



**Participation Agreement
Hand Composite Employee Benefit Trust**

AFL-CIO Housing Investment Trust DVF R

1. Purpose. The purpose of this Participation Agreement is to provide for investment of some or all of the assets of the Participating Trust identified below in one or more of the collective investment funds (the "Investment Accounts") established pursuant to the Declaration of Trust establishing the Hand Composite Employee Benefit Trust (the "Composite Trust"), as amended from time to time (the "Declaration of Trust"), dated April 1, 2011.

2. Authority and Parties. As an authorized representative of the sponsor and/or named fiduciary (within the meaning of Section 402(a)(2) of ERISA) ("Plan Fiduciary") for the plan or trust named below ("Participating Trust"), I have the authority to execute this Participation Agreement on behalf of the Participating Trust; and by my signature below, I hereby (a) enroll the Participating Trust and authorize participation under the Declaration of Trust for the Composite Trust established by Hand Benefits & Trust Company ("Trustee"), and (b) authorize payment of "plan expense reimbursements" as set forth below to the Participating Trust's Third Party Plan Administrator ("Administrator") or other service provider (e.g., a broker, advisor or consultant) ("Service Provider") designated on Exhibit C hereto, if any. The Plan Fiduciary has the authority to direct investment options for the Participating Trust, and/or is the investment manager as defined under Section 402(c)(3) of ERISA appointed by the plan sponsor, and is a bank, insurance company, or registered investment advisor. All capitalized items used herein shall have the meaning ascribed to them in the Declaration of Trust unless otherwise defined. A Qualified Trust (as defined in Section 7, below) may not become a Participating Trust until the Plan Fiduciary executes this Participation Agreement.

The parties to this Participation Agreement, which is dated as of _____, 20____, are:

Trustee:
Hand Benefits & Trust
Company
820 Gessner Road
Suite 1250
Houston, Texas 77024

Participating Trust:
Legal Plan Name: _____
Address _____

Plan's EIN#: _____
Plan #: _____

Plan Fiduciary Representative:
Plan Fiduciary Representative Name: _____
Plan Fiduciary Representative Title: _____

Address: _____

Telephone: _____
Facsimile: _____
Email: _____

3. Incorporation and Communications. The Plan Fiduciary hereby designates the Trustee as an ancillary trustee of the Participating Trust and hereby adopts the Declaration of Trust, a copy of which is attached hereto and made a part hereof, as a part of the Participating Trust, and agrees to be bound by its provisions. The Plan Fiduciary hereby agrees to furnish, and directs the Administrator and Registered Investment Advisor to furnish, upon request by the Trustee, copies of communications the Plan Fiduciary or Administrator may provide to Participants under any Participating Trust (as it concerns the Composite Trust).

4. Directions and Reliance. The Plan Fiduciary agrees to transfer, or to direct the trustee or custodian of assets of the Participating Trust to transfer, any and all funds of the Participating Trust to be allocated to the Composite Trust. The Plan Fiduciary, through the Administrator or the Service Provider, shall provide

directions to the Trustee as to the investment of assets allocated to the Composite Trust and the distribution of the Participating Trust's assets from the Composite Trust. The Plan Fiduciary acknowledges and agrees that HB&T may appoint the Administrator or its agent to maintain records with respect to the Participating Trust's participation in the Composite Trust. If the Participating Trust permits participants to direct the investment of their individual accounts among one or more Investment Accounts of the Composite Trust, all such directions shall be provided to the Trustee through the Administrator. The Trustee shall be responsible only for the investment and custody of the assets accepted by it and shall have no other duties except as specified in the Declaration of Trust. The Trustee shall have all necessary authority to discharge those responsibilities. All investment directions provided to the Trustee shall be in writing or in an electronic format acceptable to the Trustee.

The Participating Trust hereby agrees to indemnify and defend the Trustee against any liability or expense arising from the Trustee's reliance on any direction, instruction or other notice given to the Trustee by the Plan Fiduciary, Administrator or Service Provider on the Participating Trust's behalf unless the Trustee has received express written notice from the Participating Trust that the Participating Trust has revoked its designation of the Administrator or Service Provider as set forth on Exhibit C.

5. Trading Restrictions and Procedures. The Trustee may adopt policies, procedures, and measures to discourage frequent trading that may harm participants in any Investment Account, including limits on the frequency of deposits and withdrawals, redemption fees or other measures, and may in its sole discretion reject investment directions that violate such policies and procedures. The Trustee is not liable for any failure to effect directions that are not in good order under its trading policies and procedures.

Investment Account specific trading restrictions are outline in Exhibit D hereto. Pre-notification should be provided to the Trustee via email to nsc@bpas.com.

6. Qualified Trust. The Plan Fiduciary warrants and represents that the Participating Trust is a Qualified Trust as defined by Section 2.1 of the Declaration of Trust. The Participating Trust is **[check one]**:

- A retirement, pension, profit sharing, stock bonus, or other employee benefit trust or account forming a part of a plan or plans (including any governmental plans) qualified under Section 401(a) of the Code and exempt under Section 501(a) of the Code, other than a trust or account which forms a part of a plan which covers employees, some of whom are "self-employed individuals" within the meaning of Section 401(c) of the Code; including without limitation any such trust or account under a plan maintained by the Trustee for its own employees;
- A retirement, pension, profit sharing, stock bonus, or other employee benefit trust or account forming a part of a plan qualified under Section 401(a) of the Code and exempt under Section 501(a) of the Code, which covers employees, some of whom are "self-employed individuals" within the meaning of Section 401(c) of the Code, provided that the participation of such trust or account meets the conditions of Securities and Exchange Commission Rule 180, or the Trustee determines participation is otherwise permitted under applicable federal securities laws and regulations; provided that the Plan Fiduciary shall complete and execute the required Declaration of Exemption (Exhibit B).

Exhibit B is attached: Yes _____ No _____

- An employee benefit trust or account established with respect to any governmental plan as defined by Section 414(d) of the Code which has been established by an employer for the exclusive benefit of employees or their beneficiaries if under the plan it is impossible prior to the satisfaction of liabilities with respect to such employees and their beneficiaries for any part of the corpus or income to be used for or diverted to purposes other than the exclusive benefit of such employees or their beneficiaries, other than a plan funded by an annuity contract described in Section 403(b) of the Code;
- A church plan that is a retirement plan qualified under section 401(a) of the Internal Revenue Code of 1986, as amended (the "Code") and that is described in Code section 414(e) of the Internal Revenue Code..

- Another plan or trust or other account that the Trustee has determined may participate in the Composite Trust in accordance with applicable Laws and Regulations, in the Trustee's sole discretion.

7. Plan Fiduciary Representations and Warranties. The Plan Fiduciary further represents and warrants:

- (a) The Plan Fiduciary is willing and able at the request of the Trustee either to furnish a favorable determination letter from the Internal Revenue Service or other evidence acceptable to the Trustee, which demonstrates that the Participating Trust qualifies for exemption from federal income taxation pursuant to the Code or is otherwise eligible to participate in the Composite Trust.
- (b) The Plan Fiduciary has reviewed the attached Disclosure of Fund Expenses (Exhibit A), which outlines the fees paid from the Investment Accounts under the Composite Trust.
- (c) The Plan Fiduciary acknowledges having received the Declaration of Trust and understands its rights and responsibilities thereunder.
- (d) The authorized fiduciary executing this Participation Agreement on behalf of the Participating Trust as the Plan Fiduciary pursuant to Section 402(c)(3) of ERISA (to the extent applicable to the plan) either (A) is a "named fiduciary" (within the meaning of Section 402(a)(2) of ERISA), or a duly authorized agent thereof acting at the discretion thereof, with authority under the governing documents of the Participating Trust to appoint the Trustee as contemplated hereby, (B) in the case of a governmental plan, has the authority under the governing documents of the Participating Trust or under statutes or regulations to appoint the Trustee as contemplated hereby, or is the duly authorized agent thereof, or (C) has been properly directed to sign this Participation Agreement by the person referred to in clause (A) or (B) of this paragraph (d).
- (e) The Plan Fiduciary is (A) independent of the Investment Account's custodian and Advisor and (B) agrees that neither the Investment Account's custodian nor its Advisor nor any of their respective affiliates, officers, employees or agents (including solicitors) (collectively, "Trust Service Providers") have provided investment advice within the meaning of Section 3(21) of ERISA and regulations thereunder with respect to the Plan Fiduciary's decision to invest any assets of the Participating Trust in any Investment Account, to select any Investment Account as an investment option available under the Participating Trust or to continue any such investment or selection in the future; or (C) the Plan Fiduciary has attached a document to list any reason that it cannot make such representation.
- (f) (d) To the extent of the participation in the Composite Trust by the Participating Trust, the governing documents of the Participating Trust specifically authorize either the investment of moneys thereof in the Composite Trust or the investment of moneys thereof in a collective investment fund maintained by the Trustee and also provide that the governing documents under which the Composite Trust or any such collective investment funds are maintained shall constitute a part of the plan pursuant to which such Participating Trust is administered. The Trustee may waive this requirement if permitted by law, as determined by the Trustee.
- (g) (e) Under the terms of the Participating Trust, the assets of the Participating Trust may be commingled in the Composite Trust for investment purposes with the assets of other plans and trusts qualified to participate in the Composite Trust.
- (h) (f) The Participating Trust is acquiring its interest in the Composite Trust for its own account, and not with a view to resale or distribution.
- (i) (g) The undersigned representative of the Plan Fiduciary has all necessary power and authority to execute, deliver and perform under this Participation Agreement.
- (j) (h) Investment by the Participating Trust in the Composite Trust will not violate any of the terms of the documents governing such Participating Trust or any law, regulation or other legal authority governing the operations and investments of the Participating Trust.

8. **Effective Date.** The Participating Trust's participation shall be effective as of the next Valuation Date after the Trustee determines, in its sole discretion, that the Participating Trust is a Qualified Trust and all other requirements are satisfied for the Participating Trust's participation in the Composite Trust.

9. **Trustee Fees.** In accordance with any applicable Declaration of Investment Account or separate schedule published by the Trustee from time to time, the Trustee shall be compensated for its investment management and other services to the Investment Accounts. In addition, the Trustee may charge to and receive from each Participating Trust such reasonable Trustee fees in accordance with the existing published Trustee's Fee Schedule or such other fee as may be negotiated by and between the Trustee and Participating Trust. The fee schedule set forth in the applicable Declaration of Investment Account may be modified by the Trustee from time to time on sixty (60) calendar days advanced notice to the Participating Trust. If the Plan Fiduciary files an objection with the Trustee at least five (5) calendar days before the day on which such fee modification will take effect, the Trustee may withdraw the participation of the Participating Trust from the Investment Account on or before the Valuation Date as of which such new or modified fee is to take effect.

10. **Expenses.** The Plan Fiduciary directs the Trustee, so long as the Participating Trust maintains a balance in the Composite Trust, to pay from the Composite Trust certain amounts as "plan expense reimbursements" to the Participating Trust's Administrator or other Service Provider as directed on the attached Plan Expense Reimbursement Schedule (Exhibit C).

The Plan Fiduciary represents and warrants that the plan expense reimbursements paid to the Service Provider(s) as set forth in Exhibit C represent reasonable compensation to such Service Provider(s) for services to the Participating Trust and reduce on a dollar for dollar basis direct and necessary expenses for which the Participating Trust would otherwise pay. The Plan Fiduciary agrees and acknowledges that it is solely responsible for engaging the Service Provider(s) to provide services to the Participating Trust and to monitor such services and the Trustee has no responsibility therefore. The Plan Fiduciary further agrees and acknowledges that it is responsible to notify the Trustee if such Service Provider(s) no longer provide services to the Participating Trust. The notice requirement shall be satisfied if the notice is provided by the Service Provider(s).

11. **Termination.** This Participation Agreement terminates upon the complete withdrawal of the assets of the Participating Trust from the Composite Trust. All withdrawals are subject to the Declaration of Trust and applicable Declaration of Investment Account. The Trustee shall continue to be paid its fees until the Valuation Date on which such final withdrawal is effective.

Any full fund liquidation requires a pre-notification of five (5) business days to the Trustee at nsc@bpas.com.

12. **Amendment.** The Trustee may amend this Participation Agreement, the Declaration of Trust, or any Declaration of Investment Account from time to time. Except as otherwise provided under the Declaration of Trust, no amendment of this Participation Agreement, the Declaration of Trust, or any Declaration of Investment Account may take effect until a Valuation Date which is not less than sixty (60) calendar days after notice of such amendment has been furnished to the Plan Fiduciary. If the Plan Fiduciary does not file an objection with the Trustee on or before five (5) calendar days before the Valuation Date on which such amendment will take effect, the amendment will be deemed accepted by the Plan Fiduciary and shall become effective as to the applicable Participating Trust. If the Plan Fiduciary does file such an objection, the Trustee may withdraw the participation of the Participating Trust on behalf of which such objection was filed on or before the Valuation Date as of which such amendment is to take effect.

13. **Notices.** Notices given under this Participation Agreement shall be given in writing by the Trustee to the Plan Fiduciary of each affected Participating Trust, or in writing by the Plan Fiduciary to the Trustee. Any such notice or other notice or communication required or permitted hereunder shall be deemed to have been given at the time the Trustee or Plan Fiduciary delivers the notice personally or mails the notice first class, postage prepaid, and registered or certified to the address of the appropriate recipient as shown on the Trustee's records. In addition, the Trustee may furnish notices to any Plan Fiduciary by email or other electronic means, and any such notice shall be deemed to be given upon its transmission by the Trustee. The Plan Fiduciary further agrees and acknowledges that any notice delivered by the Trustee to the Administrator or a Service Provider for delivery to the Plan Fiduciary shall constitute notice to the Plan Fiduciary.

14. **Governing Law.** To the extent not preempted by federal law, this Participation Agreement and the obligations of the parties shall be governed by and interpreted under the laws of the state of Texas.

15. **Successors and Assigns.** The Participating Trust may not assign or transfer its rights under this Participation Agreement or its interest in the Composite Trust in whole or in part, and any attempted assignment or transfer shall be void. This Participation Agreement shall be binding upon the successors of any and all present and future parties. This Participation Agreement, together with the Declaration of Trust and any written amendments, is the entire agreement between the Plan Fiduciary, Participating Trust and the Trustee regarding the subject matter of this Participation Agreement.

I, on behalf of the Plan Fiduciary and Participating Trust, agree to be bound by the terms of this Participation Agreement and the Declaration of Trust.

Plan Fiduciary

By: _____

Name & Title: _____

Capacity: ___ Plan Sponsor as Plan Fiduciary
 ___ Plan Sponsor appointed Plan Fiduciary under Section 402(c)(3)

Date: _____

Participating Trust Name: _____

EXHIBIT A

Disclosure of Investment Account Expenses

The following is a disclosure, by unit class, regarding fees and expenses that are charged to the Composite Trust and Investment Accounts thereunder, stated as a percentage of market value of the assets of the applicable Investment Accounts.

Investment Accounts Under Hand Composite Employee Benefit Trust and managed by Hand Benefits & Trust Company	R Share Class*
AFL-CIO Housing Investment Trust DVF	0.42%

Maximum expense ratio includes all stated fees below:

Trust/Administrative Fees:	0.08% on first \$1,000,000,000 0.06% on next \$3,000,000,000 0.04% over \$4,000,000,000
Audit Fee:	\$16,800/year
Custody, Audit & Tax and Other Ordinary Operating Expenses:	0.12%
Underlying Fund Fee and Expenses:	0.22%

*Reflects a cap on the fees and ordinary operating expenses of the Funds stated below.

(THIS MUST BE COMPLETED IF REQUIRED BY SECTION 6
OF THIS PARTICIPATION AGREEMENT)

EXHIBIT B

Declaration of Exemption

I hereby acknowledge and declare that The Participating Trust and The Employer satisfy the following exemptions from registration of interests and participations issued in connection with certain plans sponsored that covers "self-employed individuals" as defined in section 401(c)(1) of the Internal Revenue Code.

(1) The plan covers employees, some or all of whom are employees [of The Employer] within the meaning of section 401(c)(1) of the Internal Revenue Code of 1954, and is either:

- (i) A pension or profit-sharing plan which meets the requirements for qualification under section 401 of such Code, or
- (ii) An annuity plan which meets the requirements for the deduction of the employer's contribution under section 404(a)(2) of such Code;

(2) The plan covers only employees of a single employer or employees of interrelated partnerships; and

(3) The issuer of such interest, participation or security shall have reasonable grounds to believe and, after making reasonable inquiry, shall believe immediately prior to any issuance that:

- (i) The employer is a law firm, accounting firm, investment banking firm, pension consulting firm or investment advisory firm that is engaged in furnishing services of a type that involve such knowledge and experience in financial and business matters that the employer is able to represent adequately its interests and those of its employees; or

(ii) In connection with the plan, the employer prior to adopting the plan obtains the advice of a person or entity that:

(a) Is not a financial institution providing any funding vehicle for the plan, and is neither an affiliated person as defined in section 2(a)(3) of the Investment Company Act of 1940 of, nor a person who has a material business relationship with , a financial institution providing a funding vehicle for the plan; and

(b) Is, by virtue of knowledge and experience in financial and business matters, able to represent adequately the interests of the employer and its employees.

Print Name of Plan Fiduciary

Signature of Plan Fiduciary

Date

EXHIBIT C

Participating Trust Expense Reimbursement Schedule

- (a) Name of Service Provider: N/A shall receive plan expense reimbursements based on the average daily value of the Participating Trust's assets held in the following Investment Accounts, at the following annualized rate:

<u>Share Class</u>	<u>Available Reimbursement</u>
R	0.00%

- (b) Name of Service Provider: N/A shall receive plan expense reimbursements based on the average daily value of the Participating Trust's assets held in the following Investment Accounts, at the following annualized rate:

<u>Share Class</u>	<u>Available Reimbursement</u>
R	0.00%

* The selection of a unit class of an Investment Account determines whether plan expense reimbursements are available.

EXHIBIT D

Trading Restrictions and Procedures

Pre-notifications should be provided to the Trustee via email at nsc@bpas.com.

Redemption Procedures.

- (a) Participant directed redemptions will be processed as they are received without the need for pre-notifications.
- (b) Plan level redemptions and liquidations. Participating Trust liquidations and partial redemptions are transacted on the first business day of each month ("transaction date"). A pre-notification of twenty (20) calendar days prior to the transaction date is required for transactions over \$5,000,000. Notification should be made to the Trustee via email to nsc@bpas.com. If notification is not received timely, settlement may be delayed up to 60 days.