

## SECOND TRUST AGREEMENT

As of August 12, 2016 (the "Effective Date"), the Compact Commission of the Compact for a Balanced Budget ("COMMISSION") and Compact for America Educational Foundation, Inc., acting as the Compact Administrator for the Compact for a Balanced Budget Commission and trustee as herein provided, ("ADMINISTRATOR-TRUSTEE") agree as follows:

1. Termination and Windup of Prior Agreement. The previous trust agreement dated January 27, 2015 between ADMINISTRATOR-TRUSTEE and Nick Dranias Law & Policy Analysis LLC ("NDLPA") relating to the Arizona IOLTA Trust Account maintained at Bank of America, the last four account numbers of which are 6758, is hereby terminated; the previous letter of direction dated April 28, 2015 between the COMMISSION, ADMINISTRATOR-TRUSTEE and NDLPA is hereby terminated; and NDLPA is directed to transfer the remaining balance of \$38.03 together with the most recent statement of the foregoing account to ADMINISTRATOR-TRUSTEE. ADMINISTRATOR-TRUSTEE shall be exclusively responsible for maintaining all records relating to said terminated trust agreement and both ADMINISTRATOR-TRUSTEE and COMMISSION hereby waive any expectation or entitlement that NDLPA keep or retain any records relating to the same.
2. Term of Agreement. The term of ADMINISTRATOR-TRUSTEE's engagement shall begin on the Effective Date and shall extend to September 1, 2020, unless earlier terminated as set forth herein. Upon expiration of the initial term, this Agreement may be renewed in writing upon mutual agreement of the parties, whereupon the "Effective Date" as referenced herein shall be construed as the actual latest signature date of such renewal, or such other date as specified and mutually agreed upon in the renewal instrument.
3. Duties. ADMINISTRATOR-TRUSTEE shall perform services hereunder as the trustee of funds owned by and held for the benefit of the COMMISSION. Such duties shall include exclusively: (a) depositing grants and donations made by the Compact for America Educational Foundation, Inc. and third parties for the benefit of the COMMISSION in ADMINISTRATOR-TRUSTEE's Account maintained at Bank of America, the last four account numbers of which are \_\_\_\_\_ ("Account"); (b) maintaining the Account exclusively to hold said grants and donations in trust as aforesaid; and (c) disbursing amounts from the Account to the COMMISSION for the reimbursement of expenses and related incidentals incurred by said Commissioners in the course of performing their official duties upon request from COMMISSION. ADMINISTRATOR-TRUSTEE shall have no other obligation relating to the maintenance, deposit and disbursement of funds in the Account. ADMINISTRATOR-

TRUSTEE is entitled to rely on requests made by COMMISSION relative to the account as duly authorized by the Compact for a Balanced Budget Commission without further investigation.

4. Expense Reimbursement. COMMISSION shall reimburse ADMINISTRATOR-TRUSTEE for incurred reasonable and necessary expenses within a reasonable period of time, no later than the last day of the following month in which a reasonably informative expense reimbursement request has been submitted. Wiring and other bank fees relating to maintaining the Account and making disbursements contemplated hereunder shall be paid by ADMINISTRATOR-TRUSTEE out of the Account.

5. Assignment. This Agreement may not be assigned by either party without the prior written consent of the other.

6. Entire Agreement and Modification. This Agreement contains the entire agreement and understanding between the parties. It rightfully terminates, voids, and supersedes all previous agreements between them. Each party acknowledges that it has read this Agreement and understands its full force and effect. This Agreement may not be modified except by a later written agreement signed by both parties.

7. Termination. Either party may terminate this Agreement without cause upon 15 days' written notice to the other party. Either party may terminate this Agreement immediately upon written notice of termination to the other in the event the other is in substantial breach of this Agreement, and the breach is not cured within 5 days of written notice of the breach by the non-breaching party to the breaching party. All notices under this paragraph shall be sent by electronic mail or by overnight delivery and, if sent to COMMISSION, be addressed to Chairperson Paulette Rakestraw, or if sent to ADMINISTRATOR-TRUSTEE, be addressed to CEO Harold E. DeMoss III at the respective addresses set forth on the signature page or the addressee's last known e-mail address.

8. Governing Law. This Agreement shall be construed in accordance with the laws of the State of Texas (excluding the conflicts of laws rules thereof). In addition, except as otherwise provided, all disputes arising under this Agreement shall be resolved in any local or federal court in the State of Texas that properly has subject matter jurisdiction and venue with respect to such a lawsuit, and each party agrees, solely for purposes of this Agreement, to submit to the personal jurisdiction of that court.

9. Joint Preparation. The Parties have participated jointly in the negotiation and drafting of this Agreement and have had a reasonable opportunity to engage legal counsel to seek advice regarding the implications of the same before signing below. In the event an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no

presumption or burden of proof shall arise favoring or disfavoring any Party by virtue of the authorship of any of the provisions of this Agreement. Nick Dranias Law & Policy Analysis LLC has not represented either Party as legal counsel in regard to this Agreement and both Parties waive any claim to the contrary by signing below. Nick Dranias Law & Policy Analysis LLC has represented solely itself in preparing this Agreement to ensure that the termination of its trustee obligations is effective and that the windup of the Account previously maintained is properly handled.

IN WITNESS WHEREOF, each of the parties has executed this Agreement as of the Effective Date:

**COMPACT COMMISSION OF THE COMPACT FOR A BALANCED BUDGET**

By: 

2323 Clear Lake City Blvd, Ste 180-190  
Houston, TX 77062

Name: Paulette Rakestraw

Title: Chair

Email: [paulette.rakestraw@balancedbudgetcompact.org](mailto:paulette.rakestraw@balancedbudgetcompact.org)

**COMPACT FOR AMERICA EDUCATIONAL FOUNDATION, INC.**

By: 

2323 Clear Lake City Blvd, Ste 180-190  
Houston, TX 77062

Name: Harold R. DeMoss, III

Title: CEO

Email: [chip.demoss@compactforamerica.org](mailto:chip.demoss@compactforamerica.org)

Termination and Windup of January 27, 2015 Agreement and April 28, 2015 Letter of Disbursement Acknowledged:

**NICK DRANIAS LAW & POLICY ANALYSIS LLC**

By: 

15025 S. 8<sup>th</sup> Street  
Phoenix, AZ 85048

Name: Nick Dranias

Title: Managing Member

Email: [nickdranias@gmail.com](mailto:nickdranias@gmail.com)