



An Investment Solution for Public Funds



Interlocal Agreement



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## 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 purpose of this Interlocal Agreement is, and each Participant will receive a substantial benefit by agreeing, to establish the Intergovernmental Investment Pool to be known as the Florida Cooperative Liquid Assets Securities System ("**FLCLASS**"), which shall be an intergovernmental investment pool as described in Section 218.415, Florida Statutes, as amended, and an instrumentality of the Participants, in order to exercise such investment power jointly and invest such funds in concert with the other Participants pursuant to an 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 Participants desire to enter into an interlocal agreement and this Interlocal Agreement shall set forth the terms for such FLCLASS as set forth in the Florida Interlocal Cooperation Act; 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, unincorporated 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.

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## **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:

Cindy Valentine	December 31, 2015
Sharon R. Bock	December 31, 2016
Ken Burke	December 31, 2017

(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



(b) such transaction (or type of transactions) is, in the opinion of the Board, on terms fair and reasonable to the Board and the Participants and at least as favorable to them as similar arrangements for comparable transactions with organizations unaffiliated with the person who is a party to the transaction.

### **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.

## **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 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.

(c) 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

(g) 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: [Signature]  
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, [Participant], who is personally known to me/has produced \_\_\_\_\_ as identification.

[Signature]  
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  
Bonded Thru 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. Boek  
Name: Sharon R. Boek  
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 R. Boek, Clerk & Comptroller, Palm Beach County [Participant], who is personally known to me/has produced \_\_\_\_\_ as identification.



**TARA K. RAMOS**  
MY COMMISSION # FF 014906  
EXPIRES: May 6, 2017  
Bonded Thru Budget Notary Services

Tara Ramos  
Printed/Typed Name: TARA RAMOS  
Notary Public-State of: Florida  
Commission Number: \_\_\_\_\_

**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: [Signature]  
Name: Scott Randolph  
Title: Tax Collector

STATE OF FLORIDA  
COUNTY OF Orange

The foregoing instrument was acknowledged before me this 6<sup>th</sup> day of April, 2015 by Scott Randolph, Tax Collector of Orange County [Participant], who is personally known to me/has produced \_\_\_\_\_ as identification.



KELLY J. QUINTERO  
MY COMMISSION # FF 025172  
EXPIRES: June 6, 2017  
Bonded Thru Budget Notary Services

[Signature]  
Printed/Typed Name: Kelly Quintero  
Notary Public-State of: Florida  
Commission Number: FF 025172

## **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;

**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.

**[NAME 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: \_\_\_\_\_