or to any of the Trust Property, and the right, title and interest of such Trustee in and to the Trust Property shall vest automatically in the remaining Trustees without any further act.

2.4 **Disposition of Assets.**

Subject in all respects Article IV hereof, the Trustees shall have full and complete power to sell, exchange or otherwise dispose of any and all Trust Property free and clear of any and all trusts and restrictions, at public or private sale, for cash or on terms, with or without advertisement, and subject to such restrictions, stipulations, agreements and reservations as they shall deem proper, and to execute and deliver any deed, power, assignment, bill of sale, or other instrument in connection with the foregoing including giving consents and making contracts relating to Trust Property or its use.
2.5 **Taxes.**

The Trustees shall have full and complete power:

(a) To pay all taxes or assessments, of whatever kind or nature, validly and lawfully imposed upon or against the Trust or the Trustees in connection with the Trust Property or upon or against the Trust Property or income or any part thereof;

(b) To settle and compromise disputed tax liabilities; and

(c) For the foregoing purposes to make such returns and do all such other acts and things as may be deemed by the Trustees to be necessary or desirable.

2.6 **Rights as Holders of Trust Property.**

The Trustees shall have full and complete power to exercise on behalf of the Participants all of the rights, powers and privileges appertaining to the ownership of all or any Permitted Investments or other property forming part of the Trust Property to the same extent that any individual might, and, without limiting the generality of the foregoing, to vote or give any consent, request or notice or waive any notice either in person or by proxy or power of attorney, with or without the power of substitution, to one or more Persons, which proxies and powers of attorney may be for meetings or actions generally, or for any particular meeting or action, and may include the exercise of discretionary powers.

2.7 **Delegation: Committees.**

The Trustees shall have full and complete power (consistent with their continuing exclusive authority over the management of the Trust, the conduct of its affairs, their duties and obligations as Trustees, and the management and disposition of the Trust Property) to delegate from time to time to such one or more of their number (who may be designated as constituting a Committee of the Trustees) or to officers, employees or agents of the Trust (including, without limitation, the Administrator and, the Advisor), the doing of such acts and things and the execution of such instruments either in the name of the Trust, or the names of the Trustees or as their attorney or attorneys, or otherwise as the Trustees may from time to time deem expedient and appropriate in the furtherance of the business affairs and purposes of the Trust.

2.8 **Collection Powers.**

The Trustees shall have full and complete power:

(a) To collect, sue for, receive and receipt for all sums of money or other property due to the Trust including, without limitation, the power to file proofs of claim in any bankruptcy or insolvency matter;

(b) To consent to extensions of the time for payment, or to the renewal of any securities, investments or obligations;
(c) To engage or intervene in, prosecute, defend, compromise, abandon or adjust by arbitration or otherwise any actions, suits, proceedings, disputes, claims, demands or things relating to the Trust Property;

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

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

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

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

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

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

2.9 Powers: Payment of Expenses.

The Trustees shall have full and complete power:

(a) To incur and pay charges or expenses which in the opinion of the Trustees are necessary or incidental to or proper for the carrying out any of the purposes of this Indenture of Trust;

(b) To reimburse others for the payment therefor; and

(c) To pay appropriate compensation or fees from the funds of the Trust to Persons with whom the Trust has contracted or transacted business.

The Trustees shall fix the compensation, if any, of all officers and employees of the Trust; provided, however, that the Trustees shall not themselves be entitled to receive compensation. Notwithstanding the foregoing, the Trustees may pay themselves or any one or more of themselves reimbursement for expenses reasonably incurred by themselves or any one or more of themselves on behalf of the Trust.

Notwithstanding any provision of this Indenture of Trust to the contrary, in no event shall any expenses of administration of the Trust be payable from any source other than income received from the earnings of the Trust.
2.10 **Borrowing and Indebtedness.**

The Trustees shall not incur indebtedness on behalf of the Trust, or authorize the Trust to borrow money or incur indebtedness, except as provided in clause (b) of Section 4.2 of this Indenture of Trust.

2.11 **Local Operating Deposits.**

The Trustees shall have full and complete power to deposit, in such a manner as may now and hereafter be permitted by this Indenture of Trust or applicable Law, any moneys or funds included in the Trust Property which are intended to be used for the payment of expenses of the Trust or the Trustees, with one or more banks, trust companies or other banking institutions whether or not such deposits will draw interest. Such deposits are to be subject to withdrawal in such manner as the Trustees may determine, and the Trustees shall have no responsibility for any loss which may occur by reason of the failure of the bank, trust company or other banking institution with which the moneys, investments, or securities have been deposited. Each such bank, trust company or other banking institution shall comply, with respect to such deposit, with all applicable requirements of all applicable Laws including, without limitation, maintaining local operating accounts in banks, trust companies or other banking institutions with branches located in the State of Florida.

2.12 **Valuation.**

The Trustees shall have full and complete power to determine in good faith conclusively the value of any of the Trust Property and to revalue the Trust Property as the Trustees deem appropriate.

2.13 **Fiscal Year; Accounts.**

The Trustees shall have full and complete power to determine the fiscal year of the Trust and the method or form in which its accounts shall be kept and from time to time to change the fiscal year or method or form of accounts. Unless otherwise determined by the Trustees pursuant to this Section 2.13, the fiscal year of the Trust shall terminate on December 31 and commence on January 1 of each calendar year.

2.14 **Self-Dealing Prohibited.**

(a) No Treasurer, Trustee, officer, employee or agent of the Trust shall cause or permit the Trust to make any investment or deposit, enter into any contract or other arrangement, or perform any act which confers or might reasonably be expected to confer any special benefit upon such person or any Affiliate of such person.

(b) Unless otherwise approved by the Trustees, the Trust shall not enter into any investment transaction with any Affiliate of the Trust, or with the Advisor or the Administrator or any Affiliate thereof, or with any other officer, director, employee or agent of the Trust or any Affiliate thereof. The Trust may purchase and sell Permitted Investments from and to the Custodian or an Affiliate of the Custodian.
2.15 Investment Program.

The Trustees shall use their best efforts to obtain through the Advisor or other qualified persons a continuing and suitable investment program, consistent with the investment policies and objectives of the Trust set forth in Article IV of this Indenture of Trust, and the Trustees shall be responsible for reviewing and approving or rejecting the investment program presented by the Advisor or such other Persons. Subject to the provisions of Section 2.7 and Section 3.1 hereof, the Trustees may delegate functions arising under this Section 2.15 to one or more of their number or to the Advisor. The Trustees also shall have full and complete power to contract for or to otherwise obtain from or through the Advisor, the Administrator or other qualified Persons for the benefit of, and to make available to, the Participants of the Trust from time to time, additional investment programs and services distinct from the Trust’s program of investments measured by Shares, but consistent with the investment goals and objectives of the Trust and the general purposes of the Indenture of Trust. The Trustees shall have the power to review and approve or reject, in their sole discretion, such additional investment programs as may be presented to the Trustees by the Advisor, the Administrator or any other qualified Persons.

2.16 Power to Contract, Appoint, Retain and Employ.

Subject to the provisions of Section 2.7 and Section 3.1, the Trustees shall have full and complete power to appoint, employ, retain, or contract with any Person of suitable qualifications and high repute as the Trustees may deem necessary, or desirable for the transaction of the affairs of the Trust, or the transaction of the affairs of any additional investment programs or services or non-investment programs or services of any nature affiliated with the Trust or otherwise contracted for or by the Trust, including any Person or Persons who under the supervision of the Trustees, may, among other things:

(a) Serve as the Trust’s Advisor and consultant in connection with policy decisions made by the Trustees;

(b) Serve as the Trust’s administrator or co-administrators;

(c) Furnish reports to the Trustees and provide research, economic and statistical data in connection with the Trust’s investments;

(d) Act as consultants, accountants, technical advisors, attorneys, brokers, underwriters, corporate fiduciaries, escrow agents, depositaries, custodians or agents for collection, insurers or insurance agents, registrars for Shares or in any other capacity deemed by the Trustees to be necessary or desirable;

(e) Investigate, select, and, on behalf of the Trust, conduct relations with Persons acting in such capacities and pay appropriate fees to, and enter into appropriate contacts with, or employ, or retain services performed or to be performed by, any of them in connection with the investments acquired, sold, or otherwise disposed of, or committed, negotiated, or contemplated to be acquired, sold or otherwise disposed of;

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(f) Substitute any other Person for any such Person;

(g) Act as attorney-in-fact or agent in the purchase or sale or other disposition of investments, and in the handling, prosecuting or other enforcement of any lien or security securing investments;

(h) Assist in the performance of such ministerial functions necessary in the management of the Trust as may be agreed upon with Trustees; and

(i) Any of the foregoing as may be agreed upon by the Trustees with regard to any additional investment programs and services for the benefit of the Participants.

2.17 Insurance.

The Trustees shall have full power to and may obtain general and official liability and property damage insurance for the protection of the Trust Property and the Trustees, Treasurers, Participants, officers, auditors, employees and agents of the Trust in the operation and conduct of the Trust in such amounts as the Board of Trustees deems adequate to ensure against all claims and liabilities of every nature, to the extent such insurance may be available at reasonable rates.

2.18 Seal.

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

2.19 Indemnification.

In addition to the indemnification in Section 5.3 hereof, the Trustees shall have full and complete power, to the extent permitted by applicable Laws, to indemnify or enter into agreements with respect to indemnification with any Person with whom the Trust has dealings, including, without limitation, the Advisor, the Administrator, and the custodian, to such extent as the Trustees shall determine in accordance with statute.

2.20 Remedies.

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

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2.21 Information Statement.

The Trustees shall have full and complete power to adopt, prepare, publish and distribute, or to delegate such functions, of an Information Statement regarding the Trust and to amend or supplement the same from time to time.

2.22 Further Powers.

The Trustees shall have full and complete power to take all actions, do all such matters and things and execute all such agreements, documents and instruments as they deem necessary, proper or desirable in order to carry out, promote or advance the interests and purposes of the Trust although such actions, matters or things are not herein specifically mentioned. Any determination as to what is in the best interests of the Trust made by the Trustees in good faith shall be conclusive. In construing the provisions of this Indenture of Trust, the presumption shall be in favor of a grant of power to the Trustees. The Trustees shall not be required to obtain any court order to deal with the Trust Property.

2.23 Sovereign Immunity.

Section 13, Art. X of the Florida Constitution and the laws of the State of Florida provide sovereign immunity to Local Government Entities ("Sovereign Immunity"). Nothing contained in this Indenture of Trust, whether by action or provisions hereof, shall constitute a waiver by a Participant of any of the benefits of Sovereign Immunity. By way of example, and not by limitation, the participation of any Participant (or any Participant’s officer, employee, agent or representative) on the Board of Trustees or in any action, determination, or vote under this Indenture of Trust, shall not affect a waiver of any of the benefits of Sovereign Immunity.

ARTICLE III
The Advisor and the Administrator

3.1 Appointment.

The Trustees are responsible for implementing the investment policy and program of the Trust, as provided in Article IV, and for supervising the officers, agents, employees, Advisors, administrators, distributors, and independent contractors of the Trust. The Trustees are not required personally to conduct all of the routine business of the Trust and, consistent with their ultimate responsibility as stated herein, the Trustees shall appoint, employ or contract with an Advisor (herein “Advisor”), and may grant or delegate such authority to the Advisor, and the Administrator or to any other Person whose services are obtained by such persons, as the Trustees may, in their sole discretion, deem to be necessary or desirable for the efficient management of the Trust, without regard to whether such authority is normally granted or delegated by Trustees or other fiduciaries.

3.2 Duties of the Advisor.

The duties of the Advisor shall be those set forth in the Investment Advisory Agreement to be entered into between the Trust and the Advisor. Such duties may be modified by the Trustees,
from time to time, by the amendment of the Investment Advisory Agreement subject to the limitations contained therein. Subject to Article IV hereof, the Trustees may authorize the Advisor to effect purchases, sales, or exchanges of Trust Property on behalf of the Trustees or may authorize any officer, employee, agent or Trustee to effect such purchases, sales, or exchanges pursuant to recommendations of the Advisor, all without further action by the Trustees. Any and all of such purchases, sales, and exchanges shall be deemed to be authorized by all the Trustees. The Investment Advisory Agreement may authorize the Advisor to employ other persons to assist it in the performance of its duties. The Investment Advisory Agreement shall provide that it may be terminated without cause and without the payment of any penalty by the Trust on sixty (60) days written notice to the Advisor. Nothing in this Indenture of Trust or in the Investment Advisory Agreement shall limit or impair the right of the Trustees to terminate the said Investment Advisory Agreement for cause, or to suspend the authority of the Advisor to act for or on behalf of the Trust immediately upon written notice to the Advisor, upon a showing of reasonable cause to believe that the Advisor has committed a material breach of the Investment Advisory Agreement or any of its fiduciary obligations to the Trust.

3.3 **Duties of the Administrator.**

The duties of the Administrator shall be those set forth in the Administration Agreement to be entered into between the Trust and the Administrator. Such duties may be modified by the Trustees, from time to time, by the amendment of the Administration Agreement. The Administration Agreement may authorize the Administrator to employ other persons to assist it in the performance of its duties. The Administration Agreement shall provide that it may be terminated without cause and without the payment of any penalty by the Trust on sixty (60) days written notice to the Administrator. Nothing in this Indenture of Trust or in the Administration Agreement shall limit or impair the right of the Trustees to terminate the said Administration Agreement for cause, or to suspend the authority of the Administrator to act for or on behalf of the Trust immediately upon written notice to the Administrator, upon a showing of reasonable cause to believe that the Administrator has committed a material breach of the Administration Agreement or any of its fiduciary obligations to the Trust.

3.6 **Successors.**

In the event that, at any time, the position of Advisor, or of Administrator shall become vacant for any reason, the Trustees may appoint, employ or contract with a successor thereto.

**ARTICLE IV**

**Investments**

4.1 **Statement of Investment Policy and Objective.**

Subject to the prohibitions and restrictions contained in Section 4.2 hereof, the general investment policy and objective of the Trustees shall be to provide to the Participants of the Trust safety of capital, liquidity of funds, and investment income, in that order, by investing in Permitted Investments in accordance with this Indenture of Trust and any other applicable provisions of Law, as the same may be amended from time to time.
4.2 **Restrictions Fundamental to the Trust.**

Notwithstanding anything in this Indenture of Trust which may be deemed to authorize the contrary, the Trust:

(a) May not make any investment other than investments authorized by this Indenture of Trust and the Permitted Investments List, as the same may be amended from time to time;

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

(c) May not make loans, provided that the Trust may make Permitted Investments (which may include securities lending);

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

(e) May purchase securities or shares of investment companies or any entities similar to the Trust.

4.3 **Amendment of Restrictions.**

The restrictions set forth in Section 4.2 hereof are fundamental to the operation and activities of the Trust and may not be changed without the affirmative vote of a majority of the Participants entitled to vote, except that such restrictions may be changed by the Trustees so as to make them more restrictive when necessary to conform the investment program and activities of the Trust to the Laws of the State of Florida and the United States of America as they may from time to time be amended.

**ARTICLE V**

Limitations of Liability

5.1 **Liability to Third Persons.**

No Participant shall be subject to any personal liability whatsoever, in tort, contract or otherwise to any Person or Persons other than the Trust in connection with Trust Property or the affairs of the Trust; and no Trustee, officer, employee or agent (including without limitation, the Advisor, the Administrator, and the Custodian) of the Trust shall be subject to any personal liability whatsoever in tort, contract or otherwise, to any Person or Persons other than the Trust in connection with Trust Property or the affairs of the Trust, except that each shall be personally liable for his bad faith, willful misconduct, gross negligence or reckless disregard of his duties or for his failure to act in good faith in the reasonable belief that his action was in the best interests of the Trust, and except that the Advisor and the Administrator shall each have personal liability for his willful or negligent failure to take reasonable measures to restrict investments of Trust Property to those permitted by Law and this Indenture of Trust. All Persons other than the Trust...
shall look solely to the Trust Property for satisfaction of claims of any nature arising in
connection with the affairs of the Trust. If any Participant, Trustee, officer, employee or agent
(including, without limitation, the Advisor, the Administrator, and the Custodian) of the Trust is
made a party to any suit or proceedings to assert or enforce any such liability, he shall not on
account thereof be held to any personal liability.

5.2 Liability to the Trust or to the Participants.

No Trustee, officer, employee or agent (including, without limitation, the Advisor, the
Administrator and the Custodian) of the Trust shall be liable to the Trust or to any Participant,
Trustee, officer, employee or agent (including, without limitation, the Advisor, the
Administrator, and the Custodian) of the Trust for any action or failure to act (including, without
limitation, the failure to compel in any way any former or acting Trustee to redress any breach of
trust) except for his own bad faith, willful misfeasance, gross negligence or reckless disregard of
his duties, and except that the Advisor, and the Administrator shall each have personal liability
for his willful or negligent failure to take reasonable measures to restrict investments of Trust
Property to those permitted by Law and this Indenture of Trust; provided, however, that the
provisions of this Section 5.2 shall not limit the liability of any agent (including, without
limitation, the Advisor, the Administrator, and the Custodian) of the Trust with respect to
breaches by it of a contract between it and the Trust.

5.3 Indemnification.

(a) As used in this Section 5.3:

(1) “Trust Representative” means an individual who is or was a Trustee, officer,
employee, or agent (including without limitation the Advisor, the Administrator, and the
Custodian).

(2) “Expenses” includes attorney fees.

(3) “Liability” means the obligation to pay a judgment, settlement, penalty, fine, or
reasonable expense incurred with respect to a proceeding.

(4) “Party” includes an individual who was, is, or is threatened to be named a defendant
or respondent in a proceeding.

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

(b) Except as provided in subsection (c) hereof, the Trust shall, to the extent of income or
earnings of the Trust, indemnify against liability incurred in any proceeding by an individual
made a party to the proceeding because of his status as a Trust Representative if he conducted
himself in good faith, and (i) he reasonably believed that his conduct was in the Trust’s best
interests or, (ii) in the case of a criminal proceeding, he had no reasonable cause to believe his
conduct was unlawful.
(c) In no event may the Trust indemnify the Advisor, the Administrator or other agents for expenses or liability arising out of any willful or negligent violation by any of them of the restrictions on investments of the Trust Property. Further, the Trust shall not indemnify any Trust Representative under this Section either (i) in connection with a proceeding by or in the right of the Trust in which the Trust Representative was adjudged liable to the Trust, or (ii) in connection with any proceeding charging improper personal benefit to him, in which such person was adjudged liable on the basis that personal benefit was improperly received by him. In connection with a proceeding by or in the right of the Trust, indemnification is in all cases limited to reasonable expenses incurred.

(d) Except as provided in subsection (c) of this Section, 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 individual did not meet the standard of conduct set forth in subsection (b) of this Section.

(e) No indemnification shall be made unless and until a specific determination has been made that indemnification is authorized under this Section 5.3. Such determination shall be made by the Board of Trustees by a majority vote of a quorum, which quorum shall consist of Trustees not parties to the proceeding. If such quorum cannot be obtained, the determination shall be made by a majority vote of a committee of Trustees designated by the Board of Trustees, which committee shall consist of two or more Trustees not party to the proceeding. Trustees who are parties to the proceeding may participate in designating Trustees for the committee. If the said quorum cannot be obtained or the committee cannot be established, or if such quorum is obtained or committee is designated and such quorum or committee so directs, the determination may be made by independent legal counsel selected by a vote of the Board of Trustees or the committee as specified above, or by the Participants. If independent counsel determines that indemnification is required under this Section, authorization of indemnification and evaluation as to reasonableness of expenses shall be made by the body that selected such counsel.

(f) The Trust may pay for or reimburse the reasonable expenses incurred by a Trust Representative who is a party to a proceeding in advance of final disposition thereof if (i) the Trust Representative furnishes the Trust a written affirmation of his good faith belief that he has met the standard of conduct described in subsection (b) of this Section and a written undertaking personally to repay the advance if it is ultimately determined that indemnification is not authorized under this Section, and (ii) it is determined as provided in subsection (f) above that the facts then known would not preclude indemnification under this Section.

(g) Any indemnification of or advance of expenses to a Trust Representative pursuant to this Section shall be reported in writing to the Participants with or before notice of the next Participants meeting, if such indemnification of or advance of expenses arises out of a proceeding by or on behalf of the Trust.

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

The Board of Trustees shall require the Trustees, the Advisor, the Administrator, any Custodian, the Auditor, and any other agent of the Trust to give such surety and other bonds as the Board of Trustees from time to time determines are necessary to protect the Trust. The cost of any and all such bonds may be paid as an expense of administration of the Trust.

5.5 **Apparent Authority.**

No purchaser, seller, transfer agent or other Person dealing with the Trustees or any officer, employee or agent of the Trust shall be bound to make any inquiry concerning the validity of any transaction purporting to be made by the Trustees or by such officer, employee or agent or make inquiry concerning or be liable for the application of money or property paid, transferred or delivered to or on the order of the Trustees or of such officer, employee or agent.

5.6 **Representative Capacity; Recitals.**

Any written instrument creating an obligation of the Trust shall be conclusively taken to have been executed by a Trustee or an officer, employee or agent of the Trust only in his capacity as a Trustee under this Indenture of Trust or in his capacity as an officer, employee or agent of the Trust. Any written instrument creating an obligation of the Trust shall not personally bind upon, nor shall resort be had to the property of, any of the Trustees, Participants, officers, employees or agents of the Trust, and that only the Trust Property or a specific portion thereof shall be bound, and such written instrument may contain any further similar recital which may be deemed appropriate; provided however, that the omission of any recital pursuant to this Section 5.6 shall not operate to impose personal liability on any of the Trustees, Participants, officers, employees or agents of the Trust, or to void any obligations created in the instrument.

5.7 **Reliance on Experts.**

Each Trustee and each officer of the Trust 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 Trust, upon an opinion of counsel or upon reports made to the Trust by any of its officers or employees or by the Advisor, the Administrator, the Custodian, accountants, appraisers or other experts or consultants selected with reasonable care by the Trustees or officers of the Trust.

5.8 **Liability Insurance.**

The Trustees shall have full power to and may obtain general and official liability and property damage insurance for the protection of the Trust Property and the Trustees, Treasurers, Participants, officers, auditors, employees and agents of the Trust in the operation and conduct of the Trust in such amounts as the Board of Trustees deems adequate to ensure against all claims and liabilities of every nature, to the extent such insurance may be available at reasonable rates.
ARTICLE VI
Interests of Participants

6.1 General.

The beneficial interest of the Participants hereunder in the Trust Property and the earnings thereon shall, for convenience of reference, be divided into Shares, which shall be used as units to measure the proportionate allocation to the respective Participants of the beneficial interest hereunder. The number of Shares that may be used to measure and represent the proportionate allocation of beneficial interest among the Participants is unlimited. All Shares shall be of one class representing equal distribution, liquidation and other rights. The beneficial interest hereunder measured by the Shares shall not entitle a Participant to preference, preemptive, appraisal, conversion, or exchange rights of any kind with respect to the Trust or the Trust Property, except as the Trustees may determine with respect to any Series. Title to the Trust Property of every description and the right to conduct any affairs herein described are vested in the Trustees on behalf, and for the beneficial interest, of the Participants, and the Participants shall have no interest therein other than the beneficial interest conferred hereby and measured by their Shares, and they shall have no right to call for any partition or division of any property, profits, rights or interests of the Trust nor can they be called upon to share or assume any losses of the Trust or suffer an assessment of any kind by virtue of the allocation of Shares to them, except as provided in Section 10.2 hereof.

The Trustees, in their discretion, from time to time, may authorize the establishment of two or more series of Shares, each such series relating to a separate Series of investments. In such event, each Series shall represent interest in the Trust Property of the Series and all shares of such Series shall have identical voting, dividend and liquidation rights except that expenses related directly or indirectly to a Series may be borne solely by such Series (as shall be determined by the Trustees). The bearing of such expenses solely by such Series shall be appropriately reflected (in the manner determined by the Trustees) in the net asset value, dividend and liquidation rights of the Shares of such Series. The division of the Shares of the Trust and the terms and conditions pursuant to which the Shares of the Series will be issued and the provisions applicable thereto will be determined by the Trustees in their sole discretion. No division of Shares of a Series into Classes shall result in the creation of a Class of Shares having a preference as to dividends or distributions or a preference in the event of any liquidation, termination or winding up of the Trust. All references to Shares in the Indenture of Trust shall be deemed to be Shares of any one Series, any one or more Series, or all Series as the context may require.

(b) If the Trustees shall divide the Shares into two or more Series, the following provisions shall be applicable:

(i) The number of Shares of each Series that may be used to measure the respective beneficial interests of the Participants in the portfolio of investments to which such Series relates to shall be unlimited.
(ii) The Trustees shall have the power to invest and reinvest the Trust Property applicable to each Series in accordance with the investment policy and restrictions set forth in this Indenture of Trust, or otherwise. The Trustees may establish more restrictive investment policies and restrictions for any particular Series.

(iii) All funds received by the Trust from a Participant with respect to a particular Series, together with all assets in which such funds are invested or reinvested, all income, earnings, profits and proceeds thereof, including any proceeds derived from the sale, exchange or liquidation of such assets, and (except to the extent otherwise determined by the Trustees pursuant to Section 10.4 hereof) any funds or payments derived from any reinvestment of such proceeds in whatever form the same may be, shall irrevocably belong to that Series for all purposes, subject only to the rights of creditors, and shall be so recorded upon the books of account of the Trust. In the event that there are any assets, income, earnings, profits, and proceeds thereof, funds, or payments which are not readily identifiable as belonging to any particular Series, the Trustees shall allocate them among any one or more of the Series (or to a reserve pursuant to Section 10.4 hereof) established and designated from time to time in such manner and on such basis as they, in their sole discretion, deem fair and equitable. Each such allocation by the Trustees shall be conclusive and binding upon all Participants of such Series for all purposes.

(iv) The assets belonging to each particular Series shall be charged with the liabilities of the Trust in respect of that Series and all expenses, costs, charges and reserves attributable to that Series in such manner and on such basis as the Trustees in their sole discretion deem fair and equitable. Any general liabilities, expenses, costs, charges or reserves of the Trust which are not readily identifiable as attributable to any particular Series shall be allocated and charged by the Trustees to and among any one or more of the Series established and designated from time to time in such manner and on such basis as the Trustees in their sole discretion deem fair and equitable. Each allocation of liabilities, expenses, costs, charges and reserves by the Trustees shall be conclusive and binding upon the Participants of all Series for all purposes. The Trustees shall have full discretion to determine which asset items will be treated as income and which as funds placed in the Trust by Participants and each such determination and allocation shall be conclusive and binding upon the Participants of all Series.

(v) The net income of the Trust shall be determined separately for each Series and shall be credited to the respective Share account of the Participants in each Series in the manner and at the time provided in Article X hereof.

(vi) The terms designated by the Trustees with respect to a Series may provide that the Shares of such Series shall only relate to a particular Participant or shall relate to
all Participants or otherwise provide for a limitation on the number and identity of the Participants to which the Shares of such Series shall relate.

(vii) The terms designated by the Trustees with respect to a Series may provide that such Series shall be established on a particular date and be terminated on a particular date.

(viii) The terms designated by the Trustees with respect to a Series may provide for limitations of time or otherwise with respect to the ability of the Participants participating in such Series to withdraw funds relating to Shares of such Series from the Trust.

(ix) To effect the division of the Shares into one or more Series of definite duration or to establish a Series of definite duration, the Trustees shall authorize and adopt one or more resolutions authorizing the creation of each such Series. In connection with effecting the division of Shares into one or more Series or establishing a Series pursuant to this Section 6.1(b)(ix), the Trustees may establish by resolution each such Series’ date of establishment, duration, Participants, investments, and any other characteristics that the trustees may wish to establish in their resolution(s).

(x) To effect the division of the Shares into one or more Series of indefinite duration or to establish a Series of indefinite duration on, the Trustees shall authorize and adopt a Certificate of Designation for each such Series. Such Certificate of Designation shall become effective when: (A) executed, (I) by the Chairman of his Trust, or in his absence, the Vice Chairman of the Trust or; (II) by such other Trustees or officer(s) of the Trust as shall be determined by the Trustees, and (B) lodged in the records of the Trust. Any such Certificate of Designation may be filed or recorded pursuant to Article XII of this Indenture of Trust, but no such recordation or filing shall be a condition precedent to the effectiveness of such Certificate of Designation. No Certificate of Designation shall be, or shall be deemed to be, an amendment of this Indenture of Trust within the meaning of Article XIII of this Indenture of Trust. It shall not be necessary for each Participant to be advised of the adoption of any Certificate of Designation prior to its effectiveness, but the Trustees shall take, or shall cause to be taken, such measures as are reasonably intended to notify the Participants on at least a quarterly basis of the authorization and adoption by the Trustees of any Certificate or Certificates of Designation during the preceding quarter.

(xi) A copy of the Certificate of Designation relating to any Series shall be provided, upon request, to any Participant whether or not such Participant is participating in such Series.
A Certificate of Designation authorized and adopted by the Trustees pursuant to this Article VI shall be in substantially the following form, with the Trustees being hereby authorized to make such changes in the form set forth in this Subclause (xii) as may be necessary from time to time to conform to, or accommodate, changes in Law or regulation or the circumstances applicable or pertaining to a particular Series.

Florida Surplus Asset Fund Trust

Certificate of Designation

The Trustees of the Florida Surplus Asset Fund Trust (the “Trust”) by action taken by them on the ___ day of _____, 20___, pursuant to the authority vested in them by the Participants of the Fund in accordance with the Indenture of Trust of the Trust do hereby adopt this Certificate of Designation authorizing and establishing a Series of the Trust.

The terms of such Series (the “Series”) shall be as follows:

Nomenclature. The Portfolio shall be known and referred to as ________________.

Date of Establishment. The Series shall be established as of ________________.

Duration. The duration of the Series shall be ________________.

Series Participants. The Participant or Participants that may participate in the Series (the “Series Participants”) are ________________.

Investments. The nature of the investments in which funds of the Series Participant or Participants placed in the Trust with respect to the Series may be invested is ________________.

Trustees and Custodians. The Trustees of the Trust designated as the Trustees assigned to the Series are ________________.

Average Weighted Maturity. In accordance with the Indenture of Trust of the Trust, the average dollar weighted maturity of the Series is intended to be no greater than ________________.

Net Asset Value. The method of determining the net asset value of the Series is ________________.

Other Terms. (Insert a description of any other terms applicable to the Series.)
Indenture of Trust. To the extent not specifically set forth in this Certificate of Designation, the terms of the Series and the rights of the Series Participants shall be governed by the Indenture of Trust of the Trust of which this Certificate of Designation is deemed to be an integral part.

Definitions. Terms and phrases not otherwise defined in this Certificate of Designation shall have the definitions given to them in the Indenture of Trust.

IN WITNESS WHEREOF, the Trustees of the Trust have caused this Certificate of Designation to be executed by the undersigned officers of the Trust, such officers having been thereunto duly authorized.

Florida Surplus Asset Fund Trust

Authorized Signatory

The Trustees shall be deemed to have been conclusively and fully appointed by the Participants participating in such Series as the official custodians (within the mean of Section 330.14 of Title 12 of the Code of Federal Regulations or its successor provisions or any similar law or regulation) of the assets of said Participants placed in the Fund with respect to such Series.

The Trustees shall have the power to designate one or more Series in which all Participants shall be deemed to be participants.

The provisions of the Certificate of Designation of a Series may be amended by action of the Trustees for the purposes of curing any ambiguity or supplying any omission or curing or correcting any defect or inconsistent provision in the Certificate of Designation or to insert such provision clarifying matters or questions arising under the Certificate of Designation as are necessary or desirable and are not contrary to or inconsistent with the Certificate of Designation theretofore in effect. The Participants participating in the Series to which the amendment relates shall be given notice thereof.

(c) At any time there are no Shares outstanding of any particular Series previously established and designated, the Trustees may by an instrument executed by a majority of their number (or by an officer of the Trust pursuant to a vote of the majority of Trustees) abolish that Series and the establishment and designation thereof. No such instrument shall be, or shall be deemed to be, an amendment of this Indenture of Trust.
6.2 **Allocation of Shares.**

(a) The Trustees in their discretion may from time to time without vote of the Participants allocate Shares, in addition to the then allocated Shares, to such party or parties for such amount and such type of consideration (including, without limitation, income from the investment of Trust 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 10.2 hereof), and on such terms as the Trustees may deem best. In connection with any allocation of Shares, the Trustees may allocate fractional Shares. The Trustees may from time to time adjust the total number of Shares allocated without thereby changing the proportionate beneficial interests in the Trust. Reductions or increases in the number of allocated Shares may be made in order to maintain a constant net asset value per Share as set forth in Section 10.2 hereof. Shares shall be allocated and redeemed as whole shares and/or one hundredths (1/100ths) of a Share or multiples thereof.

(b) Shares may be allocated only to a Local Government Entity that has become a Participant of the Trust in accordance with Section 1.2 and Section 14.6 hereof. Each Participant may establish more than one account within the Trust or Series for such Participant’s convenience in accordance with such procedures as the Trustee may establish.

(c) Unless otherwise determined by the Trustees pursuant to Section 1.2(c), the minimum amount of funds which may be maintained in an account in the Trust by a Participant at any one time shall be $1.00.

6.3 **Evidence of Share Allocation.**

Evidence of Share allocation shall be reflected in the Share Register maintained by or on behalf of the Trust pursuant to Section 7.1 hereof, and the Trust shall not be required to issue certificates as evidence of Share allocation.

6.4 **Redemption to Maintain Constant Net Asset Value.**

Each Share of the Trust shall be subject to redemption pursuant to the procedure for reduction of outstanding Shares set forth in Section 10.2 hereof in order to maintain the constant net asset value per Share.

6.5 **Redemptions.**

Payments by the Trust to Participants and the reduction of Shares resulting therefrom are for convenience referred to in this Indenture of Trust as “redemptions.” Any and all allocated Shares may be redeemed at the option of the Participant whose beneficial interest hereunder is measured by such Shares, upon and subject to the terms and conditions provided in this Indenture of Trust. The Trust shall, upon application of any Participant, promptly redeem from such Participant allocated Shares for an amount per Share equivalent to the proportionate interest measured by each Share in the net assets of the Trust at the time of the redemption. The procedures for effecting redemption shall be as adopted by the Trustees and as set forth in the Information Statement of the Trust, as the same may be amended from time to time; provided, however,
except as set forth in Sections 6.6 and 6.7, such procedures shall not be structured so as to substantially and materially restrict the ability of the Participants to withdraw funds from the Trust by the redemption of Shares, and provided further that no early withdrawal or other penalty charges shall be imposed upon any Participant for the redemption of its shares or withdrawal of its funds from the Trust.

6.6 Suspension of Redemption; Postponement of Payment.

Each Participant, by its adoption of this Indenture of Trust, agrees that the Trustees may, without the necessity of a formal meeting of the Trustees, temporarily suspend the right of redemption or postpone the date of payment for redeemed Shares for the whole or any part of any period:

(a) During which there shall have occurred any state of war, national emergency, act of God, banking moratorium or suspension of payments by banks in the State of Florida or any general suspension of trading or limitation of prices on any major stock or bond trading exchanges in the United States, including the NYSE Euronext or the NYSE Amex Equities (other than customary week-end and holiday closing); or

(b) During which any emergency situation exists, as a result of which disposal by the Trust of Trust Property is not reasonably practicable because of the substantial losses which might be incurred, or it is not reasonably practicable for the Trust fairly to determine the value of its net assets.

Such suspension or postponement shall not alter or affect a Participant’s beneficial interest hereunder as measured by its Shares or the accrued interest and earnings thereon. Such suspension or payment shall take effect at such time as the Trustees shall specify but not later than the close of business on the business day next following the declaration of suspension, and thereafter there shall be no right of redemption or payment until the Trustees shall declare the suspension or postponement at an end, except that the suspension or postponement shall terminate in any event on the first day on which the period specified in subsection (a) or in this subsection (b) shall have expired, as to which the determination of the Trustees shall be conclusive. In the case of a suspension of the right of redemption or a postponement of payment for redeemed Shares, a Participant may either (i) withdraw its request for redemption or (ii) receive payment based on the net asset value existing after the termination of the suspension.

6.7 Minimum Redemption.

There shall be a minimum of one (1) Share which may be redeemed at any one time at the option of a Participant.

6.8 Defective Redemption Requests.

In the event that a Participant shall submit a request for the redemption of a greater number of Shares than are then allocated to such Participant, such request shall not be honored and, each Participant, by its adoption of this Indenture of Trust, agrees that the Trustees shall have full and complete power to redeem an amount of the Shares allocated to such Participant, at a redemption price determined in accordance with Section 6.5 hereof, sufficient to reimburse the Trust for any
fees, expenses, costs or penalties actually incurred by the Trust as a result of such defective redemption request.

ARTICLE VII
Record of Shares

7.1 Share Register.

The Share Register shall be kept by or on behalf of the Trustees, under the direction of the Trustees, and shall contain (i) the names and addresses of the Participants (including both a post office address for regular United States mail and a valid electronic mail address), (ii) the number of Shares representing their respective beneficial interests hereunder, and (iii) a record of all allocations and redemptions thereof. Such Share Register shall be conclusive as to the identity of the Participants to which the Shares are allocated. Only Participants whose allocation of Shares is recorded on such Share Register shall be entitled to receive distributions with respect to Shares or otherwise to exercise or enjoy the rights and benefits related to the beneficial interest hereunder represented by the Shares. No Participant shall be entitled to receive any distribution, nor to have notices given to it as herein provided, until it has given its appropriate address to such officer or agent of the Trust as shall keep the Share Register for entry thereon.

7.2 Registrar.

The Trustees shall have full and complete power to employ a registrar. The registrar shall record the original allocations of Shares in the Share Register. Such registrar shall perform the duties usually performed by registrars of certificates and shares of stock in a corporation, except as such duties may be modified by the Trustees.

7.3 Owner of Record.

No Person becoming entitled to any Shares in consequence of the merger, reorganization, consolidation, bankruptcy or insolvency of any Participant or otherwise, by operation of Law, shall be recorded as the Participant to which such Shares are allocated and shall only be entitled to the redemption value of such Shares. Until the person becoming entitled to such redemption value shall apply for the payment thereof and present any proof of such entitlement as the Trustees may in their sole discretion deem appropriate, the Participant of record to which such Shares are allocated shall be deemed to be the Participant to which such Shares are allocated for all purposes hereof, and neither the Trustees nor the registrar nor any officer or agent of the Trust shall be affected by any notice of such merger, reorganization, consolidation, bankruptcy, insolvency or other event.

7.4 No Transfers of Shares.

The beneficial interests measured by the shares shall not be transferable, in whole or in part, other than to the Trust itself for purposes of redemption.
7.5 Limitation of Fiduciary Responsibility.

The Trustees shall not, nor shall the Participants or any officer, registrar or other agent of the Trust, be bound to see to the execution of any trust, express, implied or constructive, or of any charge, pledge or equity to which any of the Shares or any interest therein are subject, or to ascertain or inquire whether any redemption of any such Shares by any Participant or its representatives is authorized by such trust, charge, pledge or equity, or to recognize any Person as having any interest therein except the Participant recorded as the Participant to which such Shares are allocated. The receipt of the Participant in whose name any Share is recorded or of the duly authorized agent of such Participant shall be a sufficient discharge for all moneys payable or deliverable in respect of such Shares and from all liability to see to the proper application thereof.

7.6 Notices.

Any and all notices to which Participants are hereunder entitled and any and all communications shall be deemed duly served or given if (a) mailed, postage prepaid, addressed to Participants of record at their last known post office addresses, or (b) sent by electronic mail addressed to the Participants of record at their last known electronic mail address, in each case as recorded in the Share Register provided for in Section 7.1 hereof.

ARTICLE VIII
Participants

8.1 The Rights of Participants.

The rights of Participants as established in this Article shall be exercised by the Participant’s representative, the Treasurer, as set forth in this Indenture of Trust. Each Participant, through its Treasurer, shall be entitled to one vote with respect to the following matters:

(a) Amendment of this Indenture of Trust or termination of the Trust as provided in Section 4.3 and Section 13.1 hereof;

(b) Election of Trustees; and

(c) The approval or disapproval of the annual report, as provided in Section 8.9.

It shall not be necessary for any minimum number of Shares other than one (1) to be allocated to a Participant for the Participant to be entitled to vote. Participants may vote at either an annual or special meeting or without a meeting. A vote may be called by the Participants at any time if at least 10% of the members thereof contact the Secretary of the Trust requesting a vote and stating the question to be voted on. Within twenty (20) days of the receipt of such request, the Board of Trustees shall cause a ballot to be sent to each Participant, setting forth the matter to be voted on and the manner in which such ballots should be executed and delivered. All votes of Participants shall be administered and the results thereof promptly certified in writing to the Participants and the Board of Trustees by the Secretary, or by such other person as the Participants may from time
to time direct, in such a manner as to assure complete and accurate voting lists and vote counts and anonymity of votes.

8.2 Inspection of Records.

The records of the Trust shall be open to inspection by any Participant at all reasonable business hours.

8.3 Meetings and Votes of Participants.

(a) A meeting or a vote of the Participants may be called at any time by the Trustees, or upon written request of at least 10% of the members of the Participants filed with the Secretary of the Trust stating the purpose for the meeting or the matter to be voted upon. Any such meeting shall be held within the State of Florida at such place, on such day, and at such time as the Trustees shall designate, except that a meeting called by the Participants must be held within thirty (30) days after the qualifying request is made.

(b) A majority of the Participants entitled to vote at such meeting present in person or by proxy shall constitute a quorum at any annual or special meeting. For the purposes of this subsection (b), Participants shall be deemed present in person or by proxy if they or their proxies are participating by conference telephone or similar communications equipment, by means of which all persons participating in the meeting can hear and communicate with each other.

8.4 Annual Meetings or Annual Votes.

Annual Meetings or Annual Votes of the Participants held without a meeting, shall be held within one hundred twenty (120) days after the completion of the Trust’s first fiscal year and thereafter within one hundred twenty (120) days after the completion of each succeeding fiscal year of the Trust. The business transacted at such meetings, or matters considered in such votes, shall include the election of Trustees and may include the transaction of such other business or consideration of such matters as Participants may be entitled to vote upon as provided in this Article VIII, or as the Trustees may determine.

8.5 Notice of Meetings and Votes.

Notice of all meetings of the Participants, stating the time, place and purposes of the meeting, and notice of any vote without a meeting, stating the purpose and method thereof, shall be given by the Trustees by mail or electronic mail to each Participant at its registered address, sent at least ten (10) days and not more than thirty (30) days before the meeting or the day by which votes must be cast. Only business stated in the notice of a meeting shall be considered at such meeting. Any adjourned meeting may be held as adjourned without further notice. Any notice required by any “open meeting,” “sunshine” or similar law, whether now or hereafter in effect, shall also be given.
8.6 Record Date for Meetings and Votes.

For the purposes of determining the Participants that are entitled to vote or act at any meeting or any adjournment thereof, or who are entitled to participate in any vote, or for the purposes of any other action, the Trustees may from time to time fix a date not more than thirty (30) days prior to the date of any meeting or vote of Participants or other action as a record date for the determination of Participants entitled to vote at such meeting or any adjournment thereof or to cast a ballot in such vote or to be treated as Participants of record for purposes of such other action. Any Participant which was a Participant at the time so fixed shall be entitled to vote at such meeting or any adjournment thereof, or to cast a ballot in such vote, even though it then had no Shares allocated to it or has since that date redeemed its Shares. No Participant becoming such after that date shall be so entitled to vote at such meeting or any adjournment thereof or to cast a ballot in such vote or to be treated as a Participant of record for purposes of such other action.

8.7 Proxies.

At any meeting of Participants, if permitted by applicable law, any Participant entitled to vote thereat may vote by proxy, provided that no proxy shall be voted at any meeting unless it shall have been placed on file with the Secretary of the Trust, or with such other officer or agent of the Trust as the Secretary of the Trust may direct, for verification prior to the time at which such vote shall be taken. Pursuant to a resolution of a majority of the Trustees, proxies may be solicited in the name of one or more of the officers of the Trust. All proxies shall be revocable at the option of the Participant.

8.8 Number of Votes.

Only Participants of record shall be entitled to vote. Each Participant shall be entitled to one vote without regard to the number of Shares allocated to it. A proxy purporting to be executed by or on behalf of a Participant shall be deemed valid unless challenged at or prior to its exercise, and the burden of proving invalidity shall rest on the challenger.

8.9 Reports.

The Trustees shall cause to be prepared at least annually (i) a report of operations containing a statement of assets, liabilities, operations, changes in investments and earnings thereon, and changes in net assets of the Trust, prepared in conformity with generally accepted accounting principles and (ii) an opinion of an independent certified public accountant on such financial statements based on an examination of the books and records of the Trust made in accordance with generally accepted auditing standards. A signed copy of such report and opinion shall be filed with the Trustees within ninety (90) days after the close of the period covered thereby. The Participants shall review the annual report submitted by the Trustees. This review is to establish that the Trust is operating in compliance with the Indenture of Trust as set forth herein. The approval or disapproval of the annual report, either in whole or in part, shall be by vote without a meeting. Results of the vote shall be reported to the Participants within thirty (30) days after the voting deadline. Any votes not submitted by the deadline will be counted as approval of the annual report. In addition, the Trustees shall furnish to the Participants at least quarterly an
interim report prepared in conformity with generally accepted accounting principles containing an unaudited balance sheet of the Trust as at the end of such quarterly period and statements showing details of operations and changes in net assets for the period from the beginning of the then current fiscal year to the end of such quarterly period.

ARTICLE IX
Trustees and Officers

9.1 Number, Qualification and Succession of Trustees.

(a) The governing body of the Trust shall be the Board of Trustees, the membership of which shall be determined as herein provided.

(b) The number of Trustees shall initially be three (3) and shall thereafter be fixed from time to time by resolution of a majority of the Participants, provided, however, that the number of Trustees shall at no time be less than three (3) or more than fifteen (15). No reduction in the number of Trustees shall have the effect of removing any Trustee from office prior to the expiration of his term.

(c) The Trustees shall be natural persons. A majority of the authorized number of Trustees shall be members of the Participants and thus a Treasurer of a Participant. The Participants may elect one or more Non-Treasurer Trustees to serve on the Board of Trustees, but the number of Non-Treasurer Trustees serving on the Board of Trustees shall at all times be less than one-half (1/2) in number of the authorized number of Trustees. If any Trustee who was a Treasurer of a Participant at the time of election or appointment ceases to be a Treasurer of a Participant during his term as Trustee, he shall be deemed not to meet the requirements for office within the meaning of Section 9.3(a)(v) hereof.

(d) Except as provided by Section 9.2 hereof concerning the initial Trustees, Trustees shall be elected or appointed as provided in Section 9.4 hereof. No such election or appointment shall become effective, however, until the person elected or appointed qualifies for such office by delivering to the Secretary or Chairman of the Board of Trustees a writing signed by him (i) accepting such appointment, and (ii) agreeing to be bound by the terms of this Indenture of Trust. Qualification must be completed within twenty (20) days after such person is notified of his election or appointment, and failure to meet this requirement shall void the election or appointment.

(e) Whenever a vacancy in the number of Trustees shall occur until such vacancy is filled the Trustees or Trustee continuing in office, regardless of their number, shall have all the powers granted to the Trustees and shall discharge all the duties imposed upon the Trustees by this Indenture of Trust.

(f) Upon the election or appointment and qualification of any person to the office of Trustee, the Trust Property shall vest in such new Trustee without necessity of any further act or conveyance.

(g) The Trustees, in their capacity as Trustees, shall not be required to devote their entire time to the business and affairs of the Trust.
9.2 **Reserved.**

9.3 **Vacancies.**

(a) A Trustee’s office shall be deemed vacant upon the occurrence of anyone of the following events:

(i) If for any reason a properly qualified person is not elected to such Trustee’s office by the Participants at the Regular Election next preceding the expiration of the Trustee’s term;

(ii) If a person who was duly elected or appointed fails, neglects or refuses to qualify for office as required by subSection 9.1(d) hereof within twenty (20) days after the date he is notified of such election or appointment;

(iii) If a person who was duly elected or appointed submits a written resignation to the Board of Trustees;

(iv) If a person who was duly elected or appointed dies during his term of office;

(v) If a person who was duly elected or appointed ceases to meet the requirements for the office of Trustee as set forth in Section 9.1 hereof;

(vi) If a person who was duly elected or appointed is convicted of a felony or is or becomes the subject of an Order for Relief entered pursuant to the United States Bankruptcy Code (11 USC §§101 et seq.);

(vii) If a court of competent jurisdiction voids the election or appointment or removes a person duly elected or appointed for any cause whatsoever, but only after his right to appeal has been waived or otherwise exhausted; or

(viii) If the person who was duly elected or appointed is removed from office pursuant to Section 9.5 hereof.

(b) No vacancy in the office of any Trustee shall operate to annul this Indenture of Trust or to revoke any existing agency created pursuant to the terms of this Indenture of Trust, and title to any Trust Property held in the name of such Trustee and the other Trustees or otherwise, shall, in the event of a vacancy in the office of such Trustee, vest in the continuing or surviving Trustees without necessity of any further act or conveyance.

9.4 **Election; Appointment; Term of Office.**

(a) Trustees are elected for overlapping terms of three years by a majority vote of the Participants present and entitled to vote at an annual meeting or voting in an annual vote of Participants, herein called a “Regular Election.” At any time the Participants change the number of Trustees it shall by the same action specify the number of three-year terms to be filled at the next Regular
Election, but shall maintain as nearly equal as possible the number of three-year terms to be filled at each subsequent Regular Election. Trustees may succeed themselves in office.

(b) Any vacancy on the Board of Trustees may be filled by an appointee qualified under the terms of this Indenture of Trust selected by the remaining Trustees, but such appointment is valid only until the next Regular Election, at which time the vacancy for the then unexpired portion of the term is filled by the Participants.

(c) A Trustee remains in office until a vacancy occurs in his office as provided in Section 9.3 hereof, or until his successor is duly elected and qualifies for office as provided in Section 9.1(d) hereof, whichever shall first occur.

9.5 Resignation and Removal.

(a) Any Trustee may resign (without need for prior or subsequent accounting) by an instrument in writing signed by him and delivered to the Chairman, the Vice Chairman or the Secretary, and such resignation shall be effective upon such delivery or at a later date according to the terms of the notice.

(b) Any Trustee may be removed without cause by the Participants, or for good cause by action of two-thirds of the other Trustees.

(c) Upon ceasing to be a Trustee, such person shall execute and deliver such documents as the remaining Trustees shall require for the purpose of conveying to the Trust or the remaining Trustees any Trust Property held in the name of the resigning or removed Trustee. Upon the incapacity or death of any Trustee, his or her legal representative shall execute and deliver on his or her behalf such documents as the remaining Trustees shall require as provided in the preceding sentence.

9.6 Officers and Advisors.

The Trustees shall annually designate a Chairman who shall be the Chief Executive Officer of the Trust and a Vice Chairman, who shall have such duties as the Trustees shall deem advisable and appropriate. The Trustees shall elect or appoint, from among their number or otherwise, a Treasurer and a Secretary, who shall have such powers, duties and responsibilities as the Trustees may deem to be advisable and appropriate. The Trustees may elect or appoint, from among their number or otherwise, or may authorize the Chairman to appoint, one or more Assistant Secretaries and Assistant Treasurers, and such other officers or agents, who shall have such powers, duties and responsibilities as the Trustees may deem to be advisable and appropriate. Two or more officers, except those of Chairman and Vice Chairman, may be held by the same person. The Treasurer, the Secretary, the Advisor, the Administrator, the Custodian and Legal Counsel may attend meetings of the Trustees but, except in the case of a Treasurer or a Secretary who may be a member of the Board of Trustees, shall have no voting power.
9.7 **By-Laws; Quorum of Trustees.**

(a) The Trustees may adopt and, from time to time, amend or repeal By-Laws for the conduct of the business of the Trust, and in such By-Laws, among other things, may define the duties of the respective officers, agents, employees and representatives of the Trust. Notwithstanding the foregoing, absent adoption of By-Laws addressing the same, the Trustees may define the duties of the respective officers, agents, employees and representatives of the Trust, and such other matters regarding administration of the Trust not specifically addressed in this Indenture of Trust, by resolution of the Board of Trustees.

(b) A quorum for the purposes of any meeting or vote of the Trustees shall consist of a majority of the Trustees entitled to vote at a meeting of the Board of Trustees, which majority may include Non-Treasurer Trustees who number less than one-half (1/2) of the total number of Trustees included in such quorum. The intent of this provision is that the majority of any quorum of Trustees consist of Trustees who are Treasurers of the Participants.

**ARTICLE X**

**Determination of Net Asset Value and Net Income: Distributions to Participants**

10.1 **Net Asset Value.**

The net asset value of each allocated Share of the Trust shall be determined once on each business day at 8:00 a.m. Eastern Time for the prior business day, or such time as the Trustees by resolution may determine. The method of determining net asset value shall be established by the Trustees and shall be set forth in the Information Statement as the same may be amended from time to time. The duty to make the daily calculations may be delegated by the Trustees to the Advisor, the Administrator, the Custodian or such other Person as the Trustees by resolution may designate.

10.2 **Constant Net Asset Value; Reduction of Allocated Shares.**

(a) The Trustees shall have full and complete power to determine the net income (including unrealized gains and losses on the portfolio assets) of the Trust once on each business day as provided in Section 10.1 hereof and, upon each such determination such net income shall be credited proportionately to the accounts of the Participants in such manner, and with the result, that the net asset value per Share of the Trust shall remain at a constant dollar value of $1.00 or integral of 1/100ths thereof. Any change in the constant dollar value shall be made on a pro rata basis by increasing or reducing the number of each Participant’s shares. The general method used for the determination of the net income of the Trust and the crediting thereof proportionately to the respective accounts of the Participants shall be determined by the Trustees and shall be set forth in the Information Statement as the same may be amended from time to time. The duty to make the daily calculations may be delegated by the Trustees to the Advisor, the Administrator, the Custodian or such other Person as the Trustees by resolution may designate. Fluctuations in value will be reflected in the number of Shares allocated to each Participant. If there is a net loss, the Trustees will first offset such amount against income accrued to each Participant. To the extent that such a net loss would exceed such accrued
income, subject to the last paragraph of Section 2.9 hereof, the Trustees will reduce the aggregate number of the Trust’s allocated Shares in an amount equal to the amount by which the net loss exceeds accrued income by having each Participant contribute to the Trust’s corpus its pro rata portion of the total number of Shares required to be redeemed in order to permit the net asset value per Share of the Trust to be maintained at a constant dollar value. Each Participant will be deemed to have agreed to such contribution in these circumstances by its investment in the Trust and its adoption of this Indenture of Trust. The purpose of the foregoing procedure is to permit the net asset value per Share of the Trust to be maintained at a constant dollar value per Share.

(b) The Trustees may discontinue or amend the practice of attempting to maintain 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 as the same may be amended from time to time.

10.3 Supplementary Distributions to Participants.

In addition to redemptions made at the request of individual Participants pursuant to Section 6.5 hereof, the Trustees may from time to time declare and make to the Participants, in proportion to their respective allocation of Shares, out of the earnings, profits or assets in the hands of the Trustees, such supplementary distributions as they may determine. The declaration and making of such supplementary distributions and the determination of earnings, profits, and other funds and assets available for supplemental distributions and other purposes shall lie wholly in the discretion of the Trustees and may be made at such time and in such manner as the Trustees may in their sole discretion from time to time determine. Any or all such supplementary distributions may be made among the Participants of record at the time of declaring a distribution or among the Participants of record at such other date as the Trustees shall determine.

10.4 Retained Reserves.

The Trustees may retain from the earnings of the Trust such amount as they may deem necessary to pay the debts and expenses of the Trust and to meet other obligations of the Trust, and the Trustees shall also have the power to establish such reasonable reserves from earnings as they believe may be required to protect the Trust and the Participants against contingent liabilities.

ARTICLE XI
Custodian

11.1 Duties.

The Trustees shall employ any bank or trust company organized under the Laws of the United States of America as Custodian(s) with authority as its agent, but subject to such restrictions, limitations and other requirements, if any, as may be contained in the By-Laws of the Trust or otherwise determined by resolution of the Board of Trustees, to perform the duties set forth in the Custodian agreement to be entered into between the Trust and such Custodian.
11.2 **Appointment.**

The Trustees shall have the power to select and appoint the Custodian for the Trust. The Custodian Agreement may be terminated at any time without cause and without the payment of any penalty by the Trust on sixty (60) days’ written notice to the Custodian.

11.3 **Disbursement and Collection Agent.**

The Trustees may also authorize the employment of a disbursement and collection agent from time to time to perform acts and services upon such terms and conditions, as may be agreed upon between the Custodian and said agent and approved by the Trustees; *provided, however,* that, in every case, such disbursement and collection agent shall be a bank or trust company duly organized under the laws of the United States of America or one of the states thereof and shall be a state designed qualified public depository.

11.4 **Successors.**

In the event that at any time the Custodian shall resign or shall be terminated pursuant to the provisions of the Custodian Agreement or disbursement and Collection Agreement, the Trustees shall appoint a successor therefor.

**ARTICLE XII**

**Recording of Indenture of Trust**

12.1 **Recording.**

This Indenture of Trust and any amendment hereto shall be filed, registered, recorded or lodged as a document of public record in such place or places and with such official or officials as may be required by Law or as the Trustees may deem appropriate. Without limiting the generality of the foregoing, this Indenture of Trust will be filed with the applicable circuit court or courts pursuant to Section 163.01, Fla. Stat. and this Indenture of Trust shall be effective upon such filing. Each amendment so filed, recorded or lodged shall be accompanied by a Certificate signed and acknowledged by a Trustee stating that such action was duly taken in the manner provided for herein; and unless such amendment or such certificate sets forth some earlier or later time for the effectiveness of such amendment, such amendment shall be effective upon its filing. An amended Indenture of Trust, containing or restating the original Indenture and all amendments heretofore made, may be executed any time or from time to time by a majority of the Trustees and shall, upon filing, recording or lodging in the manner contemplated hereby, be conclusive evidence of all amendments contained therein and may thereafter be referred to in lieu of the original Indenture of Trust and the various amendments thereto.
ARTICLES XIII
Amendments to Indenture of Trust and Permitted Investments List; Termination of Trust; Duration of Trust

13.1 Amendment to Indenture of Trust or Permitted Investments List; Termination.

(a) The provisions of this Indenture of Trust and the Permitted Investments List may be amended or altered, or the Trust may be terminated, by the affirmative vote of a majority of the Participants entitled to vote at any meeting of the Participants or pursuant to any vote of the Participants called for that purpose, except that the affirmative vote of two-thirds of the Participants entitled to vote shall be required to enact any amendment which would change any rights with respect to any allocated Shares of the Trust by reducing the amount payable thereon upon liquidation of the Trust, or which would diminish or eliminate any voting rights of the Participants. Substantive amendments to the limitations upon personal liability of the Participants and Trustees and to the prohibition of assessments upon Participants shall require the unanimous approval of all Participants entitled to vote. Notwithstanding the foregoing, after fifteen (15) days’ prior written notice to the Participants, the Board of Trustees may amend or alter the provisions of the Indenture of Trust or the Permitted Investments List, without the vote or assent of the Participants, to the extent deemed in good faith by the Board of Trustees to be necessary to conform this Indenture of Trust to the requirements of applicable laws or regulations or any interpretation thereof by a court or other governmental agency of competent jurisdiction. No liability shall attach to the Trustees, however, for any failure or refusal on their part to act pursuant to the power granted in this subsection (a).

(b) Upon the termination of the Trust pursuant to this Section 13.1, (i) the Trust shall carry on no business except for the purpose of winding up its affairs, (ii) the Trustees shall proceed to wind up the affairs of the Trust and all of the powers of the Trustees under this Indenture of Trust shall continue until the affairs of the Trust shall have been wound up, including, without limitation, the power to fulfill or discharge the contracts of the Trust, collect its assets, sell, convey, assign, exchange, transfer or otherwise dispose of all or any part of the remaining Trust Property to one or more persons at public or private sale for consideration 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 affairs, provided, however, that any sale, conveyance, assignment, exchange, transfer, or other disposition of all or substantially all of the Trust Property shall require approval of the principal terms of the transaction and the nature and amount of the consideration by affirmative vote of not less than a majority of the Trustees entitled to vote thereon, and (iii) after paying or adequately providing for the payment of all liabilities, and upon receipt of such releases, indemnities and refunding agreements as they deem necessary for their protection, the Trustees may distribute the remaining Trust Property, in cash or in kind or partly in each, among the Participants according to their respective proportionate allocation of Shares.

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

(d) A certification in recordable form signed by a majority of the Trustees setting forth an amendment and reciting that it was duly adopted by the Participants or by the Trustees as aforesaid or a copy of the Indenture, as amended, in recordable form, and executed by a majority of the Trustees, shall be conclusive evidence of such amendment.

13.2 Duration.

The Trust shall continue in existence in perpetuity, subject in all respects to the provisions of this Article XIII.

ARTICLE XIV
Miscellaneous

14.1 Governing Law.

This Indenture of Trust is executed by the Initial Participants and delivered in the State of Florida and with reference to the Laws thereof, and the rights of all parties and the validity, construction and effect of every provision hereof shall be subject to and construed according to the Laws of said State of Florida (without regard to its conflicts of law rules).

14.2 Counterparts.

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

14.3 Reliance by Third Parties.

Any certificate executed by an individual who according to the then current records of the Trust appears to be a Trustee, the Secretary or the Treasurer of the Trust, certifying to (a) the number or identity of Trustees or Participants, (b) the due authorization of the execution of any instrument or writing, (c) the results of any vote of Trustees or Participants, (d) the fact that the number of Trustees or Participants present at any meeting or executing any written instrument satisfies the requirements of this Indenture of Trust, or (e) the form of any By-Laws adopted by, or the identity of any officers or any facts which in any manner relate to the affairs of the Trust, shall be conclusive evidence as to the matters so certified in favor of any Person dealing with the Trustees or any of them or the Trust and the successors of such Person.

14.4 Provisions in Conflict with Law.

The provisions of this Indenture are severable, and if the Trustees shall determine with the advice of counsel that any one or more of such provisions are in conflict with applicable federal or Florida Laws, those conflicting provisions shall be deemed never to have constituted a part of
this Indenture of Trust, provided, however, that such determination by the Trustees shall not affect or impair any of the remaining provisions of this Indenture of Trust or render invalid or improper any action taken or omitted (including, but not limited to, the election of Trustees) prior to such determination.

14.5 Gender and Section Headings.

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

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

14.6 Adoption by Local Government Entities; Written Investment Policies of Participants; Resignation and Withdrawal of Participants.

(a) Any Local Government Entity meeting the requirements of Section 1.2 hereof may become a Participant of this Trust by (i) taking all required official action to adopt and authorize the execution of this Indenture of Trust including, without limitation, adopting a written investment policy consistent with this Indenture of Trust and the Permitted Investments List or amending or modifying any existing written investment policy not consistent with this Indenture of Trust or the Permitted Investments List, and (ii) furnishing the Trustees with satisfactory evidence that such official action has been taken. A copy of this Indenture of Trust may be adopted by executing a written instrument of adoption in such form as may be prescribed by the Trustees. Delivering an acknowledged copy of such instrument shall constitute satisfactory evidence of the adoption contemplated by this Section.

(b) By joining in or adopting this Indenture of Trust, each Participant agrees that it will maintain a written investment policy consistent with the provisions of this Indenture of Trust and the Permitted Investments List, as each of the same is amended from time to time.

(c) Any Participant may resign and withdraw from the Trust by sending a written notice to such effect to the Chairman of the Trust and the Administrator and by requesting the redemption of all Shares then held by it or in accordance with any other procedure authorized by the Trustees or the Participants. Such resignation and withdrawal shall become effective upon the receipt thereof by the Chairman of the Trust and the Administrator. No resignation and withdrawal by a Participant shall operate to annul this Indenture of Trust or terminate the existence of the Trust.

IN WITNESS WHEREOF, the undersigned Local Government Entities of the State of Florida acting in the capacity of Initial Participants of the Trust have executed this Indenture of Trust together with the Trustees as of the day first above written.
Signature page to
Amended and Restated Indenture of Trust
for Florida Surplus Asset Fund Trust
Dated as of July 13, 2012

TRUSTEES

By: Mark Mason, CPA, Chairman
Name: Mark Mason, CPA, Chairman
Trustee as defined herein

By: Linda Senne
Name: Linda Senne, CPA, Vice Chairman
Trustee as defined herein

By: Jeff Yates
Name: Jeff Yates, MBA, Secretary/Treasurer
Trustee as defined herein

By: Jerry Boop
Name: Jerry Boop, CPA
Trustee as defined herein

By: Robert Clinger
Name: Robert Clinger, CPA
Trustee as defined herein
The foregoing instrument was sworn to and subscribed before me this 13th day of July, 2012, by MARK MASON, as Trustee for Florida Surplus Asset Fund Trust. He is [ ] personally known to me or [ ] produced a driver’s license issued by the Department of Highway Safety and Motor Vehicles as identification; or [ ] produced the following identification:

[Signature]

NOTARY PUBLIC, STATE OF FLORIDA

The foregoing instrument was sworn to and subscribed before me this 13th day of July, 2012, by LINDA SENNE, as Trustee for Florida Surplus Asset Fund Trust. She is [ ] personally known to me or [ ] produced a driver’s license issued by the Department of Highway Safety and Motor Vehicles as identification; or [ ] produced the following identification:

[Signature]

NOTARY PUBLIC, STATE OF FLORIDA

The foregoing instrument was sworn to and subscribed before me this 13th day of July, 2012, by JEFF YATES, as Trustee for Florida Surplus Asset Fund Trust. He is [ ] personally known to me or [ ] produced a driver’s license issued by the Department of Highway Safety and Motor Vehicles as identification; or [ ] produced the following identification:

[Signature]

NOTARY PUBLIC, STATE OF FLORIDA

The foregoing instrument was sworn to and subscribed before me this 13th day of July, 2012, by JERRY BOOP, as Trustee for Florida Surplus Asset Fund Trust. He is [ ] personally known to me or [ ] produced a driver’s license issued by the Department of Highway Safety and Motor Vehicles as identification; or [ ] produced the following identification:

[Signature]

NOTARY PUBLIC, STATE OF FLORIDA
STATE OF FLORIDA  
COUNTY OF ORANGE  

The foregoing instrument was sworn to and subscribed before me this 13th day of July, 2012, by ROBERT CLINGER, as Trustee for Florida Surplus Asset Fund Trust. He is □ personally known to me or □ produced a driver’s license issued by the Department of Highway Safety and Motor Vehicles as identification; or □ produced the following identification:  

\[Signature\]

KELLY CRABB  
Commission # EE 166815  
Expires April 20, 2016  
Notary Public, State of Florida  

(Print, Type or Stamp Commissioned Name of Notary Public)
Florida Surplus Asset Fund Trust
PERMITTED INVESTMENTS

The Trust may invest in the following types and categories of investments:

1. Direct obligations of the United States Treasury;

2. Obligations backed by the full faith and credit of the United States government;

3. Obligations of agencies and instrumentalities of the United States government rated in the highest rating category by a nationally recognized rating agency;

4. Certificates of deposit and other evidences of deposit with approved financial institutions;

5. Bankers’ acceptances rated in the highest rating tier by a nationally recognized rating agency;

6. Commercial paper rated in the highest rating tier by a nationally recognized rating agency;

7. Obligations of state and local governments and public authorities rated in the two highest rating tiers by a nationally recognized rating agency;

8. Money market mutual funds regulated by the Securities and Exchange Commission and whose portfolios consist only of dollar-denominated securities;

9. Repurchase agreements whose underlying purchased securities consist only of the instruments listed in categories 1 through 8 above; and

10. Without limiting the foregoing, any investments authorized under Section 218.415(16), Fla. Stat.

The Trust may participate in a securities lending program approved by the Board of Trustees.
Fundamental Approach to Long-Term Success

Government entities have turned to PMA Financial Network, Inc. for over 30 years and PMA Securities, Inc. for over 24 years, (collectively “PMA”) as a trusted partner and integral component of their long-term financial success. With billions of dollars invested annually, PMA provides over 2,400 public entities with a diverse lineup of customized financial solutions through a team of experienced professionals and some of the most innovative technology available.

PMA has earned a reputation in the public sector for developing financial solutions that work. In fact, every year since 2009, PMA Securities, Inc. has been the number one ranked financial advisor for K-12 districts in Illinois.¹ Based on the par amount and number of issue advised upon for K-12 districts for the 12-month periods ending June 30, 2009 through 2015. Does not include debt issued by the Chicago Board of Education or State of Illinois. Source: Thomson Financial Services and emma.msrb.org. Note that past performance does not indicate future results.

The Power of the Network

Relationships with experienced institutional trading partners and an extensive network of more than 1,000 local and national banks enable PMA to provide its clients statute-compliant fixed income opportunities, including FDIC Insured CDs, Collateralized CDs, U.S. Government Agency Investments and U.S. T-Bills and Notes. This network inherently provides PMA clients a competitive advantage because it allows for an innovative bidding process that helps secure the best possible rates on our clients’ investments, which helps save time and energy.

Fixed Rate Investments

Institutional relationships with some of Wall Street’s most experienced professionals and an extensive local and national bank network enable PMA to provide its clients world-class fixed income opportunities. PMA offers clients direct access to multiple durations of Certificates of Deposit and government securities.
### Fixed Rate Opportunities

#### Fixed Rate Investment Bid Process

PMA’s investment bidding services are set in place to provide its clients the opportunity to secure the best possible rates on their investments. Additionally, PMA obtains these rates by contacting multiple banks, saving its clients time. For added convenience, clients receive a single consolidated monthly report encompassing all of the client’s Fixed Rate account investments and LGIP pool activity.

#### Cash Flow Analysis

There is more to money management than simply shopping for investments. An accurate cash flow plan allows a client to intelligently build an investment schedule that capitalizes on the yield curve benefits of longer-term investing. PMA’s cash flow analysis helps a client meet liabilities with a maturity, invest longer to take advantage of higher rates, plan for cash shortfalls, identify long-term investment potential and maximize interest income. PMA’s cash flow analysis is free of charge for its investment clients.

#### Bond Proceeds Management Program

PMA’s Bond Proceeds Management Program assists clients in the critical areas of investment, arbitrage and reporting. Specifically, this program helps a client establish a reliable and sufficient flow of funds, maximize earnings through an asset-liability matching investment schedule, adequately cover expenses, comply with all applicable IRS arbitrage regulations and save administrative time. Additionally, each client will have a single contact for all of its investment needs.

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**Integrity. Commitment. Performance.**

Securities, public finance services and institutional brokerage services are offered through PMA Securities, Inc. PMA Securities, Inc. is a broker-dealer and municipal advisor registered with the SEC and MSRB, and is a member of FINRA and SIPC. Prudent Man Advisors, Inc., an SEC registered investment adviser, provides investment advisory services to local government investment pools. All other products and services are provided by PMA Financial Network, Inc. PMA Financial Network, Inc. and Prudent Man Advisors (collectively "PMA") are under common ownership.

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For Institutional Use Only
FL SAFE Stable NAV Fund

About the Pool

Pool Rating: AAm
Pool Type: Stable NAV Government Investment Pool
Investment Adviser: Prudent Man Advisors, Inc
Portfolio Manager: Team Managed
Pool Rated Since: December 2007
Custodian: BMO Harris Bank National Assn.
Distributor: PMA Securities, Inc.

Fund Highlights

- FL SAFE Stable NAV Fund was created to offer local governments in Florida an investment pool with an objective of stability of principal.

Rationale

FL SAFE Stable NAV Fund is rated 'AAAm' by S&P Global Ratings. The rating is based on an analysis of the pool's management, investment guidelines, portfolio holdings, and market price exposure. The rating signifies our forward-looking opinion about a fixed-income fund's ability to maintain principal value (i.e., stable net asset value, or 'NAV'). This is accomplished through conservative investment practices and strict internal controls. S&P Global Ratings monitors the fund's portfolio on a weekly basis.

Overview

FL SAFE is a local government investment trust established on December 11, 2007. The trust provides for the opportunity for Florida units of local governments to pool their funds to invest pursuant to Florida statutes 218.415 and 163.01. FL SAFE offers the following series to its participants: the FL SAFE Stable NAV Fund, the FL SAFE Variable NAV Fund, and Term Series. The objective of the trust is to provide safety and preservation of principal, liquidity, transparency, and competitive yields. S&P Global rates the FL SAFE Stable NAV Fund and the FL SAFE Variable NAV Fund.

Management

The pool's investment adviser is Prudent Man Advisors, Inc., a registered investment adviser that provides investment management services for local government investment pools and other institutional clients. As of March 2018, Prudent Man Advisors had over $6.0 billion in assets under management, with approximately $604.7 million of that amount under management with a sub-advisor. In addition to FL SAFE, Prudent Man Advisors also serves as investment adviser for other 'AAAm' rated local government investment pools. PMA Financial Network, Inc. serves as the operational manager for the pool and PMA Securities, Inc. serves as the distributor for the pool. The administrator for the pool is Florida Management and Administrative Services, LLC (FMAS) and the custodian is BMO Harris Bank, N.A. Oversight for the pool is provided by a board of trustees, which is currently comprised of five members who represent participating local government entities.

Portfolio Assets

The pool is comprised solely of investments that are permissible under its indenture of trust and its adopted investment policy and it is managed to be consistent with S&P Global's 'AAAm' principal stability fund rating criteria. The pool also complies with Sections 218.415 and 163.01 of Florida state statutes that govern the types of investments in which local governments can place public funds. The pool invests primarily in U.S. Treasuries, U.S. government agencies, repurchase agreements, bank deposits, 'AAAm' rated and SEC registered money-market funds and highly-rated commercial paper. The final maturity of any and all securities purchased by the pool may not exceed 397 days. To provide the pool with sufficient liquidity and to limit fluctuations in the NAV, the weighted average maturity to reset is managed under 60 days or less.

S&P Global Ratings Analyst: Joseph Giarratano + 1 (212) 438 8942
www.spratings.com

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RESOLUTION NO. 2018-___

A RESOLUTION AUTHORIZING A SECOND LIEN LEASEHOLD MORTGAGE TO BE PLACED ON OCEANSIDE ESTATES; AUTHORIZING AN AMENDMENT TO SECTION 4.03 OF THAT CERTAIN TRUST INDENTURE DATED AS OF DECEMBER 1, 2017 BY AND BETWEEN THE AUTHORITY AND U.S. BANK NATIONAL ASSOCIATION, AS TRUSTEE; AND PROVIDING AN EFFECTIVE DATE.

WHEREAS, the Housing Finance Authority of Pinellas County, Florida (the "Authority") issued its Multifamily Housing Revenue Bonds, Series 2017 (Oceanside Estates) (the "Bonds") on December 15, 2017 to fund a loan to Oceanside Housing Partners, LP, a Florida limited partnership (the "Borrower") to finance a portion of the costs of the acquisition and rehabilitation of a residential multifamily rental facility to be known as Oceanside Estates (the "Project"); and

WHEREAS, the Bonds were issued pursuant to the terms of a Trust Indenture dated as of December 1, 2017 (the “Indenture”) by and between the Authority and U.S. Bank National Association, as trustee (the “Trustee”); and

WHEREAS, after the issuance of the Bonds, the permanent loan principal amount to be provided by the Lender (as defined in the Indenture) has been reduced to approximately $10,250,000, and in light of such principal reduction, the Borrower has arranged for additional subordinate financing from Oceanside Housing Management, LLC, a Florida limited liability company (the "Subordinate Lender") in a principal amount not to exceed $1,500,000 (the “Subordinate Loan”) to be secured by a second lien Leasehold Mortgage (the “Subordinate Leasehold Mortgage”); and

WHEREAS, in accordance with section 6.01 of the Loan Agreement dated as of December 1, 2017 (the “Loan Agreement”) between the Authority and the Borrower, the Authority desires to consent to the Borrower encumbering the Project with the lien of the Subordinate Leasehold Mortgage; and

WHEREAS, in light of the reduction in principal amount of the Lender Loan (as defined in the Indenture) and the new Subordinate Loan, the Authority desires to amend the definition of “Preference Proof Moneys” to include the Subordinate Loan and the Lender Loan and section 4.03 of the Indenture to allow deposit of additional Preference Proof Moneys (as defined in the Indenture) into the Collateral Fund created under the Indenture; and

WHEREAS, in accordance with section 12.01(a)(1) of the Indenture, the Authority desires to amend the Indenture and approve the form of the First Amendment to Trust Indenture and to direct the Trustee to consent to such First Amendment to Trust Indenture; and
WHEREAS, the Authority has determined that an amendment to the definition of “Preference Proof Moneys” and section 4.03 of the Indenture to clarify that any Preference Proof Moneys may be used to fund the Collateral Fund will not materially adversely affect the interest of the Bondholders and merely corrects a formal defect, omission or ambiguity in the Indenture.

NOW, THEREFORE, BE IT RESOLVED BY THE HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY as follows:

SECTION 1. The encumbrance of the Project with the lien of the Subordinate Leasehold Mortgage is hereby approved by the Authority in accordance with and as required by section 6.01 of the Loan Agreement, provided the form of such Subordinate Leasehold Mortgage is in compliance with any applicable rules or requirements of the Pinellas County Affordable Housing Land Assembly Program.

SECTION 2. The Authority having first determined that the amendment to the Indenture as provided in the First Amendment to Trust Indenture (the "First Amendment") will not materially adversely affect the interest of the Bondholders and merely corrects a formal defect, omission or ambiguity in the Indenture, the First Amendment, in substantially the form attached hereto as Exhibit A, is hereby approved, and the Chairman, Vice Chairman and/or Secretary/Treasurer or Assistant Secretary of the Authority or any other authorized officer are hereby authorized and directed to execute and deliver the First Amendment on behalf of and in the name of the Authority with such additional changes, insertions and omissions therein as may be otherwise made and approved by the said officers of the Authority executing the same upon advice of Bond Counsel and Authority Counsel, such execution to be conclusive evidence of such approval.

SECTION 3. This resolution shall become effective immediately upon its adoption.

ADOPTED this 5th day of September, 2018.

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY

(SEAL)

ATTEST:

By: ____________________________

Chairman

_____________________________

Secretary
EXHIBIT A

FORM OF FIRST AMENDMENT TO TRUST INDENTURE
FIRST AMENDMENT TO TRUST INDENTURE

THIS FIRST AMENDMENT TO TRUST INDENTURE is entered into as of September 1, 2018, by and between HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA, a public body corporate and politic duly created, organized and existing under the laws of the State of Florida (together with its successors and assigns, the “Issuer”) and U.S. BANK NATIONAL ASSOCIATION, a national banking association authorized to exercise corporate trust powers in the State, and authorized to accept and execute trusts of the character herein set out, as trustee (together with its successors and assigns, the “Trustee”).

RECITALS

WHEREAS, in accordance with the Florida Housing Finance Authority Law, Part IV, Chapter 159, Florida Statutes, as amended and supplemented from time to time, Section 2-386, Code of Ordinances of Pinellas County, Florida, a Resolution of the Issuer adopted on July 5, 2017, and a Resolution of the Issuer adopted on December 6, 2017 (collectively, the “Act”) and other applicable provisions of law, the Issuer is empowered to issue its revenue bonds, notes or other evidences of indebtedness to finance the acquisition, rehabilitation and development of multifamily rental housing for persons of low, moderate and middle income at prices or rentals they can afford; and

WHEREAS, the Issuer issued and sold its Multifamily Housing Revenue Bonds (Oceanside Estates), Series 2017 in the original aggregate principal amount of $11,000,000 (the “Bonds”), for the purpose of financing a portion of the costs of the acquisition, rehabilitation, installation and equipping of a 104 unit multifamily rental housing facility project to be occupied by persons of low, middle or moderate income and related personal property and equipment, and located in Pinellas Park, Pinellas County, Florida (the “Project Facilities”) all pursuant to the Indenture of Trust dated as of December 1, 2018 (the “Indenture”) be and between the Issuer and the Trustee; and

WHEREAS, the Issuer has determined that section 4.03 of the Indenture should be amended to clarify that any Preference Proof Moneys, as such term is amended herein, should be permissive deposits to the Collateral Fund, and that such amendment would correct a formal defect, omission or ambiguity in the Indenture and would not materially adversely affect the interest of the Bondholders; and

WHEREAS, the Issuer and the Trustee desire to execute and deliver this First Amendment to Trust Indenture solely for the purpose of amending section 4.03 of the Indenture.

Section 1. Recitals. The foregoing Recitals are hereby incorporated into this First Amendment to Trust Indenture as if fully set forth herein.
Section 2. Definitions. Capitalized terms not otherwise defined herein shall bear the meaning assigned to such term in the Indenture.

Section 3. Definition Amendments.

(a) The definition of Preference Proof Moneys is hereby amended to read as follows (deleted language is shown as strikethrough and added language is underlined):

“Preference Proof Moneys” means (i) moneys drawn on a letter of credit, (ii) proceeds of the Bonds or any Remarketing of the Bonds, (iii) proceeds of the Bridge Loan deposited with the Trustee on behalf of the Borrower, (iv) proceeds of the Lender Loan, (v) proceeds of the Subordinate Loan, or (iv) moneys in connection with which the Trustee shall have been delivered an opinion of bankruptcy counsel acceptable to S&P to the effect that the use of such moneys would not be avoidable as a preference under Section 547 of the United States Bankruptcy Code or give rise to a stay under Section 362(a) of the United States Bankruptcy Code.

(b) The following definitions are added to the Indenture to read as follows:

“Subordinate Lender” means Oceanside Housing Management, LLC, a Florida limited liability company.

“Subordinate Loan” means the subordinate cash flow loan from the Subordinate Lender to the Borrower in a principal amount of not to exceed $1,500,000, to be evidenced by a promissory note of the Borrower and secured by a subordinate leasehold mortgage on the Development.

Section 4. Amendment to Section 4.03 of the Indenture. Section 4.03 of the Indenture is hereby amended to read as follows (deleted language is shown as strikethrough and added language is underlined):

Section 4.03. Use of Moneys in Collateral Fund. Upon receipt from the Lender of the proceeds of (a) the sale of a GNMA security, (b) a draw on Lenders’ warehouse line of credit, or (c) from funds otherwise provided by Lender, or (d) any other moneys provided by or at the direction of the Lender which constitute Preference Proof Moneys (the “Lender Collateral Deposit”), the Trustee shall deposit such amounts to the Collateral Fund. Together with amounts on deposit in the Project Fund and the Bond Fund (including the Capitalized Interest Account therein), amounts on deposit in the Collateral Fund, including any investment earnings thereon, shall be sufficient at all times to pay the principal of and interest on the Bonds to the Initial Mandatory Tender Date or, if a Remarketing Period extends to the Maturity Date, to the Maturity Date. On each date on which principal of or interest on the Bonds is due, the Trustee shall transfer a sufficient amount of funds from the Collateral Fund for deposit to the Bond Fund to enable the Trustee to make such payments as and when due. On each Mandatory Tender Date, the Trustee shall transfer from the Collateral Fund a sufficient amount of funds to the Bond Fund necessary to pay the purchase price of the Series 2017 Bonds to the extent amounts on deposit in the
Remarketing Proceeds Account and Capitalized Interest Account of the Bond Fund are insufficient therefor. Bonds purchased with moneys in the Bond Fund shall be canceled.

Section 5. Remaining Provisions of Indenture. The remaining provisions of the Indenture not expressly amended by this First Amendment to Trust Indenture shall remain in full force and effect.

Section 6. Effective Date. This First Amendment to Trust Indenture shall be effective upon the execution and delivery hereof by the Issuer and the Trustee, and the receipt of an opinion of Bond Counsel as required by Section 12.02(b) of the Indenture.
IN WITNESS WHEREOF, the Issuer has caused this First Amendment to Trust Indenture to be signed and sealed in its name by its authorized officers, and the Trustee has caused this First Amendment to Indenture to be signed and sealed in its name by its duly authorized officers, all as of the day and year first above written.

[SEAL] 

HOUSING FINANCE AUTHORITY OF PINELLAS COUNTY, FLORIDA

By: ________________________________
Name: Casey Cane
Title: Chairman

ATTEST:

By: ________________________________
Assistant Secretary/Executive Director
U.S. BANK NATIONAL ASSOCIATION, as Trustee

By: ________________________________
Name: Scott Schuhle
Title: Vice President