

CITY OF LA VISTA
MAYOR AND CITY COUNCIL REPORT
JULY 5, 2023 AGENDA

Subject:	Type:	Submitted By:
AUTHORIZATION TO INVEST CITY FUNDS WITH NEBRASKA CLASS TRUST	◆ RESOLUTION ORDINANCE RECEIVE/FILE	MEG HARRIS FINANCE DIRECTOR

SYNOPSIS

A resolution has been prepared authorizing the City to enter into a Declaration of Trust and Interlocal Agreement to become a participant in the Nebraska Cooperative Liquid Assets Securities System Trust (Nebraska CLASS Trust).

FISCAL IMPACT

The City may invest excess funds with Nebraska CLASS Trust at a rate competitive with other investment options.

RECOMMENDATION

Approval.

BACKGROUND

Nebraska CLASS Trust is a program similar to NPAIT and NFIT to provide the City a flexible investment alternative for short term investment of funds.

An Information Statement is attached along with the Declaration of Trust and Interlocal Agreement.

RESOLUTION NO. _____

A RESOLUTION OF THE MAYOR AND CITY COUNCIL OF THE CITY OF LA VISTA, NEBRASKA, AUTHORIZING THE CITY TO ENTER INTO A DECLARATION OF TRUST AND INTERLOCAL AGREEMENT TO BECOME A PARTICIPANT IN THE NEBRASKA COOPERATIVE LIQUID ASSETS SECURITIES SYSTEM TRUST (NEBRASKA CLASS TRUST).

WHEREAS, NEB. Const. art. XV, § 18(1) authorizes local government entities to exercise their powers and functions, including financing, jointly or in cooperation with other governmental entities and Nebraska law express allows public agencies to invest surplus or excess funds;

WHEREAS, NEB. REV. STAT. § 13-804 authorizes public agencies to enter into interlocal agreements in order for such agencies to take joint or cooperative action;

WHEREAS, the Nebraska Cooperative Liquid Assets Securities System Trust ("Nebraska CLASS Trust") has been formed pursuant to the provisions of the Interlocal Cooperation Act, NEB. REV. STAT. §§ 13-801 to 13-827;

WHEREAS, the Declaration of Trust and Interlocal Agreement and an Information Statement relating to the Nebraska CLASS Trust have been presented to this Governing Body;

WHEREAS, the Declaration of Trust authorizes public agencies to adopt and enter into the Declaration of Trust and become Participants of such trust;

WHEREAS, this Governing Body deems it advisable for this Public Agency to adopt and enter into the Declaration of Trust and become a participant of the Nebraska CLASS Trust for the purpose of the joint investment of this Public Agency's money with those other public agencies so as to enhance the investment earnings accruing to each such public agency,

NOW THEREFORE, be it resolved as follows:

1. This Public Agency shall and does hereby join with other Nebraska public agencies in accordance with the provisions of Nebraska law and in accordance with the Interlocal Cooperative Act, as applicable, by becoming a Participant of the Nebraska CLASS Trust, and the Declaration of Trust and Interlocal Agreement, as amended from time to time, is hereby adopted by this reference with the same effect as if it had been set out verbatim in this Resolution. A copy of the Declaration of Trust is attached hereto and incorporated herein by this reference and shall be filed with the minutes of the meeting at which this Resolution was adopted.
2. The Trustees of the Nebraska CLASS Trust are hereby designated as having official custody of this Public Agency's monies which are invested in accordance with the Declaration of Trust.
3. Authorization is hereby given for members of this Governing Body and officials of this Public Agency to serve as Trustees of the Nebraska CLASS Trust from time to time if elected as such pursuant to the Declaration of Trust.

4. The Key Contact and Authorized Signatories are those persons listed on the Trust Registration Form attached hereto and incorporated herein. The Authorized Signatories are authorized by the Participant to direct the investment of such Participants' investment funds and to take all such actions deemed necessary or desirable to carry out the activities otherwise authorized by this Resolution, subject to the Authorized Signatories' obligation to take such actions only in the name of and for the benefit of this Participant.
5. The Key Contact and Authorized Signatories may be changed from time to time by written notice to Nebraska CLASS.
6. All resolutions and parts of resolutions insofar as they conflict with the provisions of this Resolution being the same are hereby rescinded.

PASSED AND APPROVED THIS 5TH DAY OF JULY 2023.

CITY OF LA VISTA

Douglas Kindig, Mayor

ATTEST:

Pamela A. Buethe, MMC
City Clerk



Nebraska CLASS Information Statement

May 2023

The Nebraska Cooperative Liquid Assets Securities System ("Nebraska CLASS" or "Trust") was organized in 2023 pursuant to the laws of the state of Nebraska. The provisions of Neb. Rev. Stat. §§ 13-801 to 13-827 ("Interlocal Cooperation Act" or "Act") authorizes public agencies of the State of Nebraska to enter into interlocal agreements in order to take joint or cooperative action.

Nebraska CLASS is an Interlocal Agreement entered into for the purpose of providing for investment of public funds by public agencies. Such investments shall be made in accordance with Neb. Rev. Stat. §§ 13-801 et seq. and Neb. Const. art. XV, § 18(1) ("Authorizing Statutes").

The Trust was created as a service for Nebraska public agencies and intends to work with the various associations committed to these agencies. The Trust is a professionally managed local government investment pool trust fund available only to Nebraska public agencies.

The purpose of the Trust is to provide a convenient method for public agencies to pool their cash for temporary investment. The Trust seeks a high level of current income consistent with the preservation of capital and maintenance of liquidity.

Investment Policies

As of the date of this statement, the Trust currently offers one portfolio, the Nebraska CLASS Fund ("the Fund").

The portfolio composition of the Fund is restricted to the statutory investments allowed for Nebraska public agencies participating in the Trust.

Investments, Withdrawals, and Distributions

Investments and withdrawals are made at net asset value. Investments may be made

via wire transfer or ACH funds. Withdrawals may be made via wire transfer, ACH funds, or transfer between Participants. Transactions may be initiated in writing or over the telephone. Distributions from the Trust's net income are declared daily and distributed monthly to the Participants.

Investment Advisor and Administrator

Public Trust Advisors, LLC (Public Trust), a Colorado Limited Liability Company with headquarters at 717 17th Street, Suite 1850, Denver, Colorado 80202, is the Investment Advisor and Administrator of the Trust. Public Trust has a local office at 16717 Grant St., Omaha, NE 68116.

Custodian

UMB Bank, N.A. (UMB Bank), which has its principal place of business at 1010 Grand Boulevard, Kansas City, MO 64106, is the primary Custodian for the Trust.

Further Information

For further information, please visit www.nebraskaclass.com or contact Nebraska CLASS at (866) 256-6460 or info@nebraskaclass.com.

This Information Statement and the financial statements that accompany it provide detailed information about the Trust and its policies. Please read them carefully. The information relating to the auditor and the legal counsel may be changed by the Board of Trustees from time-to-time.

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The Trust

The Trust was established on January 12, 2023, by the adoption of a Declaration of Trust and Interlocal Agreement ("Declaration"). The Declaration was adopted by the Board of Trustees ("Board") and the Participants. Public Agencies that participate in the program of the Trust are referred to as "Participants" in the Declaration and this Information Statement. The Declaration allows for any county, city, village, school district, any drainage district, sanitary and improvement district, or other municipal corporation or political subdivision of the State of Nebraska, and the Nebraska Investment Council to open an account and become a Participant. Each potential Participant receives a copy of the Declaration of Trust and Interlocal Agreement, the Information Statement, and current financial statements before becoming a Participant.

Investment Objective and Policies

The Trust provides a professionally managed investment program for Nebraska public agencies. The general objective of the Trust is to generate a high level of current income for the Participants while maintaining liquidity and preserving capital by investing only in instruments permitted by the Authorizing Statutes and the Trust's Investment Policy.

No assurance can be given that the Trust will achieve its investment objective or that any benefits described in this information statement will result from the investment of monies in the Trust.

Permitted Investments

The Trust is specifically designed for Nebraska public agencies. Accordingly, the Trust has limited its portfolio(s) and invests only in instruments permitted by the Authorizing Statutes. The Board maintains an Investment Policy for the Trust in this Information Statement. Participants receive 30 days prior notice of any changes to the Information Statement.

Investment Restrictions

The Trust may buy and sell and enter into agreements to buy and sell the permitted investments subject to the restrictions described below. These restrictions are fundamental to the operation and activities of the Trust and may not be changed without a majority vote of the Participants.

1. The Trust may not make any investment other than a permitted investment.
2. The Trust may not make any investment other than investments authorized by the statutes of the state of Nebraska as the same may be amended from time-to-time provided, however, the Board and the Trust shall not be responsible for insuring compliance with any investment restrictions provided for in a Participant's home rule charter or elsewhere.
3. The Trust may neither borrow money nor incur indebtedness whether or not the proceeds thereof are intended to be used to purchase permitted investments except as a temporary measure to facilitate withdrawal requests that might otherwise require unscheduled dispositions of portfolio investments and only to the extent permitted by law.
4. The Trust may not buy securities from or sell securities to the Administrator, the Investment Advisor, or any member of the Board ("Trustee"), or with any affiliate, officer, director, employee, or agent of any of them.
5. The Trust may not enter into any repurchase agreements for any securities that are not listed in the Permitted Investments section. In addition, all such agreements must be initially collateralized at 102% and additional securities must be provided

if the market value of the collateral falls below 101.5%.

Nebraska CLASS Fund Portfolio

The Trust currently offers one portfolio, the Nebraska CLASS Fund ("the Fund").

The Fund consists of instruments which Nebraska Public Agencies are presently permitted to invest per Nebraska Law and the Trust's investment policy, including:

- Investments and securities, the nature of which individuals of prudence, discretion, and intelligence acquire or retain in dealing with the property of another, except becoming a subscriber to the capital stock or owner of such stock, or any portion or interest therein of any railroad, or private corporation, or association prohibited by Article XI, Section 1, of the Nebraska Constitution;
- Securities issued or guaranteed as to payment of principal and interest by agencies or instrumentalities of the United States Government;
- Repurchase agreements secured by those securities which are also eligible under Nebraska Law;
- Certificates of deposit and time deposits in compliance with applicable laws;
- Any other investment type permitted by Nebraska Law.

Investment Risks

Participants should specifically consider the following risks before deciding to invest in the Nebraska CLASS fund. The following summary does not purport to be comprehensive or definitive of all risk factors.

Interest Rate Risks

The prices of the fixed-income securities in Nebraska CLASS will rise and fall in response to changes in the interest rates paid by similar securities. Generally, when interest rates rise, prices of fixed-income securities fall. However, market factors, such as demand for particular

fixed-income securities, may cause the price of certain fixed-income securities to fall while the price of other securities rise or remain unchanged. Interest rate changes have a greater effect on the price of fixed-income securities with longer maturities. The Investment Advisor will seek to manage this risk by purchasing short-term securities, generally with maturities of less than 397 days.

Credit Risks

Credit risk is the possibility that an issuer of a fixed-income security held in Nebraska CLASS will default on the security by failing to pay interest or principal when due. If an issuer defaults, Participants in Nebraska CLASS may incur losses. The Investment Advisor will seek to manage this risk by purchasing high quality securities as determined by one or more Nationally Recognized Statistical Ratings Organizations and/or the Investment Advisor's credit research team.

Stable Net Asset Value Risks

Although Nebraska CLASS is managed to maintain a stable NAV of \$1.00 per Share, there is no guarantee that it will be able to do so.

Investment Not Insured or Guaranteed

An investment in Nebraska CLASS is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Nebraska CLASS is invested in an underlying portfolio of U.S. Government Treasury securities, U.S. Government Agency Securities, high-rated Commercial Paper, money market funds and other similar short-term instruments.

Liquidity Risk

Liquidity risk is the degree to which an investment can be sold at or near its fair value. The size of a bond's market, the frequency of trades, the ease of valuation, and/or issue size can possibly impact liquidity risk.

Market Risk

Market risk is the risk that the value of securities owned goes up or down, sometimes rapidly and/or unpredictably, due to factors affecting securities markets generally or within particular industries.

Issuer Risk

The risk that the value of a security declines for a reason directly related to the issuer such as management performance, financial leverage, and reduced demand for the issuer's goods or services.

Default Risk

The risk that a bond issuer (or counterparty) will default by failing to repay principal and interest in a timely manner.

Loss of Principal

A Participant could lose money by investing in Nebraska CLASS.

Organizational Structure of the Trust

Participants

A public agency may become a Nebraska CLASS Participant by taking appropriate official action to adopt the Declaration of Trust and Interlocal Agreement, opening an account in the Trust, and maintaining a balance in the account. Each Participant appoints a Key Contact, and all official communications between the Trust and a Participant are through the Key Contact.

Board of Trustees and Officers

The Board is responsible for assuring compliance with the Declaration and the investment restrictions therein. The Board has the power to administer the Trust and the affairs of the Trust. The initial number of Trustees shall be three (3). The Board may, from time-to-time, increase the number of

members of the Board and set initial terms for each additional Trustee, provided the number of Trustees shall not be less than three (3) or more than thirteen (13). Subject to the rights of the Participants as provided in the Declaration, the Board may perform such acts as in its sole judgment and discretion are necessary and proper for the administration of the Trust and the investment of the Trust property. The Board oversees, reviews, administers, and supervises the activities of all consultants and professional advisors to the Trust.

The Board shall appoint qualified Trustee representatives who are either the Key Contact of a Participant, a constitutional officer of the State of Nebraska or their designee, or a representative of an association comprising of Participants, either in whole or in part.

The term of office for a Trustee is three (3) years, and the terms are staggered so that at an equitable number of terms expire annually. Any vacancy will be filled by appointment by the remaining Trustees, and the Trustee so appointed serves for the balance of the term of the Trustee whose position became vacant.

The Trustees serve without compensation, but they are reimbursed for expenses incurred in connection with their duties as Trustees. The Trustees are not required to and do not devote their entire time to the affairs of the Trust.

The Trustees annually elect one of their numbers to serve as Chairman. They also elect a Vice Chairman and a Secretary/Treasurer. The present Board and officers of the Trust are listed in the financial statements and on the Trust website at www.nebraskaclass.com.

Advisors and Consultants to the Trust

The Board is responsible for the investments of the Trust and for the general administration of the business and affairs of the Trust; however, the Trustees are not required to

personally conduct all of the business of the Trust. Consistent with its ultimate responsibility, the Board has appointed an Administrator, an Investment Advisor, a Custodian, Legal Counsel, and an Independent Accountant. The Board may assign such duties to the Administrator, Investment Advisor and Custodian as it deems necessary or desirable for the efficient management of the Trust.

More specific information about the Trust's Administrator, Investment Advisor, Custodian, Legal Counsel, and Independent Accountants is set forth elsewhere in this Information Statement, in the financial statements, and on the Trust website at www.nebraskaclass.com.

Expenses of the Trust

The Trust has entered into an agreement with Public Trust Advisors, LLC (Public Trust), effective January, 12, 2023, whereby Public Trust is paid a fee, calculated daily and paid monthly, at the annual flat rate of up to 0.15 percent.

Public Trust is responsible for payment of the costs of operation of the Trust including, but not limited to, Administrator and Investment Advisor fees, Custodian fees, operations, and marketing expenses. Included in the costs paid by Public Trust are certain amounts that are agreed to each year for the payment of Trustee expenses, legal expenses, and expenses associated with association membership and sponsorship costs. If the actual cost for the total of those items exceeds the amount agreed to annually, Public Trust and the Trust will negotiate a fair and equitable allocation of the excess cost. Any expenses incurred by the Trust in excess of the fee paid to Public Trust are apportioned on a pro rata basis to the portfolio.

Income Allocations

All net income of the portfolio is determined as of the close of business each day (and at such other times as the Board may determine) and

is credited pro rata to each Participant's Account within the Fund at month-end. The Fund accrues net income on a daily basis and pays interest income on a monthly basis.

Net income that has thus accrued to the Participants is converted as of the close of business at month-end into additional shares that are thereafter held in each Participant's account. Reinvested net income is converted into full and fractional shares at the rate of one share for each one dollar credited.

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

Account Activity

To become and remain an active Participant, an entity must maintain a minimum account balance of \$1.00. There is no maximum account size. Participants may have more than one account. Investments may be made by ACH funds or wire transfer. The Trust intends to negotiate agreements for direct deposit of certain state and federal payments to public agencies so that Participants can realize immediate earnings on such moneys.

Investments received by the Trust by 1:00 p.m. CST will be invested along with the other funds in the portfolio. Funds received after 1:00 p.m. CST will be invested overnight by the Trust's Administrator via the Custodian Bank.

Withdrawals from Nebraska CLASS may be made by wire transfer, ACH funds, or transfer between Participants. Requests for withdrawal from accounts with pre-established wire instructions will be honored on a same day basis if received prior to 1:00 p.m. CST.

Notice of Large Withdrawals

The Trust requests 24-hour notice for wire transfer withdrawals of \$5 million or more.

Computation of Yield

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

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

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

Determination of Net Asset Value

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

For the purpose of calculating the portfolio's net asset value per share, the securities held by the portfolio are valued as follows: (1) securities for which market quotations are readily available are valued at the most recent bid price or yield equivalent as obtained from

one or more market makers for such securities; (2) all other securities and assets are valued at fair market value determined in good faith.

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

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

Suspension or Postponement of Payment

The Board may temporarily suspend the right of redemption or postpone the date of payment for the whole or any part of any

period during which (1) there shall have occurred any state of war, national emergency, banking moratorium, or suspension of payments by banks in the state of Nebraska, or any general suspension of trading or limitation of prices on the New York Stock Exchange or American Stock Exchange (other than customary weekend and holiday closings); or (2) any financial emergency situation exists as a result of which disposal by the Trust of Trust Property is not reasonably practicable because of the substantial losses that might be incurred or it is not reasonably practicable for the Trust fairly to determine the value of its net assets. Such suspension or postponement will not alter or affect a Participant's beneficial interests as measured by its shares or the accrued interest and earnings thereon. Such suspension of payment will take effect at such time as the Board shall specify, and thereafter there will be no right of redemption or payment until the Board shall declare the suspension or postponement at an end.

Portfolio Transactions

Subject to the general supervision of the Board, the Investment Advisor is responsible for placing the orders for portfolio transactions. The Trust's portfolio transactions occur only with broker dealers acting as principals. Such transactions are on a net basis and normally do not involve payment of brokerage commissions. Transactions with dealers normally reflect the spread between bid and asked prices.

Although the Trust does not ordinarily seek, but nonetheless may make, profits for the Trust through short-term trading, the Investment Advisor may, on behalf of the Trust, dispose of any portfolio investment prior to its maturity if such disposition is advisable. The Trust's policy of investing in instruments with maturities of less than one year will result in high portfolio turnover.

The Investment Advisor seeks to obtain the best net price and the most favorable

execution of orders for the purchase and sale of portfolio securities. Portfolio investments will not be purchased from or sold to the Investment Advisor and Administrator, or any Trustee, or any affiliate, officer, director, employee, or agent of any of them.

Reports to Participants

Each Participant receives annual financial statements of the Trust, as well as a monthly statement of the Participant's account(s). The annual report issued as of September 30 includes audited Financial Statements of the Trust. The Trust's fiscal year ends on September 30 of each calendar year. Participants are advised to review the financial statements of the Trust that are furnished to them. The reports also include sufficient information to establish compliance with the investment policy established in the Declaration and other information required by Nebraska statute.

The Trust answers inquiries from Participants at any time during business hours. Inquiries may be made by email at info@nebraskaclass.com, via the Internet at www.nebraskaclass.com, or by phone at (866) 256-6460. The telefax number is (866) 256-6459. The mailing address is Nebraska CLASS, 717 17th Street, Suite 1850, Denver, Colorado 80202.

Summary of the Declaration of Trust and Interlocal Agreement

Each potential Participant receives a copy of the Declaration, this Information Statement, and current financial statements before becoming a Participant. Certain portions of the Declaration are summarized in this Information Statement. These summaries are qualified in their entirety by reference to the text of the Declaration.

Description of Shares

The Declaration provides that the beneficial interests of the Participants in the assets of

the Trust and the earnings thereon are, for convenience of reference, divided into shares that are used as units to measure the allocation of beneficial interest among the Participants. The Declaration authorizes an unlimited number of full and fractional shares of a single class, as well as adjustments in the total number of shares outstanding from time-to-time without changing their proportionate beneficial interest in the Trust in order to permit the Trust to maintain a constant net asset value of \$1.00 per share. All shares participate equally in distributions and have equal liquidation and other rights. The shares have no preference, conversion, exchange, or preemptive rights. For all matters requiring a vote of Participants, each Participant, through its Key Contact, is entitled to one vote with respect to each matter, without regard to the number of shares held by the Participant.

Responsibility of Trustees, Officers, and Agents

No member of the Board, officer, or employee of the Trust is individually liable to the Trust, a Participant, an officer, an employee, advisor, consultant, or an agent of the Trust for any action unless it is taken or omitted in bad faith or constitutes willful misfeasance, gross negligence, or reckless disregard of their duties. The Trust will indemnify, to the extent of the earnings of the Trust, each Trustee and such officers or employees of the Trust designated by the Board to receive such indemnification, to the extent permitted by law, against all claims and liabilities to which they may become subject by reason of serving in such capacities for the Trust except in certain circumstances set forth in the Agreement. The name Nebraska Liquid Assets Securities System is the designated name of the Trust under its Declaration. The Board is authorized to use other designations, including Nebraska CLASS and NECLASS, and it may adopt such other name or names for the Trust as it deems proper. The Trust may hold property and conduct its activities under such designations or names. All persons

dealing with the Trust must look solely to Trust Property for enforcement of any claims since the Trustees, officers, agents, and Participants do not assume any personal liability for obligations entered into on behalf of the Trust.

Termination of the Declaration of Trust and Interlocal Agreement

The Trust may be terminated by the vote of a majority of the Participants entitled to vote. Upon the termination of the Trust and after paying or adequately providing for the payment of all of its liabilities, and upon receipt of such releases, indemnities, and refunding agreements as it deems necessary for the Trust's protection, the Board may distribute the remaining Trust Property, in cash, among the Participants according to their respective proportionate beneficial interest.

Amendment of the Declaration of Trust and Interlocal Agreement

The Declaration may be amended by the vote of the Participants. From time-to-time, the Board may, by a two-thirds vote of the Trustees and after 30 days prior written notice to the Participants, amend or alter the provisions of the Declaration without the vote or assent of the Participants that the Board, in good faith, deems necessary or convenient for the administration and operation of the Trust or to the extent deemed by the Board to be necessary to conform the Declaration to the requirements of applicable laws or regulations or any interpretation thereof by a court or other governmental agency of competent jurisdiction, but the Board shall not be liable for failing to do so. However, no amendment may be made that would change any rights with respect to a Participant's shares, lessen the investment restrictions, change the limitations on personal liability of the Trustees, or change the prohibition of assessments upon the Participants.

The Investment Advisor and Administrator

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

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

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

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

The agreement with Public Trust is not assignable and may be terminated without penalty on 90 days written notice at the option of the Trust or Public Trust.

The Trust is prohibited from buying securities from and selling securities to Public Trust and any of its affiliates.

Custodian

UMB Bank, N.A. ("UMB Bank") serves as Custodian for the Trust pursuant to a Custodian Agreement. UMB Bank acts as

safekeeping agent for the Trust's investment portfolios and serves, in accordance with Nebraska statute, as the depository in connection with the direct investment and withdrawal mechanisms of the Trust. UMB Bank does not participate in the Trust's investment decision-making process.

On occasion, the Trust uses other custodians for some permitted investments such as tri-party repurchase agreements.

The Custodian Agreement remains in effect until terminated by either the Investment Advisor or the Custodian. The Agreement is not assignable without the prior written consent of the Trust's Investment Advisor and may be terminated without penalty on 90 days written notice at the option of the Investment Advisor or the Custodian.

Legal Counsel

As of the date of this statement, Bruning Law Group, LLC serves as Legal Counsel to the Trust.

Independent Accountants

At the present time, Cohen and Company serves as independent certified public accountants to audit the annual financial statements of the Trust. The audit contains statements of assets and liabilities, of operations, and of changes in net assets of the Trust prepared in conformity with generally accepted accounting principles. The opinion of the independent certified public accountant on such financial statements is based on an examination of the books and records of the Trust made in accordance with generally accepted auditing standards.

How to Open an Account

Any county, city, village, school district, any drainage district, sanitary and improvement district, or other municipal corporation or political subdivision of the State of Nebraska, and the Nebraska Investment Council may

join the Trust as a Participant and take advantage of the Trust's investment program.

Each public agency must adopt, execute, and provide to the Trust a certified copy of a resolution adopting the Agreement and naming a Key Contact to participate in the Trust. A model form of Resolution is contained on the back of the Trust Registration Form and is also available at www.nebraskaclass.com.

Potential Participants should email a completed Trust Registration Form and the Resolution described above to clientservices@nebraskaclass.com. Upon the Trust's receipt and acceptance of these documents, the Participant may make an initial investment of funds.

For more information regarding the use of any of the additional services available to Participants of the Trust, please call (866) 256-6460 or email info@nebraskaclass.com. Interested parties can also visit the Trust's website at www.nebraskaclass.com.

Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. Nebraska Class is not a bank. An investment in Nebraska CLASS is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although Nebraska CLASS seeks to preserve the value of your investment at \$1.00 per share, it cannot guarantee it will do so. Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses. External audits may not catch all instances of accounting errors and do not provide an absolute guarantee of accuracy.

05/23 Managed by Public Trust Advisors, LLC