EASY SMART PAY TAXPAYER TRUST ACCOUNT INVESTMENT POLICY

I. INTRODUCTION AND SCOPE

The following are the investment objectives, policies and restrictions (collectively, the "Investment Policy") for the Taxpayer Trust Account maintained by Smart Easy Pay, Incorporated (doing business as Easy Smart Pay, or referred to as "ESP" hereafter).

II. PURPOSE

ESP is a California corporation founded in 2017 with a desire to modernize and simplify the process of paying government. Even though the company is young, our board and executive team bring a wealth of experience in both financial and technology sectors, which makes us a natural fit for this space. ESP is a payment platform primarily focused on improving and facilitating tax payments for local government taxpayers. ESP has been developed as a public-private partnership for the primary concern for developing an easy and smart way to pay certain taxes investment strategies.

III. WHO MAY INVEST

ESP is the only authorized investor of the Taxpayer Trust Account. Money that ESP receives from all ESP account holders is held in a separate ESP account, known as and herein referred to as the Taxpayer Trust Account. Any ESP balance held represents an unsecured claim against this ESP account and is not insured by the Federal Deposit Insurance Corporation (FDIC). ESP combines individual ESP balances with the ESP balances of other ESP customers and invests those funds in liquid and safe investments, as described below, in accordance with state laws and the Investment Policy. ESP owns the interest or other earnings on these investments. These pooled amounts are held separate from ESP's general operating funds, and ESP will neither use these funds for its operating expenses or any other corporate purposes nor will it voluntarily make these funds available to its creditors in the event of bankruptcy.

IV. PERFORMANCE STANDARDS AND SERIES BENCHMARKS

The investment portfolios shall be designed with the objective of obtaining a market rate of return throughout economic cycles, commensurate with the investment risk constraints and liquidity needs of ESP, always aligned with the focus on preservation of capital, liquidity, and yield.

V. FIDUCIARY RESPONSIBILITY

The California Government Code, Section 53600.3 defines the prudent investor standard to which ESP and staff models and applies in the context of managing the Taxpayer Trust Account funds. This standard requires that "When investing, reinvesting, purchasing, acquiring, exchanging, selling, or managing" Taxpayer Trust Account funds, ESP "shall act with care, skill, prudence, and diligence under the circumstances then prevailing, including, but not limited to, the general economic conditions and the anticipated needs of the company, that a prudent person acting in a like capacity and familiarity with those matters would use in the conduct of funds of a like character and with like aims, to safeguard the principal and maintain the liquidity needs of the company. Within the limitations of this section and considering individual investments as part of an overall strategy, investments may be acquired as authorized by law."

VI. INVESTMENT OBJECTIVES

The Taxpayer Trust Account maintains the following objectives:

- ▪ ▪**Preservation of Principal.** Preserve principal to the extent reasonably possible in accordance with the applicable investment strategy by investing only in fixed-income oriented Authorized Investments, and in accordance with an investment strategy designed to preserve capital.
- ▪ ▪**Liquidity**. Provide liquidity so that users of the platform have ready access to the balance of their funds less transactions fees and interest.
- ▪ ▪**Income**. Provide as high a level of current income as is consistent with preserving principal and maintaining liquidity.
- ▪ ▪**Professional Management.** Investments are managed by ESP who rely on investment professionals that follow both general economic and current market conditions affecting interest rates and the value of fixed-income oriented investments
- ▪ ▪**Accounting, Safekeeping and Separate Series**. The users of the platform are accounted for in compliance with general accounting and auditing practices, and users will be provided with all necessary information to do the bookkeeping and safekeeping associated with participation in the monthly payments platform.

VII. DELEGATION OF AUTHORITY

Any outside Investment Manager used to invest Taxpayer Trust Account shall be selected by ESP. Any investment manager retained by ESP shall meet all of the requirement of existing law, which, as of the date hereof, requires that:

- the investment manager shall be registered or exempt from registration with the Securities and Exchange Commission;
- the investment manager shall not have less than five (5) years of experience investing in the securities and obligations authorized by the Law; and
- the investment manager shall have assets under management in excess of fifty million dollars ($50,000,000).

VIII. ETHICS AND CONFLICTS OF INTEREST

ESP officers, and staff members involved in the investment activity shall refrain from personal business activity that could conflict with proper execution and management of the policy and the investment program, or which could impair their ability to make impartial decisions.

IX. AUTHORIZED INVESTMENTS

The investments purchased by ESP will be comprised exclusively of the following investments (the “Authorized Investments”). These investments are authorized investments under the California Government Code, as may be amended from time to time and followed by California County Treasure Tax Collectors. **The Board may revise this Investment Policy from time to time**. The Investment Policy may additionally be administratively revised to reflect updates to California Government Code.

Where this section does not specify a limitation on the term or remaining maturity at the time of the investment, no investment shall be made in any security, other than a security underlying a repurchase or reverse repurchase agreement or securities lending agreement authorized by this section, that at the time of the investment has a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment. By specific reference authorized investments include, but are not limited to:

1) Unites States Treasury notes, bonds, bills, or certificates of indebtedness, or those for which the faith and credit of the United States are pledged for the payment of principal and interest.

2) Registered state warrants or treasury notes or bonds of this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the state or by a department, board, agency, or authority of the state.

3) Bonds, notes, warrants, or other evidences of indebtedness of any local agency within this state, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by the local agency, or by a department, board, agency, or authority of the local agency.

4) Registered treasury notes or bonds of any of the other 49 states in addition to California, including bonds payable solely out of the revenues from a revenue-producing property owned, controlled, or operated by a state or by a department, board, agency, or authority of any of the other 49 states, in addition to California.

5) Federal agency or United States government-sponsored enterprise obligations, participations, or other instruments, including those issued by or fully guaranteed as to principal and interest by federal agencies or United States government-sponsored enterprises.

6) Bankers acceptances otherwise known as bills of exchange or time drafts that are drawn on and accepted by a commercial bank. Purchases of bankers acceptances may not exceed 180 days' maturity or 40 percent of the assets in a Series. However, no more than 30 percent of the assets in a Series may be bankers acceptances of any one commercial bank.

7) Commercial paper of "prime" quality of the highest ranking or of the highest letter and number rating as provided for by a nationally recognized statistical-rating organization ("NRSRO"). The entity that issues the commercial paper shall meet all of the following criteria in either clause (a) or (b): (a)(i) is organized and operating in the United States as a general corporation, (ii) has total assets in excess of five hundred million dollars ($500,000,000) and (iii) has debt other than commercial paper, if any, that is rated "A" or higher, without gradation, by an NRSRO; or (b)(i) is organized within the United States as a special purpose corporation, trust, or limited liability company, (ii) has programwide credit enhancements including, but not limited to, overcollateralization, letters of credit, or surety bond and (iii) has commercial paper that is rated "A-1" or higher, without gradation, or the equivalent, by an NRSRO. Eligible commercial paper shall have a maximum maturity of 270 days or less. No more than 40 percent of the assets in a Series may be eligible commercial paper. No more than 10 percent of the assets in a Series may be outstanding commercial paper of any single issuer. No more than 10 percent of the outstanding commercial paper of any single issuer may be purchased for a Series.

8) Negotiable certificates of deposit issued by a nationally or state-chartered bank, a savings association or a federal association (as defined by Section 5102 of the California Financial Code), a state or federal credit union, or by a federally licensed or state-licensed branch of a foreign bank. Purchases of negotiable certificates of deposit may not exceed 30 percent of the assets in a Series. Purchases shall not exceed the shareholder's equity of any depository bank. Shareholder's equity shall be determined in accordance with Section 118 of the California Financial Code, but shall be deemed to include capital notes and debentures. Purchases shall not exceed the total of the net worth of any savings association or federal association, except that deposits not exceeding a total of five hundred thousand dollars ($500,000) may be made to a savings association or federal association without regard to the net worth of that depository, if such deposits are insured or secured as required by law. Purchases of negotiable certificates of deposit from any regularly chartered credit union shall not exceed the total of the unimpaired capital and surplus of the credit union, as defined by rule of the California Commissioner of Financial Institutions, except that the deposit to any credit union share account in an amount not exceeding five hundred thousand dollars ($500,000) may be made if the share accounts of that credit union are insured or guaranteed pursuant to Section 14858 of the California Financial Code or are secured as required by law.

9) Investments in repurchase agreements of Authorized Investments as long as the agreements are subject to the requirements of California Government Code Section 53601(j), including the delivery requirements specified

in California Government Code Section 53601(j). "Repurchase agreement" means a purchase of securities by the local agency pursuant to an agreement by which the counterparty seller will repurchase the securities on or before a specified date and for a specified amount and the counterparty will deliver the underlying securities to the local agency by book entry, physical delivery, or by third-party custodial agreement. The transfer of underlying securities to the counterparty bank's customer book-entry account may be used for book-entry delivery. Investments in repurchase agreements may be made, on any Authorized Investments, when the term of the agreement does not exceed one year. The market value of securities that underlay a repurchase agreement shall be valued at 102 percent or greater of the funds borrowed against those securities and the value shall be adjusted no less than quarterly. Since the market value of the underlying securities is subject to daily market fluctuations, the investments in repurchase agreements shall be in compliance if the value of the underlying securities is brought back up to 102 percent no later than the next business day.

10) Medium-term notes, defined as all corporate and depository institution debt securities with a maximum remaining maturity of five years or less, issued by corporations organized and operating within the United States or by depository institutions licensed by the United States or any state and operating within the United States. Notes eligible for investment under this subsection shall be rated "A" or better, without gradation, by a nationally recognized rating service. Purchases of medium-term notes (not including other Authorized Investments) may not exceed 30 percent of the assets in a Series.

11) Shares of beneficial interest issued by diversified management companies that are money market funds registered with the Securities and Exchange Commission under the Investment Company Act of 1940. Such companies shall have attained the highest ranking or the highest letter and numerical rating provided by not less than two NRSROs or retained an investment adviser registered or exempt from registration with the Securities and Exchange Commission with not less than five years' experience managing money market mutual funds with assets under management in excess of five hundred million dollars ($500,000,000). The purchase price of shares of beneficial interest purchased pursuant to this subsection shall not include any commission that the companies may charge and shall not exceed 20 percent of the assets in a Series.

12) Notes, bonds, or other obligations that are at all times secured by a valid first priority security interest in securities of the types listed by California Government Code Section 53651 as eligible securities for the purpose of securing local agency deposits having a market value at least equal to that required by California Government Code Section 53652 for the purpose of securing local agency deposits. The securities serving as collateral shall be placed by delivery or book entry into the custody of a trust company or the trust department of a bank which is not affiliated with the issuer of the secured obligation, and the security interest shall be perfected in accordance with the requirements of the Uniform Commercial Code or federal regulations applicable to the types of securities in which the security interest is granted

13) United States dollar denominated senior unsecured unsubordinated obligations issued or unconditionally guaranteed by the International Bank for Reconstruction and Development, International Finance Corporation, or Inter-American Development Bank, with a maximum remaining maturity of five years or less, and eligible for purchase and sale within the United States. Investments under this subdivision shall be rated "AA", without gradation, or better by an NRSRO and shall not exceed 30 percent of the agency's moneys that may be invested pursuant to this section.

X. DURATION AND DIVERSIFICATION

ESP seeks to attain as high a level of current income as is consistent with the preservation of principal.

ESP will invest in a diversified portfolio of fixed-income oriented investments of varying maturities with a different portfolio "duration." Duration is a measure of the expected life of a fixed-income oriented investment that was developed as a more precise alternative to the concept of "term to maturity." Duration incorporates a bond's yield, coupon interest payments, final maturity, call and put features and prepayment exposure into one measure.

Traditionally, a fixed-income oriented investment's "term to maturity" has been used to determine the sensitivity of the investment's price to changes in interest rates (which is the "interest rate risk" or "volatility" of the investment). However, "term to maturity" measures only the time until a fixed-income oriented investment provides its final payment, taking no account of the pattern of the investment's payments prior to maturity. Duration is used in the management of Series as a tool to measure interest rate risk. For example, a Series with a portfolio duration of two years would be expected to change in value 2% for every 1% move in interest rates.

XI. Investment Restrictions

ESP has adopted the following investment restrictions for the Taxpayer Trust Account, which may not be changed in a material way unless by the Board, and except as may be required by applicable law. Funds invested by ESP will not be used to:

1) Purchase any securities other than those described under "Authorized Investments," unless California law at some future date redefines the types of securities which are legal investments.

2) Invest in securities of any issuer in which aN, officer, employee, agent or adviser of ESP is an officer, director or 5% shareholder unless such investment is periodically authorized by resolution adopted by the Board, excluding officers, directors or 5% shareholders of such issuer.

3) Make loans, except that repurchase agreements may be entered into as specified under "Authorized Investments."

4) Borrow money or pledge, hypothecate or mortgage the assets in an investment or otherwise engage in any transaction that has the effect of creating leverage with respect to an investment; provided, however, that short- term credits necessary for the settlement of securities trades may be used, and forward purchases and sales of securities that are expected to settle beyond a normal "T+3" basis may be entered into.

5) Purchase securities with a forward settlement of greater than 45 days from the time of the investment.

6) Purchase securities that at the time of settlement have a term remaining to maturity in excess of five years, unless the legislative body has granted express authority to make that investment either specifically or as a part of an investment program approved by the legislative body no less than three months prior to the investment.

XII. Collateralization

ESP does not partake in investment activities that require collateralization.

XIII. Application of Percentages

Any percentage limitation or rating requirement described in this Investment Policy will be applied at the time of purchase.

XIV. Oversight and Due Diligence

Management shall receive and review the investment holdings monthly and distribute a copy of the holdings to the the responsible officers of the company. The Board of Directors shall receive and review the investment policy and may request a review of the holdings on an annual basis. The report may include the following:

- Listing of individual securities held at the end of the reporting period;

- Rating of each individual securities;
- Percentage of portfolio by investment type;
- Investments stated rate and book value;
- A verage rate of return;
- Maturity aging by type of investment; and
- Market value of securities.

In-depth due diligence meetings with the Investment Manager shall be conducted by an Investment Committee created by the Board of Directors at least once annually. The Investment Manager shall present holdings and current strategy to the Board of Directors at least annually.

XV. REPORTING

In the event that a Portfolio investment is downgraded below the minimum mandated credit quality guidelines, the Investment Manager shall notify ESP and provide an evaluation and a plan of action within five (5) business days.

XVI. SAFEKEEPING AND CUSTODY

Securities will be held by an independent third-party custodian selected by ESP. Any custodian retained by ESP shall meet the following criteria:

i. the custodian shall be a bank or trust company, in good standing, duly authorized to exercise trust powers and subject to supervision or examination by a federal or state banking authority; and
ii. the custodian shall have combined capital and surplus in excess of fifty million dollars ($50,000,000).

Notwithstanding the foregoing, a custodian that does not meet the requirement of clause (ii) above may be retained as the custodian for ESP if its obligations under the Custody Agreement are guaranteed by an Affiliate which meets all of the qualifications set forth above, and such guaranty is acceptable in form and substance to ESP.

XVII. INTERNAL CONTROLS

Management is responsible for the creation and administration of internal controls. A system of internal controls to ensure compliance with investment policies and procedures of ESP and the California Government Code are established in conjunction with the Investment Manager, Custodian and Transfer Agent/Recordkeeper. The controls are reviewed annually.

XVIII. INVESTMENT POLICY REVIEW

The investment policy shall be reviewed annually by the Board of Director. The Board shall take action annually to either amend or reaffirm the Investment Policy.

XIX. GLOSSARY

ACCRUED INTEREST – Interest that has accumulated but has not yet been paid from the most recent interest payment date or issue date to a certain date.

AGENCY ISSUES – Securities issued by federal agencies, those chartered by the federal government or Government Sponsored Enterprises that are considered to be backed by the federal government. See also Government Sponsored Enterprises.

ASSET-BACKED SECURITY (ABS) – A financial security backed by a loan, lease, or receivables against assets other than real estate and mortgage-backed securities.

COLLATERALIZATION – Process by which a borrower pledges securities, property or other deposits for the purpose of securing the repayment of a loan and/or security.

COLLATERALIZED CERTIFICATE OF DEPOSIT – An instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period of time that is collateralized by the bank with securities at a minimum of 110% of the deposit amount.

COMMERCIAL PAPER – Money Market instrument representing an unsecured short-term promissory note of a corporation at a specified rate of return for a specified period of time.

COUPON – The stated interest rate on a debt security that an issuer promises to pay.

CREDIT QUALITY – An indication of risk that an issuer of a security will fulfill its obligation, as rated by a rating agency.

CREDIT RATING – A standardized assessment, expressed in alphanumeric characters, of a company's creditworthiness.

CREDIT RISK – The risk to an investor that an issuer will default in the payment of interest and/or principal on a security.

DIVERSIFICATION – The practice or concept of investing in a range of securities by sector, maturity, asset class or credit quality in order to reduce and spread financial risk.

DOLLAR WEIGHTED AVERAGE MATURITY – The sum of the amount of each security investment multiplied by the number of days to maturity, divided by the total amount of security investments.

DURATION – Is a measure of the price volatility of a portfolio and reflects an estimate of the projected increase or decrease in the value of that portfolio based upon a decrease or increase in the interest rates. A duration of

1.0 means that for every one percent increase in interest rates, the market value of the Portfolio would decrease by 1.0 percent.

GOVERNMENT OBLIGATIONS – Securities issued by the U.S. Treasury and Federal Agencies. U.S. Treasuries are direct obligations of the Federal Government. Agencies are not direct obligations of the Federal Government, but involve Federal sponsorship or guarantees.

GOVERNMENT SPONSORED ENTERPRISES (GSE'S) – Private, shareholder-owned companies with a relationship with government agencies. These agencies generally are viewed to have an implied guarantee of the U.S. government. These include:Federal National Mortgage Association (FNMA) Federal Home Loan Bank (FHLB)

- Federal Farm Credit Bank (FFCB)
- Federa Home Loan Mortgage Corporation (FHLMC)

ILLIQUID – A security that is difficult to buy or sell or has a widespread between the bid price and offer price in the secondary market. There are few buyers and sellers willing to trade large quantities at a reasonable price.

INVERSE FLOATERS – Floating rate notes that pay interest in inverse relationship to an underlying index.

LIQUID – A security that is easily bought and sold because of the willingness of interested buyers and sellers to trade large quantities at a reasonable price.

LOCAL AGENCY OBLIGATION – An indebtedness issued by a local agency, department, board, or authority within the State of California.

LONDON INTERBANK OFFERED RATE (LIBOR) - A globally accepted key benchmark interest rate that indicates borrowing costs between banks. The rate is calculated and published each day by the Intercontinental Exchange (ICE). LIBOR is being phased out and will be replaced by the Secured Overnight Financing Rate (SOFR).

MARKET VALUE – An estimate of the value of a security at which the principal would be sold from a willing seller to a willing buyer at the date of pricing.

MEDIUM TERM NOTES – These are Corporate Notes and Bank Notes that are debt obligations of banks, corporations, and insurance companies. They are issued at a specific rate of return for a specific period of time.

MONEY MARKET MUTUAL FUND – A mutual fund with investments directed in short-term money market instruments only, which can be withdrawn daily without penalty.

NEGOTIABLE CERTIFICATE OF DEPOSIT – A Money Market instrument representing a receipt from a bank for a deposit at a specified rate of interest for a specified period of time that is traded in secondary markets.

PAR – The stated maturity value, or face value, of a security.

PASS-THRU SECURITIES – A debt instrument that reflects an interest in a mortgage pool, consumer receivables pool and equipment lease-backed pool that serves as collateral for a bond.

PORTFOLIO VALUE – The total book value amount of all the securities held in each fund.

PRIMARY DEALER – A group of dealers and banks that can buy and sell securities directly with the Federal Reserve Bank of New York.

PRIVATE PLACEMENTS – Securities that do not have to be registered with the Securities and Exchange Commission because they are offered to a limited number of sophisticated investors.

RANGE NOTES – Notes which pay interest only if the underlying index upon which it is benchmarked, falls within a certain range.

REPURCHASE AGREEMENT – A repurchase agreement consists of two simultaneous transactions. One is the purchase of securities by an investor, the other is the commitment by the seller (i.e. a broker/dealer) to repurchase the securities at the same price, plus interest, at some mutually agreed future date.

REVERSE REPURCHASE AGREEMENT – The mirror image of Repurchase Agreements.

SAFEKEEPING – A custodian bank's action to store and protect an investor's securities by segregating and identifying the securities.

SECURED OVERNIGHT FINANCING RATE (SOFR) - A benchmark interest rate for dollar-denominated derivatives and loans that is replacing the London interbank offered rate (LIBOR).

SECURITIES LENDING – A transaction wherein the pool transfers its securities to broker/dealers and other entities for collateral which may be cash or securities and simultaneously agrees to return the collateral for the same securities in the future.

SPECIAL PURPOSE ENTITY (or TRUST) - A legally separated pass-through entity, trust or equivalent that makes its obligation secure and independent from the parent entity. This term is used to define purchase of Asset-Backed Securities at either the depositor or master trust level.

TOTAL RETURN – The sum of all investment income plus changes in the capital value of a portfolio for a given period.

WHEN-ISSUED SECURITIES – A security traded before it receives final trading authorization with the investor receiving the certificate/security only after the final approval is granted.

YIELD – The gain, expressed as a percentage that an investor derives from a financial asset.

YIELD TO MATURITY – The percentage rate of return paid if the security is held to its maturity date. The calculation is based on the coupon rate, length of time to maturity, and market price. It assumes that coupon interest paid over the life of the security is reinvested at the same rate.