



**Minnesota School District Liquid Asset Fund Plus  
Certificate of Deposit Investment Program  
Program Application and Investment Advisory Agreement**

Note: You are referred to herein as "Participant." You must be a shareholder in the Minnesota School District Liquid Asset Fund Plus ("MSDLAF+" or the "Portfolio") in order to enter into this agreement (the "Agreement") with PFM Asset Management LLC ("PFMAM" or the "Advisor") for investment advisory services in connection with your direct purchase of certificates of deposit ("CDs") through the MSDLAF+ Certificate of Deposit Investment Program (the "Program").

**1. Participant Details**

Name of Participant	Taxpayer ID #
Primary Contact	
Address            City            State            Zip	Telephone Number
E-mail address	Fax Number

**2. Authorized Persons**

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

Name	Title
Name	Title
Name	Title

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

**3. Participant's Designated Portfolio Account(s)**

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

Number of Designated Portfolio Account	Name of Designated Portfolio Account



#### **4. The Program**

Under the Program, Participant may directly purchase CDs which are intended to be fully insured by the Federal Deposit Insurance Corporation ("FDIC") or the National Credit Union Administration ("NCUA"). Participant's purchase of CDs is to be funded from the Designated Portfolio Account of Participant, and the payment of interest and the repayment of principal by the financial institution issuing a CD will be deposited in the Designated Portfolio Account of Participant.

The CDs in which Participant invests under the Program are direct investments of Participant, are not assets of MSDLAF+, and are not held in the Portfolio or any other portfolio of MSDLAF+.

Your Designated Portfolio Account is an account of the MSDLAF+ Portfolio. You have been provided with a separate Information Statement which describes the Portfolio and certain other portfolios and you should review that Information Statement with respect to the operation of the Portfolio.

Under this Agreement PFMAM will serve as investment adviser to you with respect to your purchase of CDs under the Program.

#### **5. Purchase of Certificates of Deposit**

Advisor will advise on the purchase of CDs which are intended to be fully insured by the FDIC or the NCUA for Participant's accounts. Participant represents that CDs insured by the FDIC or the NCUA are permitted investments of Participant under applicable state and federal laws and Participant's investment policies. Participant acknowledges that, although Advisor will restrict participation in the Program by financial institutions to those financial institutions which meet the criteria set forth in the Information Statement for the Program, the financial institutions that participate in the Program are generally small in size and are not rated by national credit rating organizations. The CDs will not be collateralized. Hence there will be reliance on federal deposit insurance and it is crucial that Participant's CDs be fully covered by FDIC or NCUA insurance.

The FDIC insurance limits are set forth in the Federal Deposit Insurance Act, 12 U.S.C. §§ 1811 *et seq.*, and in the related regulations found in Part 330 of Title 12 of the Code of Federal Regulations (12 C.F.R. Part 330). The NCUA insurance limits are set forth in the Federal Credit Union Act, 12 U.S.C. §§ 1751 *et seq.*, and in the related regulations found in Part 745 of Title 12 of the Code of Federal Regulations (12 C.F.R. Part 745). You should review these regulations with your solicitor to ensure your compliance. You are responsible for your own compliance with the FDIC and NCUA insurance regulations.

Participant understands that (i) CDs in amounts above applicable FDIC or NCUA insurance limits are not insured, and (ii) in determining FDIC and NCUA insurance limits Federal regulations provide that all amounts deposited by a depositor, including amounts deposited directly, through brokers or through other means in a financial institution regardless of the source will be combined in determining the insurance limit.

For purposes of operating the Program, Advisor will assume, unless Participant informs Advisor to the contrary, that Participant is entitled to the full limit of FDIC or NCUA insurance in any FDIC-insured financial institution.

Advisor will maintain records of all deposits made by Participant through the Program to assist Participant in maintaining CDs within applicable insurance limits, but Advisor is not responsible for deposits made directly by Participant outside of the Program or through other arrangements outside of the Program. It is Participant's sole responsibility to determine that deposits made directly by Participant outside of the Program or through other arrangements outside of the Program do not cause the CDs purchased by Participant under the Program to exceed the applicable insurance limit. Advisor will not monitor deposits made directly by Participant outside of the Program or through other arrangements outside of the Program, and Advisor has no responsibility therefor.



Advisor strongly recommends that Participant not purchase CDs under the Program from any financial institution with which Participant has a depository relationship outside of the Program.

CDs purchased by Participant under the Program are generally not negotiable and not liquid. If Participant wishes to make an early withdrawal, substantial penalties may apply. Certain financial institutions offering CDs through the Program do not permit withdrawals prior to the stated maturity date.

## 6. Additional Terms and Conditions

- A. Advisor's Duties. Advisor will timely advise Participant of CDs available to satisfy Participant's investment requirements and the advantages and disadvantages of such investments. Advisor will use its best efforts to obtain the most favorable execution and interest rate in connection with the purchase of CDs selected by Participant.
- B. Investments. Advisor and Participant agree that all CDs acquired by Participant under the Program shall: (i) have the maturity and yield approved in advance of purchase by an authorized representative of Participant as stated above; and (ii) be purchased directly from the issuers of such CDs or through brokers or a designated custodian financial institution selected by Advisor. When purchasing CDs for Participant, Advisor may complete certain documentation on Participant's behalf, in order to complete the transaction. This documentation may include, but is not limited to, deposit placement agreements, custodial agreements, and Form W-9s.
- C. Records or Safekeeping of CDs; Payment of Principal and Interest. Each CD will be issued by the financial institution in book-entry form and the book-entry registration shall be maintained by the issuing financial institution or a designated custodian financial institution. Participant authorizes Advisor, in its capacity as transfer agent of the Portfolio, to redeem shares in Participant's Designated Portfolio Account, and Participant authorizes the custodian of the Portfolio to wire cash from Participant's Designated Portfolio Account to financial institutions that will issue CDs being purchased by Participant. As a convenience, and to simplify Participant's record keeping requirements, all principal and interest from the CDs will be credited to Participant's Designated Portfolio Account promptly upon receipt by the custodian of the Portfolio. Advisor shall not take possession of cash or securities to effect any transaction in Participant's Designated Portfolio Account and shall have no responsibility in connection therewith.
- D. Advisory Fee; Expenses. Participant shall pay to Advisor a management fee not greater than 0.25% per annum of the cost of CDs purchased by Participant under the Program. Participant authorizes Advisor to charge Participant's Designated Portfolio Account for the management fee and authorizes the custodian of the Portfolio to disburse funds from Participant's Designated Portfolio Account for the payment of the management fee to Advisor using the method selected below:
- The entire management fee will be deducted from Participant's Designated Portfolio Account upon settlement of the CD (refundable pro rata in the event of an early withdrawal).
  - The monthly amount of the management fee will be deducted from Participant's Designated Portfolio Account after the close of each month.

Participant shall be responsible for the payment of all of its own expenses with regard to CDs purchased under the Program, including, without limitation, taxes, commissions, transaction fees and insurance, except for associated transaction fees of the custodian of the Portfolio, and except Advisor is responsible for brokerage fees associated with CDs with respect to the Program.

- E. Non-Exclusivity. Participant has no obligation to purchase any CD recommended by Advisor. Participant acknowledges and agrees that Advisor serves as investment adviser to numerous individual governments



and pools of government investment funds and that Advisor will continue to do so without any special obligation to Participant in this regard.

- F. Termination. This Agreement may be terminated by Participant or Advisor at any time, without cause, by notice in writing to the other party transmitted by first class mail or recognized courier service. This Agreement will terminate automatically and without notice in the event that Advisor shall cease to be the investment adviser for the Portfolio or in the event that Participant shall withdraw as a Participant of the Portfolio. Notwithstanding the foregoing, termination shall not relieve Participant of its obligation to pay any management fee which has become payable to Advisor.
- G. Status of Advisor. Advisor is an investment advisor, registered with the Securities and Exchange Commission ("SEC") under the Investment Advisers Act of 1940. Advisor agrees that it will not deal with itself or with any other affiliated company or individual in making purchases or sales of CDs pursuant to this Agreement and will have no other interest in the purchase or sale of CDs except as described in this Agreement.
- H. Advisor's Brochure and Brochure Supplement. Participant acknowledges that Advisor has furnished to Participant, prior to the execution of this Agreement, a copy of Part 2A (brochure) and Part 2B (brochure supplement) of Advisor's Form ADV as prescribed by the SEC.
- I. Information Statement. Participant acknowledges that Advisor has furnished to Participant a copy of the MSDLAF+ Information Statement. Participant should review the Information Statement before purchasing CDs through the Program.
- J. Reports. Advisor will provide Participant with an advice of each CD purchase and a monthly statement showing purchases and sales (or maturities) of CDs, earnings received and a detailed history of CDs held by Participant on the last business day of each month.
- K. Assignment. This Agreement is not assignable by a party without the consent of the other party.
- L. Liability of the Pool. MSDLAF+ does not issue or insure the CDs nor does it guarantee the payment of principal of or interest on the CDs. MSDLAF+ is not acting as a broker-dealer or an investment advisor with respect to the CDs. Participant's investment advisory relationship is with Advisor. MSDLAF+ is not responsible for Participant's compliance with the FDIC or NCUA insurance limits. MSDLAF+ assumes no obligations pursuant to this Agreement or with respect to the CDs.
- M. General. This Agreement is the entire agreement between the parties with respect to Advisor's advisory service in regard to the purchase of CDs by Participant under the Program and may be modified only in writing signed by both parties (except that Participant unilaterally may add or delete names of persons authorized by Participant to give instructions to Advisor, effective upon Advisor's receipt of such notice). This Agreement shall be construed in accordance with the internal laws of Minnesota. Advisor and Participant agree that should a disagreement arise as to performance under this Agreement, the parties will attempt in good faith to resolve such disagreement without litigation.



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

ADVISOR

PFM ASSET MANAGEMENT LLC

Date: \_\_\_\_\_

By: \_\_\_\_\_  
Managing Director

PARTICIPANT

\_\_\_\_\_

Date: \_\_\_\_\_

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

\_\_\_\_\_  
Title