

**GENERAL MEETING OF THE BOARD OF DIRECTORS
OF THE NORTH EAST TEXAS
REGIONAL MOBILITY AUTHORITY**

RESOLUTION NO. 17-42

WHEREAS, the North East Texas Regional Mobility Authority (“NET RMA”) was created pursuant to the request of Gregg and Smith Counties and in accordance with provisions of the Transportation Code and the petition and approval process established in 43 Tex. Admin. Code § 26.1, *et seq.* (the “RMA Rules”); and

WHEREAS, the Board of Directors of the NET RMA has been constituted in accordance with the Transportation Code and the RMA Rules; and

WHEREAS, subsequent to the initial formation of the NET RMA the Counties of Cherokee, Rusk, Harrison, Upshur, Bowie, Panola, Titus, Van Zandt, Wood, and Kaufman joined the Authority and are represented on the Board of Directors; and

WHEREAS, in Resolution 16-88, dated September 13, 2016, the NET RMA Board of Directors authorized the issuance of a request for proposals (“RFP”) to solicit responses from firms interested in providing investment management services to the NET RMA; and

WHEREAS, in Resolution No. 17-27, dated June 13, 2017, the Board of Directors authorized the Executive Director to negotiate an agreement for investment management services with Zions Capital Advisors, Inc. (“Zions”) and to present a final agreement to the Board of Directors for approval; and


WHEREAS, the Executive Director has negotiated an agreement for investment management services with Zions, a copy of which is attached hereto as Attachment “A”.

NOW THEREFORE, BE IT RESOLVED, the Board of Directors of the NET RMA authorizes the Executive Director to execute the agreement for investment management services with Zions in the form or substantially the same form attached hereto as Attachment “A”.

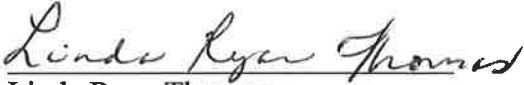
Adopted by the Board of Directors of the North East Texas Regional Mobility Authority on the 8th day of August, 2017.

Submitted and reviewed by:

Approved:



C. Brian Cassidy
General Counsel for the North East
Texas Regional Mobility Authority



Linda Ryan Thomas
Chair, Board of Directors
Date Passed 08/08/17

**NORTH EAST TEXAS
REGIONAL MOBILITY AUTHORITY**

AGREEMENT FOR

**INVESTMENT MANAGEMENT
SERVICES**

NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY

AGREEMENT FOR

INVESTMENT MANAGEMENT SERVICES

THIS AGREEMENT for Investment Management Services (the "Agreement") is made and entered into by and between the **NORTH EAST TEXAS REGIONAL MOBILITY AUTHORITY**, hereinafter referred to as the "NET RMA", and **ZIONS CAPITAL ADVISORS, INC.**, a registered investment adviser, hereinafter referred to as "Zions" or "Adviser", effective as of the date executed by the NET RMA as set forth on the signature page hereof.

WITNESSETH:

WHEREAS, pursuant to the authority provided under Transportation Code, Chapter 370, the NET RMA desires to obtain the services of an investment manager to advise the NET RMA regarding the investment of NET RMA funds; and

WHEREAS, the NET RMA issued a request for proposals ("RFP") to solicit responses from firms interested in providing investment management services and Zions was among the respondents; and

WHEREAS, the NET RMA Investment Committee evaluated the responses received utilizing the evaluation criteria set forth in the RFP and developed a recommendation that Zions be selected to provide investment management services to the NET RMA; and

WHEREAS, in Resolution No. 17-27, dated June 13, 2017, the Board of Directors authorized the Executive Director to negotiate an agreement for investment management services with Zions; and

WHEREAS, Zions is willing to provide investment management services as specified herein with respect to those assets (including any additions thereto, income or receipts thereon, and disbursements in connection therewith, collectively, the "Assets") of NET RMA designated to be subject to this Agreement and held in NET RMA's advisory account with Zions (the "Account"), and Zions accepts appointment as investment manager for the Assets; and

WHEREAS, Zions shall establish and maintain such accounts and sub-accounts in the name of NET RMA as are necessary to account for the Assets, and this Agreement shall govern all such accounts and sub-accounts for which the NET RMA has granted Zions discretionary authority under this Agreement.

NOW, THEREFORE, the NET RMA and Zions, in consideration of the mutual covenants and agreements herein contained and other good and valuable consideration, do hereby agree as follows:

1. **Account Management.** NET RMA authorizes Zions to buy, sell or otherwise trade securities or other investments in the Account without discussing the transactions with NET RMA in advance, subject to the NET RMA's Investment Policy (which Adviser acknowledges having received). Such securities may include, but are not limited to, common or preferred stock, convertible stocks or bonds, options, warrants, rights, corporate, municipal, or government bonds, and notes or bills. NET RMA also authorizes Zions to take all-necessary action to effect securities transactions for the Account. This grant of discretion shall remain in full force and effect until terminated by NET RMA or Adviser pursuant to Section 11 of this Agreement.

Zions shall make investment decisions for the Account according to the investment objectives, risk tolerance, investment time horizon, and any investment policies, guidelines or reasonable restrictions described in the NET RMA's Investment Policy Statement ("IPS"). NET RMA acknowledges that Zions has relied and will continue to rely on the information that NET RMA has provided. NET RMA agrees to notify Zions promptly, in writing, of any change to the information provided by NET RMA, including any change to any written investment objectives, risk tolerance, investment time horizon, and any investment policies, guidelines or reasonable restrictions. NET RMA shall provide Zions with additional information as Zions may request from time to time to assist it in managing the Account. Zions shall have no liability for NET RMA's failure to provide Zions with accurate or complete information unless Adviser has actual knowledge or with the exercise reasonable diligence should have known that information it is provided is not accurate or complete.

NET RMA hereby grants Zions the limited authority to transfer assets between accounts and sub-accounts with the same registration for the purposes of rebalancing the portfolio. NET RMA hereby directs Zions to make the necessary transfers between accounts without further letter of instruction.

2. **Selecting a Broker.** NET RMA authorizes Zions, in its discretion, to select brokers and dealers to execute NET RMA's securities transactions. NET RMA acknowledges and understands that transaction costs, if applicable, will be charged to the Account and shall be the responsibility of the NET RMA. Zions will not use any brokers and dealers associated with Zions, in effecting securities transactions in NET RMA's Account. NET RMA acknowledges and understands that Zions will not be responsible for losses of any type incurred by reason of any acts or omissions of any broker or dealer. NET RMA shall be responsible for the payment of any commissions, fees, or other expenses charged in connection with effecting any transaction for its Account provided that Adviser shall attempt to minimize commissions, fees, or other expenses.

3. **Confidentiality.** Except as otherwise agreed to in writing or as required by law, Zions will exercise the highest degree of due diligence and care with respect to keeping confidential all NET RMA information, including nonpublic personal information. Zions may use companies that are not Zions affiliates to perform services on behalf of NET RMA and these companies may be given NET RMA information to enable them to perform these services. Companies not affiliated with Zions are prohibited from disclosing or using NET RMA information in any manner other than to provide products and services requested by NET RMA. Zions will share NET RMA information with its affiliate companies in order to provide investment advisory services requested by NET RMA. Zions and its officers, directors, employees, or agents will maintain and use such confidential information in accordance with Zions' Privacy Policy (a copy of which has been provided to NET RMA).

NET RMA understands that Zions is allowed to share nonpublic personal and financial information with its affiliate companies for their everyday business purposes, such as to provide financial products and services to NET RMA unless otherwise directed by NET RMA in writing. Zions shares NET RMA's nonpublic personal and financial information with affiliates in order to perform the investment advisory services requested by NET RMA.

4. **Custody.** Zions does not maintain custody of NET RMA funds or securities, nor is it authorized to hold or receive any stock, bond or other security or investment certificate or cash that is part of the Account. Custody of Account Assets shall be maintained in a custodial account(s) maintained by a custodian selected by the NET RMA ("Custodian").

5. **Statements and Confirmations.** NET RMA represents that, pursuant to its agreement with Custodian, Custodian will furnish NET RMA with a monthly statement of Account stating, among other things, a description of the assets held in the Account as of the end of the previous month, and description of any

transactions conducted for the Account during the previous month. NET RMA agrees that it shall promptly notify Zions if such statements are delivered or to be delivered less frequently than quarterly.

6. **Fees.** NET RMA shall pay Zions for its services based on the Fee Schedule attached to this Agreement as Exhibit A on a monthly basis. NET RMA acknowledges and agrees that the investment management fee is calculated using the average (time-weighted) daily balance on each asset class in the Account excluding the securities in the NET RMA selected sweep vehicle as determined by Custodian of the Account for the preceding month and paid in arrears. If the management of the Account commences or ends at any time other than the beginning of a month, the initial / final fee will be based upon the end of the month average daily balance of the portfolio and the number of calendar days the Account was open in the succeeding month during which this Agreement is in force. NET RMA authorizes Custodian to automatically deduct and pay Zions directly each month from NET RMA's Account upon presentation of a bill by Zions. This authorization shall also permit the liquidation of securities in NET RMA's Account to the extent necessary to pay such fees. The frequency of the fee calculation may be changed by written agreement of both parties, but the fee calculation may not be less frequently than quarterly.

- a. **Payment.** Fees are billed in arrears at the end of each calendar month based upon the average daily balance of the Account excluding the value of the assets attributable to the NET RMA's selected sweep vehicle at the end of the previous month. The fee may be modified or changed by Adviser upon advance written notice to, and written consent of, NET RMA.
- b. **Additions and Withdrawals.** NET RMA may make additions to the Account at any time, subject to Adviser's right to terminate an Account that falls below the minimum account size. NET RMA may withdraw Account assets upon notice to the Adviser, subject to the usual and customary securities settlement procedures. No fee adjustments shall be made for partial withdrawals or for Account appreciation or depreciation within a billing period. A pro rata refund of fees charged shall be made if the Account is closed within a billing period. Adviser shall impose no start-up, closing or penalty fees in connection with the Account.
- c. **Payment Method.** Adviser is authorized to invoice the Custodian directly for its fees. NET RMA shall be responsible for verifying the accuracy of the fee calculation -- the Custodian shall not determine whether the fee is calculated properly. NET RMA agrees to instruct the Custodian to pay such fees directly to Adviser.
- d. **Changes to Fee.** NET RMA understands and agrees that the Fee set forth in Exhibit A shall continue until Adviser has notified NET RMA in writing of any change in the amount of the Fee applicable to the Account. NET RMA will then be required to sign an amended fee schedule or may terminate this Agreement.

7. **Non-Exclusive Relationship.** NET RMA acknowledges and agrees that Adviser may act as an investment adviser to other clients and receive fees for such services. The advice given and the actions taken with respect to such clients and Adviser's own account may differ from advice given or the timing and nature of action taken with respect to NET RMA's Account. NET RMA further recognizes that transactions in a specific security may not be accomplished for all clients' accounts at the same time or at the same price. NET RMA also acknowledges that in managing the Account, Adviser may purchase or sell securities in which Adviser, its officers, directors, or employees, directly or indirectly, have or may acquire a position or interest.

8. **Proxy Voting and Corporate Actions.** Unless NET RMA specifically reserves the right to vote proxies in writing, NET RMA agrees that Adviser will vote proxies for the securities in the Account in accordance with Adviser's policies and procedures regarding proxy voting. Adviser is authorized to instruct the

Custodian to promptly forward to Adviser copies of all proxies and shareholder communications relating to securities held in the Account (other than materials relating to legal proceedings). NET RMA may rescind this designation at any time upon written notice to Adviser and the Custodian.

9. **Assignment.** NET RMA may not assign (as that term is defined under the Investment Advisers Act of 1940, as amended) his or her rights or delegate his or her obligations under this Agreement, in whole or in part, without the prior written consent of Adviser. Adviser may not assign (as that term is defined under the Investment Advisers Act of 1940, as amended) this Agreement without the NET RMA's prior written consent.

10. **Term.** This Agreement shall become effective as of the date executed by the NET RMA as set forth on the signature page hereof and, unless terminated by either party pursuant to Section 11 of this Agreement, shall remain in effect for three (3) years therefrom. The term of this Agreement may be extended for two (2) additional years pursuant to the agreement of the parties and approval of the extension by the NET RMA Board of Directors.

11. **Termination.** This Agreement may be terminated with or without cause by the NET RMA upon the giving of at least thirty (30) days' prior written notice to Zions of its intention to terminate, specifying in such notice the effective date of such termination. In the event of such termination, it is understood and agreed that only the undisputed amounts due to Zions for services provided and expenses incurred to the date of termination will be due and payable. No penalty will be assessed for termination of this Agreement.

12. **Representations.**

- a. Adviser represents that it is registered as an investment adviser with the Securities and Exchange Commission ("SEC) under the Investment Advisers Act of 1940 and is authorized and empowered to enter into this Agreement.
- b. NET RMA represents and confirms that: (i) NET RMA has full power and authority to enter into this Agreement; (ii) the terms hereof do not violate any obligation by which NET RMA is bound, whether arising by contract, operation of law, or otherwise; and (iii) this Agreement has been duly authorized and shall be binding according to its terms.
- c. If this Agreement is entered into by a trustee or other fiduciary, such trustee or fiduciary represents that the services to be provided by Adviser are within the scope of the services and investments authorized by the governing instruments of, and/or laws and regulations applicable to NET RMA. Such trustee or fiduciary further represents and warrants that he or she is duly authorized to negotiate the terms of this agreement and enter into and renew this Agreement. The trustee or fiduciary shall provide Adviser with copies of the governing instruments authorizing establishment of the Account. The trustee or fiduciary undertakes to advise Adviser of any material change in his or her authority or the propriety of maintaining the Account.
- d. Adviser agrees to indemnify and hold NET RMA harmless from and against any claims, losses, and expenses incurred (including attorney's fees) as a result of negligence or willful misconduct of Adviser in the performance of its duties and obligations under this Agreement.

13. **Proper Instructions to Zions.** NET RMA's instructions and other notices to Zions shall be in writing delivered by regular mail, first-class mail, facsimile or by electronic means. NET RMA's verbal instructions or notices to Zions are acceptable provided either: (a) NET RMA sends Zions a written confirmation of the verbal instruction within twenty four (24) hours of Zions' receipt of such verbal instruction, or (b) NET RMA fails to object to Zions' own written confirmation of the verbal instruction or notice within five (5) business days of Zions' receipt of such verbal instruction. Zions' confirmation of any verbal instruction or notice may be

delivered to NET RMA by facsimile or any electronic means including but not limited to E-mails. Zions' business record entry of any written or verbal instructions from NET RMA or NET RMA's Authorized Representative shall be conclusive proof of the giving of such directions.

14. **Adviser Communications.** NET RMA hereby authorizes Adviser to provide financial information and other communications, notices and required disclosures to the NET RMA via email at the address provided to Zions.

15. **Consent to Sharing of Nonpublic Personal Information with Affiliates.** NET RMA hereby consents to Zions sharing, and directs Zions to share, NET RMA's nonpublic personal information, including but not limited to name, contact information, social security number or tax ID, and information demonstrating that NET RMA is a customer of Zions, with Zions' affiliates.

16. **Risk and Liability.** Adviser shall manage only the securities, cash and other investments held in NET RMA's Account, and in making investment decisions for the Account. Though Zions may consider securities, cash and other investments owned by NET RMA in the overall financial picture, Adviser shall not be liable for any other securities, cash or other investments owned by NET RMA and not managed by Zions or listed in the IPS. NET RMA recognizes that there may be loss or depreciation of the value of any investment due to the fluctuation of market values. NET RMA represents that no party to this Agreement has made any guarantee, either oral or written, that NET RMA's investment objectives will be achieved. Adviser shall not be liable for any error in judgment and/or for any investment losses in the Account in the absence of malfeasance, negligence or violation of applicable law. Adviser shall not be responsible for any loss incurred by reason of any act or omission of NET RMA, custodian, any broker-dealer, or any other third party. Nothing in this Agreement shall constitute a waiver or limitation of any rights that NET RMA may have under applicable state or federal law, including without limitation the state and federal securities laws.

Zions does not guarantee the future performance of the Account or any specific level of performance, the success of any investment decision or strategy that Zions may use, or the success of Zions' overall management of the Account. NET RMA understands that investment decisions made for NET RMA's Account by Zions are subject to various market, currency, economic, political and business risks, and that such investment decisions will not always be profitable. The price of securities can and will fluctuate. Assets held in the Account are not deposits or obligations of, or guaranteed by, Zions, Zions Bancorporation, or any of Zions' affiliates; nor federally insured by the FDIC, the Federal Reserve Board or any other federal, state or municipal governmental entity; and, are subject to investment risk, including the possible loss of principal.

17. **Legal Proceedings.** Adviser shall not render advice or take any action with respect to securities or other investments, or the issuers thereof, which become subject to any legal proceedings, including bankruptcies. NET RMA hereby expressly retains the right and obligation to take such legal action relating to any such investments held in the Account.

18. **Notice.** Any notice or other communication required or permitted to be given pursuant to this Agreement shall be deemed to have been duly given when delivered in person, or transmitted by facsimile (with hard copy sent by U.S. mail), sent by overnight courier (postage prepaid), or three days after mailing by registered mail (first class postage prepaid). All notices or communications to Adviser should be sent to the portfolio manager of the Account at Adviser's principal address. All notices or communications to NET RMA shall be sent to the address contained in Section 25 of this Agreement.

19. **Entire Agreement.** This Agreement represents the parties' entire understanding with regard to the matters specified herein. No other agreements, covenants, representations or warranties, express or implied, oral or written, have been made by any party to any other party concerning the subject matter of this Agreement.

20. **Severability.** If any part of this Agreement is found to be invalid or unenforceable by statute, rule, regulation, decision of a tribunal, or otherwise, it shall not affect the validity or enforceability of the remainder of this Agreement. To this extent, the provisions of this Agreement shall be deemed to be severable.

21. **Customer Identification Verification/USA PATRIOT Act.** To help the government fight the funding of terrorism and money laundering activities, Federal law requires all financial institutions to obtain, verify, and record information that identifies each person and/or entity that opens an account. At the time NET RMA's Account is established with Zions, NET RMA understands that Zions will verify the source of client's assets, net worth and other information obtained from the NET RMA. Zions will collect information including but not limited to NET RMA employee's Name, Address, Date of Birth (for individuals), and other information for identity purposes. Zions may also request to review and photocopy NET RMA employee's Driver's License (for individuals) or other identifying documents. NET RMA understands that a secondary piece of identification may be requested by Zions as required by Federal law. NET RMA understands that future federal regulations may require verification of identity and additional documentation which Zions will be required to collect and maintain.

22. **Disclosure Documents.** NET RMA acknowledges receipt of: (a) Adviser's Form ADV, Part 2A and 2B, Supplemental Disclosure; (b) Adviser's Notice of Privacy Practices, if any; and (c) Adviser's Proxy Voting Procedures, if any. NET RMA also acknowledges that NET RMA has reviewed and understands the risk factors and the fees associated with the Account. NET RMA agrees to receive updates to the disclosure document electronically upon providing e-mail address to adviser. NET RMA may rescind this consent at any time by providing written notice to Zions.

By signing below, NET RMA acknowledges he/she has read and understands Zions' Form ADV Part 2, 2B and Appendix 1 (if applicable).

23. **Amendments.** Adviser and NET RMA shall have the right to amend this Agreement by mutual agreement in writing and signed by both parties.

24. **Choice of Law, Venue and Jury Waiver.** This Agreement and all of the terms herein shall be construed and governed according to the laws of the State of Texas, without giving effect to principles of conflict of laws, provided that there is no inconsistency with federal laws. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof and supersedes all other oral or written representations and understandings. All parties have carefully read and understand this Agreement, and acknowledge receipt of a copy hereof.

- a. This Agreement sets forth the entire understanding of the parties with respect to the subject matter hereof and supersedes all other oral or written representations and understandings. The formation, interpretation, and performance of this Agreement shall be governed by the internal laws of the State of Texas. All parties have carefully read and understand this Agreement, and acknowledge receipt of a copy hereof.
- b. The parties expressly stipulate that any litigation arising under this Agreement shall be brought in any Federal court sitting in the Eastern District of Texas. The parties agree that Tyler, Texas be both the place of making and the place of performance of this Agreement and all parties consent to jurisdiction in the State of Texas.

25. **Correspondence.** All written correspondence shall be delivered to:

Zions Capital Advisors, Inc.
Attn: Scott Burnett

One S. Main Street - 12th floor
Salt Lake City, UT 84133

e-mail: scott.burnette@zionswm.com
phone: 801-844-7740

North East Texas Regional Mobility Authority
Attn: Executive Director
909 ESE Loop 323
Tyler, TX 75701
e-mail: chris.miller@netrma.org
phone: (903) 630-7441

Compliance issues should be sent to:

Zions Capital Advisors Compliance Department
One South Main Street, 12th Floor
Salt Lake City, UT 84133.

26. **Tax Certification.** NET RMA certifies under penalties of perjury that: 1) NET RMA's correct Taxpayer or Employer Identification Number is as stated below. 2) NET RMA is not subject to backup withholding as NET RMA is exempt, or has not been notified to the contrary by the Internal Revenue Service (IRS) because of failure to report all interest or dividends, or the IRS has notified NET RMA that it is no longer subject to backup withholding. NET RMA agrees to notify Zions promptly in writing in case of any change in the above certifications.

27. **Headings.** All paragraph headings in this Agreement are for convenience of reference only, do not form part of this Agreement, and shall not affect in any way the meaning or interpretation of this Agreement.

This Agreement represents the entire Agreement between the parties and may only be changed or amended by an agreement in writing signed by all parties.

NORTH EAST TEXAS REGIONAL MOBILITY
AUTHORITY

By: [Signature]
Chris Miller
Executive Director

Date: _____

NET RMA Tax ID: _____

ZIONS CAPITAL ADVISORS, INC.

By: [Signature]
Scott Burnet

Date: 9-22-17

Exhibit A Fee Schedule

INSTITUTIONAL LIQUIDITY MANAGEMENT SERVICES:

Zions Capital Advisors' fixed income team provides individually managed money market, and short-term fixed-income asset management for institutional clients. They provide services on a discretionary or non-discretionary basis with investment advisory services based on the needs of the client and stated objectives and guidelines of the account. Zions Capital Advisors provides this service for a fee that is based on a percentage of assets under management.

****Fees will be discounted 10% from the fee schedule below**

<u>Municipalities/Public Entities</u>	<u>Annual Fee</u>
(Average market value)	(Percentage of fees)
\$2 million - \$10 million	0.150%
On the next \$20 million	0.125%
On the next \$20 million	0.100%
Over \$50 million	0.080%

***Minimum account balance requirement of \$2,000,000 per account*

Excluding Cash Only and Fixed-Income accounts, the minimum annual account fee, regardless of asset class, account size, portfolio holdings, or discretionary/non-discretionary, is \$5,000.

Fees are calculated and charged to the client's account monthly in arrears, based on the average time-weighted daily balance of the assets under management. Additional information relating to fees can be found in Zions Capital Advisors' Form ADV, Part 2A.

Fees include:

- Investment management of fixed-income securities
- Complete financial reporting, including valuation, earnings and reconciliation reports
- All transaction costs, with no limitations, on wire transfers out of the account
- Online reporting through Clearwater Analytics