

**AGREEMENT BETWEEN  
THE CITY OF FRESNO EMPLOYEES AND FIRE AND POLICE  
RETIREMENT SYSTEMS  
AND WILSHIRE ASSOCIATES INCORPORATED  
FOR PENSION FUND INVESTMENT CONSULTING SERVICES, AS  
AMENDED AND RESTATED**

THIS AGREEMENT made and entered into this [ ], 2012, by and between the Retirement Boards of the City of Fire and Police Retirement System and the City of Fresno Employees Retirement System (hereinafter referred to as "Retirement Boards" or "Retirement Systems") and \_\_\_\_ (hereinafter referred to as "Consultant").

WITNESSETH:

WHEREAS, the Retirement Boards are authorized and empowered to employ Consultant in the performance of their investment duties and functions; and

WHEREAS, the Retirement Boards desire to employ a consultant for services in connection with Retirement Boards investment program; and

WHEREAS, Consultant is qualified to provide the services required hereunder and is willing to do so upon the terms and conditions stated herein; and

WHEREAS, under the California Constitution, Article XVI, Section 17, and California Government Code Section 31594, the Retirement Boards may invest in any form or type of investment the Retirement Boards deem prudent pursuant to the requirements of California Government Code Section 31595, and the Consultant acknowledges that the fiduciary standard of care set forth under the California Government Code is incorporated into this Agreement and will govern all activities between the Retirement Boards and Consultant; and

WHEREAS, the foregoing acknowledgments, representations, warranties and agreements are understood to be relied upon by the Retirement Boards and to constitute a material inducement to the decision of the Retirement Boards to enter into this Agreement.

NOW, THEREFORE, the parties hereto agree as follows:

1. Consultant Duties. Consultant shall perform consulting services for the Retirement Boards in order to assist the Retirement Boards in evaluating portfolio managers' performance. Consultant's services will include quarterly presentations to the Retirement Boards Investment Committee in the form of both written and verbal reports regarding managers' performance. At the Retirement Boards' option, Consultant shall attend monthly ~~Joint Board meetings~~ Investment Committee Meetings. If sufficient information is available, Consultant shall include evaluation of the portfolio managers' performance for the ten (10) years prior to the beginning of this Agreement as a part of its services. Consultant shall provide each system the services as listed in Exhibit "A" (the "Description of Services"). The Retirement Boards will retain all decision-making authority with

respect to the management and administration of their plans.

2. Consultant Fiduciary Duties and Obligations. Consultant shall be deemed to be a fiduciary with respect to all services it performs for the Retirement Boards. The Consultant acknowledges that this Agreement places it in a fiduciary relationship with the Retirement Boards.

Consultant ~~further~~ agrees to act as a "fiduciary" under this Agreement with respect to the Retirement Boards within the meaning of California Constitution, Article XVI, Section 3(21)(A) of the Employee 17, and California Government Code Section 31594, which permits the Retirement Income Security Act of 1974 ("ERISA") and observe Boards to invest in any form or type of investment the standards Retirement Boards deem prudent pursuant to the requirements of California Government Code Section 31595. Consultant further agrees to abide by the standard of care applicable to a "fiduciary" within the meaning of ERISA, California Constitution, Article XVI, Section 17, and California Government Code Sections 31594 and 31595. As a fiduciary, the Consultant shall perform and discharge each of its duties and exercise each of its powers under this Agreement with the ~~competence~~, care, skill, prudence and diligence under the circumstances then prevailing in the investment consulting industry and which that a prudent person acting in a like capacity and familiar with investment management such matters would use in the conduct of a like an enterprise of a like character and with like aims (the "Standard of Care"). The Consultant shall use its reasonable best efforts to cause any and all of its employees, agents and representatives providing services in connection with this Agreement ("Agents") to exercise the same Standard of Care. ~~Consultant shall be liable to the Retirement Boards for any Claim, which arises from or relates to any failure by the Consultant or any of its Agents to exercise this Standard of Care, such Standard of Care.~~

For purposes of this Agreement, "fiduciary" does not mean that Consultant will exercise investment discretion or have custody of any funds for the Retirement Boards.

(a) Consultant and Managers. Consultant agrees to reasonably cooperate with such other ~~Consultants~~ consultants, advisors, and managers as the Retirement Boards may retain from time to time to assist the Retirement Boards.

~~(b) Other Changes. Consultant will promptly notify the Retirement Boards in the event of any anticipated or actual material change in the ownership, membership or management control of Consultant, including key personnel responsible for the account within their organization;~~

(b) Other Changes. Consultant will notify the Retirement Boards as soon as reasonably practicable, but in no event more than five (5) business days, as to any Change of Control with respect to Consultant. As used herein, "Change of Control" shall mean any of the following: (i) any person or group of persons other than an affiliate of Consultant as of the date hereof becomes a "beneficial owner" (as such term is defined in Rule 13d-3 under the Securities Exchange Act of 1934) of 50% or more of the membership interests in Consultant; (ii) the sale or other disposition of all or substantially all of the consolidated assets of Consultant or the adoption of a plan of liquidation of Consultant; (iii) the consummation of a merger, reorganization, recapitalization, consolidation or business combination involving Consultant; or (iv) the holders of voting securities of Consultant approving a liquidation or dissolution of Consultant.

(c) Notification of Changes. Consultant will ~~promptly~~ notify the Retirement Boards ~~in the~~

~~event that any of the acknowledgments, as soon as reasonably practicable, but in no event more than five (5) business days, in the event of any material change in Consultant's representations, or warranties or agreements, as set forth herein, have been breached or are no longer true provided that with respect to this Agreement.~~ Consultant will notify the Retirement Boards, within five (5) business days, with respect to complaints or disciplinary actions that relate in some manner to the consulting services provided would materially impact Consultant's ability to fulfill its obligations under this Agreement, subject to applicable law and contract.

3. Requests for Information – Ongoing Monitoring of Activities. All information requests, data, reports, and records as are existing, available and necessary for the performance of the work to be performed by Consultant shall be furnished to Consultant without charge by the Retirement Boards. Retirement Boards shall cooperate with Consultant in the performance of the services and Consultant agrees to perform the services as set forth herein, including but not limited to:

(a) Compliance with Legal and Ethical Requirements. The Consultant shall comply with all applicable domestic or foreign, international, federal, state, county and local laws, regulations, ordinances, registrations, filings, approvals, authorizations rules, administrative interpretations, orders, consents and examinations and ethical, writs, injunctions, directives, judgments, decrees, policies, guidelines or any other requirements of any Governmental Authority ("Legal Requirements"), ~~and all provisions required by such Legal Requirements~~). As used herein, "Governmental Authority" means any United States or foreign government, any state or other political subdivision thereof, any entity exercising executive, legislative, judicial, regulatory or administrative functions of or pertaining to be included in this Agreement are hereby incorporated by reference government, including the SEC, or any other authority, agency, department, board, commission or instrumentality of the United States, any State of the United States or any political subdivision thereof, including any municipality or other local governmental authority, or any foreign jurisdiction, and any court, tribunal or arbitrator(s) of competent jurisdiction, and any United States or foreign governmental or non-governmental self-regulatory organization, agency or authority.

The Consultant confirms that it has received and reviewed the Retirement Boards' ethical guidelines attached hereto as Exhibit "B" (the "Ethical Guidelines"). In addition, Consultant also confirms that it is in material compliance with Rule 206(4)-5 (the "Pay-to-Play Rule") under the Advisers Act.

(b) Gratuities. Consultant shall comply with Section 89503 et seq. of the California Government Code, as modified every two years by CAL. CODE REGS. 18940.2, which prohibits members of state boards or commissions, or designated employees of state or local agencies from accepting gifts from any single source in any calendar year with a total value of more than four hundred and twenty (\$420) dollars, as increased on a bi-annual basis.

(c) Affirmative Action-Equal Employment Opportunity Employer. Consultant ~~will take affirmative action to ensure that applicants are employed, and that employees are treated during~~ is an equal employment opportunity employer. It is Consultant's commitment to recruit, hire, train, and promote individuals, as well as administer any and all personnel actions, without regard to their race, color, religion, creed, age, gender, handicap, ancestry, or gender identity, pregnancy, medical condition, sexual orientation, national origin. Such action shall include, but not be limited to, the following: employment, upgrading, demotion, or ancestry, citizenship, marital status, registered domestic partner status, genetic information, status as a disabled or transfer; recruitment Vietnam era veteran, or recruitment advertising; layoff status as a qualified individual

~~with a disability, or termination; rates of pay or any other terms of compensation; and selection for training, including apprenticeship characteristic that is protected by applicable law.~~

(d) Suspensions, Complaints. Except as provided by applicable law or contract, or by order of a court or regulatory authority, Consultant shall ~~promptly~~ notify the Retirement Boards as soon as reasonably practicable, but in no event later than five (5) business days, in writing of any complaints or disciplinary actions filed against it or any investment professional employed by it who has performed any service with respect to the Retirement Boards' account in the twenty-four (24) preceding months, of which Consultant is aware, by the Securities and Exchange Commission of the United States, New York Stock Exchange, the American Stock Exchange, the National Association of Securities Dealers, any Attorney General or any regulatory agency of any state of the United States, any department or agency of the Government of the United States or by any governmental agency regulating securities of any country in which Consultant is doing business

(e) Filing Form 700. Consultant agrees that its ~~senior~~primary consultant and ~~alternative senior~~secondary consultant will file a California Form 700, Statement of Economic Interests, with the Retirement Boards as soon as possible after signing this Agreement, and annually thereafter by April 1<sup>st</sup> of each. The Retirement Boards agree to mail a Form 700 to Consultant each year with a reminder of the reporting requirement.

(f) Interpretation. This Agreement has been negotiated at arm's length and between parties sophisticated and knowledgeable in the matters dealt with in this Agreement. Each party has been represented by experienced and knowledgeable legal counsel. Accordingly, any rule of law (including, without limitation, California's Civil Code Section 1654) or legal decisions that would require interpretation of any ambiguities in this Agreement against the party that has drafted it shall not be applicable and are hereby waived. The provisions of the Agreement shall be interpreted in a reasonable manner to effectuate the purpose of the parties and this Agreement. ~~a reasonable manner to effectuate the purpose of the parties and this Agreement.~~

(g) Audited Financial Statements. The Consultant shall provide the Retirement Boards ~~annually~~ with copies of its annual ~~audited statement of~~ financial ~~statement condition.~~

(h) Contingent Fees. The Consultant has not employed or retained any person or selling agency to solicit or secure this Agreement under any agreement or understanding for a commission, percentage, brokerage, or contingent fee, except for bona fide employees of the Consultant and the Consultant's affiliates or bona fide established commercial or selling agencies maintained by the Consultant for the purpose of securing business. If the Consultant in any way breaches or violates this warranty, the Retirement Boards shall have the right to immediately terminate this Agreement for default and, in the Retirement Boards' sole discretion, to deduct from the Consultant's compensation under this Agreement, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

(i) Placement Fees. No placement fees or similar expenses will apply to ~~the Funds~~ any securities or investment products recommended by the Consultant to the Retirement Boards. The Consultant ~~acknowledges~~ acknowledges receipt of and agrees to comply with as well as provide all potential managers a copy of the Retirement Boards' Placement Agent Policy attached hereto as Exhibit "C" (the "Placement Agent Policy").

~~(j) — Brokerage Commissions. Consultant shall disclose annually any payments or other value it or any of its affiliates received during the preceding 12 months beginning~~

~~with the execution date of this Agreement and continuing annually until this Agreement is terminated, by way of brokerage commissions, commission recapture programs or "soft dollar" arrangements, whether or not related to the Retirement Boards' investments. If Consultant or any of its affiliates has received any payments or other value during the preceding 12 months, beginning with the execution date of this Agreement and continuing annually until this Agreement is terminated, by way of brokerage commissions, Consultant shall describe to the Retirement Boards all procedures in effect to assure that the Retirement Boards have received "best execution" for its securities trades. Consultant shall disclose to the Retirement Boards at any time that it or any of its affiliates will benefit if the Retirement Boards' Manager places trades with such broker.~~

~~(k)(i)~~ Payment from the Retirement Boards' Managers. Consultant shall identify and where permitted by the manager, describe in detail any payments or other value it or any of its affiliates received during the preceding 24 months, beginning with the execution date of this Agreement and continuing every 24 months until the Agreement is terminated, from any of the Retirement Boards' ManagersConsultant's recommended managers, including payments received for products and/or services provided by Consultant or any of its affiliates.

Consultant will disclose (on a quarterly basis) in writing to the Retirement Boards any and all of its relationships with funds, fund managers, other consultants or other service providers as identified by the Retirement Boards and communicated to Consultant, or which are recommended to the Retirement Boards by Consultant.

Consultant confirms that no payment or other value it or any of its affiliates received during the preceding 24 months, beginning with the execution date of this Agreement and continuing every 24 months until the Agreement is terminated, has been received from any of the Retirement Boards' managers, including payments received for products and/or services provided by Consultant or any of its affiliates originated from, either directly or indirectly as a result of the Retirement Boards relationship with Consultant.

~~(k)~~ Public Records. The Consultant acknowledges that it has been informed that the Retirement Boards are a public agency subject to the state laws of California including, without limitation, the California Public Records Act (Cal. Govt. Code § 6250 et seq.) (the "Public Records Act"), which provides generally that all records relating to a public agency's business are open to public inspection and copying, unless exempted under the Public Records Act, and the Ralph M. Brown Act (Cal. Govt. Code § 54950 et seq.) (the "Brown Act") which provides generally for open meetings for local legislative bodies.

~~(m)~~ Conflict of Interest. ~~(m)(i)~~ Potential Conflicts of Interest. Consultant provides consulting services to other clients and receives fees for such services. Consultant may also have other relationships with investment managers, brokers, banks, custodians, insurance companies or other financial professionals. As a result, a potential conflict may arise between the Retirement Boards' interests and Consultant's interest in providing other services or in maintaining other relationships. Due to these potential conflicts, Consultant has developed policies to address these potential conflicts. More information about how potential conflicts of interest are addressed is contained in Consultant's Form ADV, Part II. The Consultant shall not knowingly employ in any capacity: (1) any employee of the Retirement Boards or fiduciary who either could influence the award of this Agreement or any competing agreement, or who does or will have any direct or indirect financial interest in this Agreement ("Interested Person") and (2) any spouse or economic dependent of any Interested Person. The Consultant shall promptly notify the Retirement Boards of any



~~actual or potential conflict of interest arising from the Consultant's relationship with current investment service providers. In addition~~Additionally, at the initiation of a service provider search ~~the Consultant shall by the Retirement Board or upon request of the Retirement Board, Wilshire will~~ disclose ~~any actual~~all contractual relationships that it has with any prospective service provider either recommended by Wilshire or potential conflict of interest with any provider eligible for consideration for identified by the Retirement Board. ~~the assignment. Consultant agrees to immediately disclose any conflict of interest or potential conflict of interest with the provision of services under this Agreement. In this regard, Consultant acknowledges and understands that, without limitation, any matters related to the subject areas identified in the RFP, and any other, internal or external, legal or ethical, guidelines to which Consultant may be subject are matters requiring immediate disclosure to the Retirement Boards, including, without limitation, any changes to information previously provided in connection with those topics, or any matters arising out of any areas or standards identified in connection with all of those provisions.~~

~~(n)(m)~~ Consultant's Revenues. The Consultant shall ~~annually~~quarterly disclose in writing the percentage of total revenue of each business unit of the Consultant, including a breakdown of the sources and nature of all of the firm's revenues, so that the consistent with Consultant's disclosure in its Form ADV or as further reasonably requested by Retirement Boards to help Retirement Boards ~~can assess the~~ in its assessment of Consultant's independence.

4. Performance of Services. Consultant represents that it has, or shall secure at its own expense, all personnel required for the performance of the services specified in this Agreement. Such personnel shall not be employees of nor have any contractual relationship with the City of Fresno or the Retirement Boards. All of the services required hereunder shall be performed by Consultant and all personnel engaged in the work shall be fully qualified. All personnel assigned to performance by Consultant, as shown in Exhibit "D" (the "Consultant's Personnel Assigned to Performance of this Agreement"), which is attached hereto and incorporated herein by this reference, shall not be replaced by any other persons except as provided for in Exhibit "D".

(a) The Consultant's representatives for this contract will be:

Primary: ~~[TO BE~~

~~UPDATED]~~Thomas Toth

Secondary: ~~[TO BE~~

~~UPDATED]~~Andrew Junkin

Address ~~[TO BE~~

~~UPDATED]~~370 Interlocken

Blvd. Suite 620

Address ~~[TO BE UPDATED]~~

Broomfield, CO 80021

Telephone ~~[TO BE~~

~~UPDATED]~~303-626-7444

Fax ~~[TO BE UPDATED]~~303-

466-1537

Consultant warrants that Consultant's Primary representative, identified above, hereinafter referred to as "*Senior Consultant*" is a full-time employee of the Consultant who will be primarily responsible

for the Consultant's day-to-day activities under this Agreement. *Senior Consultant* will be the Consultant's primary representative with respect to the administration of this Agreement and Consultant will, on a regular basis, interface with and report to the Retirement Boards' representative so as to keep such representative fully apprised and up to date on the status of the consulting services being performed. Consultant's *Senior Consultant* may only be replaced with prior written approval of the Retirement Boards; provided, however, that in the event an individual is being replaced due to the termination of all of such person's affiliations with Consultant, its Affiliates and Associates, then such approval will not be unreasonably withheld or delayed. Consultant will notify the Retirement Boards within ~~three~~ three (3) five (5) business days of ~~discovery or its final determination of any intention on its part~~ discovery or its final intentions determination by the *Senior Consultant* to terminate his or her employment relationship with the Consultant, and of any request by *Senior Consultant* that he or she be replaced. \_\_\_\_\_ and \_\_\_\_\_ as Senior Consultant under this Agreement. Andrew Junkin may from time to time back up the *Senior Consultant* when the *Senior Consultant* is not available.

(b) Other Consultant Staffing.

(i) Authority of Senior Consultant. The *Senior Consultant* is fully authorized to act on behalf of and to receive communications on the part of Consultant.

(ii) Consultant Personnel. Immediately upon request by the Retirement Boards, Consultant will replace any of Consultant's personnel who are determined by the Retirement Boards not to be effectively carrying out the responsibilities of this Agreement. Notwithstanding the above, Consultant will at all time have complete responsibility and authority with respect to the supervision and direction of its personnel.

(c) Authorized Instructions. All directions and instructions to the Consultant from any Authorized Person (as such term is defined below) shall be in writing and transmitted ("Account Instructions Communication") as provided by this Section; provided, however, that Consultant may, in its discretion, accept a verbal Account Instructions Communication subject to written confirmation of same from such Authorized Person. Such Account Instructions Communication shall bind the Retirement Boards upon receipt. If the Consultant receives an Account Instructions Communication from a source other than an Authorized Person, the Consultant shall not comply with them and shall immediately notify the Retirement Boards in writing of such unauthorized Account Instructions Communication.

(d) Successors and Assigns. Neither this Agreement nor ~~Consultant's~~ the rights or duties hereunder may be assigned by ~~Consultant either party~~ without prior written consent of the other party, provided that, unless it would constitute an "assignment" under the Advisers Act, Consultant shall be entitled to the Retirement Boards, delegate the performance of any of its obligations hereunder, or assign any of its rights hereunder, to an affiliate, in accordance with the Standard of Care set forth in this Agreement, but shall remain liable for the performance of such obligations which may be withheld for any reason or no reason at all in the sole and absolute discretion of the Retirement Boards.

(e) Authorized Personnel. The Retirement Boards shall give Consultant a list of persons, with specimen signatures, authorized to provide an Account Instructions Communication, and otherwise act on the Retirement Boards' behalf under this Agreement (each such person, an "Authorized Person"). Any changes to the list shall be made in writing to Consultant and signed by the Retirement Boards' Administrator(s). Until receipt of notice of any such change, Consultant, without liability, may rely on and act in accordance with instructions and notices received from

authorized persons identified on the current list furnished by the Retirement Boards.

5. Independent Contractor. In the performance of the services herein provided for, Consultant shall be, and is, an independent contractor, and is not an agent, servant or employee of Retirement Boards or the City of Fresno. Nothing contained in this Agreement shall be deemed or construed to constitute or create a partnership, association, or joint venture or agency relationship between the Retirement Boards and Consultant. Except as otherwise provided, Consultant have and will retain the right to exercise full control and supervision of the services, and full control over the employment, direction, compensation and discharge of all persons assisting Consultant in the performance of services required hereunder. The parties hereto agree that payments to be made by the Retirement Boards to Consultant are for services as an independent contractor. Consultant shall be solely responsible for all matters relating to the payment of its employees including compliance with social security withholding and all of the regulations governing such matters. The Retirement Boards shall not make any deduction from the fees to be paid to Consultant, including but not limited to social security, withholding taxes, unemployment insurance and other such deductions. Consultant assumes full responsibility for all such taxes, contributions and assessments.

(a) Consultant shall not subcontract or otherwise assign or delegate any portion of ~~the other~~ work to be performed under this Agreement without the prior written approval of Retirement Boards. Any assignment or delegation made in violation of this provision shall be null and void.

6. Consultant Fees. For services performed pursuant to this Agreement, Retirement Boards shall retain and pay, and Consultant shall accept as payment in full for such general consulting retainer services the annual sum of \$[\_\_\_\_]. Said retainer fee shall be ~~all-inclusive, flat fees.~~

<del>All-Inclusive, Flat Fees:</del>	<del>Fees</del>
<del>Year 1</del>	
<del>Year 2</del>	
<del>Year 3</del>	
<del>Year 4</del>	
<del>Year 5</del>	
<del>Total Fees (Year 1 to 5)</del>	

~~Said fixed flat fees~~ increased annually, beginning on [\_\_\_\_, 2012] based on the Consumer Price Index (United States city Average for urban wage earners and clerical workers – all items) as published by the Bureau of Labor Statistics of the United States to cover inflation and any other cost increases. ~~Said fixed fee~~ shall be billed in equal quarterly installments in arrears and Retirement Boards shall pay such bills by issuance of a proper check within 30 days. ~~Additional Fees or Charges that would not be covered in the all-inclusive flat fees may be provided as either flat fees or hourly rates~~ Fees for manager searches and special project will be charged as described in this Agreement for services performed.  
~~per consultant, as appropriate as described in this Agreement for services performed.~~

Retirement Boards shall be solely responsible for identification and payment of any duties, tariffs, assessments and taxes (other than U.S. federal income tax and/or state income tax) which may accrue or be assessed relating to this Agreement or the provision of services hereunder. Under



no circumstance shall fees billed by Consultant and payable to the Consultant by Retirement Boards be reduced owing to any such duties, tariffs, assessments or taxes.

(a) The Retirement Boards shall reimburse Consultant for international due diligence travel and related out-of-pocket expenses. All other Consultant travel and out of pocket expenses shall be included in the consulting retainer fee.

7. Term of Agreement. The term of this Agreement shall begin       , 2013 on the date first written above and shall continue in force and effect until until, 2017. Either either party may terminate terminates the Agreement in accordance with Section.

8. Termination of Agreement. The Retirement Boards may terminate all or any part of this Agreement without cause by delivering notice to the Consultant at least thirty (30) days prior to the date of termination ("Effective Termination Date"); provided that, the Retirement Boards may at any time without prior notice order the Consultant to cease activity, subject to its obligation to complete execution of directions or instructions already acted upon. Unless the Retirement Boards terminate this Agreement for default under Section f, below, the Consultant shall be entitled to compensation up to the Effective Termination Date, even if the Retirement Boards direct the Consultant to cease activity before the Effective Termination Date. In no event shall the Retirement Boards' termination of this Agreement under this Section be deemed a waiver of the Retirement Boards' right to make a claim against the Consultant for damages resulting from any default by the Consultant. ~~In entering this Agreement the parties acknowledge that the Retirement Boards relied upon the representations made by Consultant in the RFP process, including both written and oral representations, and that the reliance on those representations was material to its decision on the award of this contract for investment consulting services. Consultant warrants the accuracy of all information provided. If the Retirement Boards learns that any representation made by Consultant in the RFP process was inaccurate, it may immediately terminate this contract.~~

(a) Termination by the Consultant. The Consultant may terminate this Agreement in its entirety without cause by delivering notice to the Retirement Boards at least 90 days prior to the Effective Termination Date. The Effective Termination Date shall be agreed upon by the Consultant and the Retirement Boards, but shall not exceed ninety (90) calendar days after the notice of termination is delivered to the Retirement Boards. Consultant may immediately terminate this Agreement for default if either of the Retirement Boards materially breaches any of its respective warranties, representations or covenants made herein.

(b) Rights, Remedies and Responsibilities upon Termination. In the event of any termination of this Agreement, all of the terms and conditions herein shall continue to apply through the Effective Termination Date and through any period following such date, during which the Consultant shall continue to perform the services required under this Agreement in order to complete any matters pending on the Effective Termination Date and to facilitate an orderly transition to a successor ("Transition Period"). Such Transition Period shall not exceed ~~three (3) months~~ sixty (60) calendar days after the Effective Termination Date. The following provisions shall also apply to any termination of this Agreement.

(c) Post-Termination Responsibilities. If either party terminates this Agreement, and unless otherwise expressly directed by the Retirement Boards, the Consultant shall take all necessary steps to stop services under this Agreement on the Effective Termination Date.

(d) Good Faith Transfer. Upon any termination of this Agreement by either party and to the extent directed by the Retirement Boards, the Consultant shall continue to serve as a Consultant hereunder

at then existing compensation level for the duration of the Transition Period. The Consultant shall cooperate with the Retirement Boards in good faith to affect a smooth and orderly transfer of such services and all applicable records. Upon termination of this Agreement, the Consultant shall retain all the ~~Retirement Boards' Records~~, as that term is defined under the Investment Advisors Act of 1940, in this Agreement according to the record retention provisions imposed on the Consultant in its capacity as a registered investment adviser, set forth in this Agreement.

(e) Termination Invoice. Following the Effective Termination Date of this Agreement, the Consultant shall submit to the Retirement Boards, in the form and with any reasonable certifications as may be prescribed by the Retirement Boards, the Consultant's final invoice ("Termination Invoice"). The Termination Invoice shall prorate the Consultant's quarterly fees based upon a fraction, the numerator of which is the number of days in the quarter prior to the Effective Termination Date and the denominator of which is the number of days in the quarter, for work already performed but for which the Consultant has not been compensated through the Effective Termination Date, in accordance with the Consultant's then current compensation level. The Consultant shall submit such Termination Invoice no later than sixty (60) days after the Effective Termination Date. Upon the Consultant's failure to submit its Termination Invoice within the time allowed, the Retirement Boards may determine, on the basis of information available to it, the amount, if any, due to the Consultant and such determination shall be deemed final. Subject to the provisions of this Section, after the Retirement Boards have made such determination, or after the Consultant has submitted its Termination Invoice, the Retirement Boards shall authorize payment to the Consultant.

(f) Termination For Default. The Retirement Boards may immediately terminate this Agreement for default. If the Retirement Boards terminate ~~s~~ this Agreement for default pursuant to this Section, the Retirement Boards shall be entitled to recover from the Consultant all reasonable damages resulting from such default. For purposes of this Section, default includes, but is not limited to any one of the following circumstances:

- (i) If the Consultant materially fails to perform or cause to be performed the services required under this Agreement, as set forth on Exhibit A, within the time specified therefore (or within a reasonable time if no time is specified);
- (ii) If ~~the Consultant a party~~ materially breaches any of the warranties, representations ~~and or~~ covenants made herein;
- (iii) If the Consultant files for bankruptcy, becomes insolvent or generally cannot pay its debts as they become due;
- (iv) If the Consultant is subject to criminal investigation, indictment or conviction, or is found civilly or criminally liable by a trial court, jury or administrative body in connection with any matter involving breach of trust, breach of fiduciary duty, fraud, theft, or moral turpitude; or
- (v) If the Consultant attempts or purports to assign this Agreement, or any portion hereof, or any of its rights or obligations hereunder, except as specifically authorized herein.

(g) Payment Withheld for Default. The Retirement Boards shall not authorize and shall withhold payment for services provided if the Retirement Boards terminate ~~s~~ this Agreement for default. Payment for services that the Retirement Boards received prior to such default will be determined according to the provisions of paragraph (b) above.

(h) Excusable Default. If, after the Retirement Boards issues a Notice of Termination for Default to the Consultant pursuant to this Section, it is determined for any reason that the Consultant was not in default, or that such default was excusable, then the rights and obligations of the

Consultant shall be the same as if a Notice of Termination for Default had not been given.

9. Ownership of Retirement Boards' Data; Confidentiality.

(a) Notwithstanding anything contrary in the California Public Records Act, in the event this Agreement is terminated pursuant to the terms recited above, all finished documents and other materials prepared by Consultant pursuant to this Agreement shall, at the option of Retirement Boards, be delivered to the Retirement Boards. Consultant shall be paid for satisfactory work performed to the date of termination of this Agreement in accordance with the terms recited above. Subject to Section 9(b) below, Retirement Boards shall have the unrestricted authority to publish, disclose, distribute, and otherwise use, in whole or in part in the normal course of business, any reports, data or other materials except computer software prepared under this Agreement, crediting Consultant as the source. All reports, data, and other materials prepared under this Agreement that are submitted to Retirement Boards, shall become the exclusive property of Retirement Boards upon receipt by the Boards. For the avoidance of doubt, any such materials submitted to Retirement Boards that Consultant prepared in the ordinary course of business and not pursuant to this Agreement, shall remain the exclusive property of Consultant. Consultant agrees to provide all historical information regarding the Retirement Systems to any successor consultant retained by the Retirement Boards as part of this Agreement.

(b) Each party shall treat as confidential and shall not disclose or transmit to any third party (a) any documentation or other materials that are marked as "Confidential" by the providing party and (b) the terms and conditions (but not the existence) of this Agreement (collectively, "Confidential Information"). Confidential Information shall not include (i) any information that is available to the public or to the receiving party hereunder from sources other than the providing party (provided that the receiving party does not know that such source is subject to a confidentiality agreement with regard to such information) or (ii) any information that is independently developed by the receiving party without use of or reference to information from the providing party. Notwithstanding the foregoing, either party may reveal Confidential Information to any Governmental Authority if such information to be disclosed is (x) approved in writing by the providing party for disclosure or (y) required by applicable Legal Requirements to be disclosed by the receiving party, provided, if permitted by law, that prior written notice of such required disclosure is given to the providing party and provided further that, subject to applicable Legal Requirements, the receiving party shall reasonably cooperate with the providing party to limit the extent of such disclosure.

10. Risk and Liability. The Retirement Boards acknowledge that the recommendations made by Consultant pursuant to this Agreement involve Consultant's judgment and that Consultant's views regarding the economy, the securities markets or other specialized areas, like all predictions of future events, cannot be guaranteed to be accurate. The Retirement Boards represent that no party to this Agreement has made any guarantee, either oral or written, that the Retirement Boards' investment objectives will be achieved. Consultant will only be liable for losses which are the direct result of Consultant's bad faith, negligence, willful or reckless misconduct or breach of this Contract. Consultant shall not be responsible for any damages or any loss incurred by reason of any act or omission of the Retirement Boards or any third party. Notwithstanding the foregoing, nothing herein shall in any way constitute a waiver of limitation of any rights which the Retirement Boards may have under applicable law.

~~11~~10. Indemnification.

(a) By Consultant. Consultant will indemnify, defend, and hold harmless the Retirement

Boards and the trustees, officers, contractors, agents and employees of the Retirement Boards in respect to any and all claims, demands, actions, liabilities, losses, damages, injuries, and expenses (including, without limitation, actual attorneys' fees and defense costs) reasonably related to, arising out of and/or resulting from: ~~(i) any investment decision or other action taken or omitted by Consultant, its officers, directors, employees, agents or subcontracts that was not in good faith, or was not authorized by or within the discretion or right or powers conferred upon it by this Agreement, or (i) any action of Consultant~~ that constituted negligence, willful misconduct or a breach of its fiduciary duties; (ii) any breach of any representation or warranty made by Consultant in this Agreement; and (iii) any material misrepresentation contained in any certificate furnished by Consultant pursuant to this Agreement. Upon receipt of any claim for which the Retirement Boards intend to seek indemnification hereunder, the Retirement Boards shall promptly notify Consultant in writing and Consultant shall have the sole right to defend the Retirement Boards and the trustees, officers, contractors, agents and employees of the Retirement Boards against such claims, demands and causes of action. It is understood and agreed that this hold harmless and indemnity provision shall not apply to any claims, demands, costs, expenses (including costs of defense), liability, cause of action or judgments which occur by reason of the negligence or willful misconduct of the Retirement Boards and the trustees, officers, contractors, agents and employees of the Retirement Boards.

(b) By the Retirement Boards. The Retirement Boards will indemnify, defend, and hold harmless Consultant, its officers, directors, employees and agents (covered persons), in respect to any and all claims, demands, actions, liabilities, losses, damages, injuries, and expenses (including, without limitation, actual attorneys' fees and defense costs) reasonably related to, arising out of and/or resulting from the Retirement ~~Boards breach of this Agreement.~~Boards' breach of (a) this Agreement or (b) any obligation to third parties reasonably related to, arising out of and/or resulting from this Agreement. Upon receipt of any claim for which the Consultant intend to seek indemnification hereunder, the Consultant shall promptly notify the Retirement Boards in writing and the Retirement Boards shall have the sole right to defend the Consultant, its officers, directors, agents and employees against such claims, demands and causes of action. It is understood and agreed that this hold harmless and indemnity provision shall not apply to any claims, demands, costs, expenses (including costs of defense), liability, cause of action or judgments which occur by reason of the negligence or willful misconduct of the Consultant and its officers, directors, employees and agents. Notwithstanding the foregoing, the Retirement Boards specifically declines to indemnify and hold harmless Consultant, or its covered persons, in respect to any and all claims arising out of or reasonably relating to the employment relationship between Consultant and third parties and their employees and third party compliance with applicable laws.

(c) Retirement Boards Sovereign Status. The Consultant acknowledges and agrees that the Retirement Boards reserves all immunities, defenses, rights and actions arising out of its sovereign status or under the Eleventh Amendment to the U.S. Constitution, and no waiver of any such immunities, defense, rights or actions shall be implied or otherwise deemed to exist by reason of its execution of this Agreement, by any express or implied provision thereof or by any actions or omissions to act by the Investor or any of the Investor's representatives or agents, whether taken pursuant to or prior to the Retirement Boards' execution.

~~4412. Insurance.~~ Without limiting Consultant's indemnification, Consultant shall procure and maintain for the duration of the Agreement, ~~insurance against claims for injuries to persons or damage to or loss of property which may arise from or in connection with the performance of the work hereunder by Consultant, its agents, representatives or employees. The Retirement Boards shall retain the right at any time to review the coverage, form, and amount of the insurance required hereby. The Retirement Boards and the Consultant shall meet to discuss~~

~~insurance coverage, sufficient in form and amount to provide adequate protection but in no event during the minimum insurance coverage as follows: term of this Agreement, shall the Consultant pay for and maintain insurance any less than as listed below:~~

~~(1) Comprehensive General Liability Insurance of not less than \$\_\_\_\_\_ limit of providing coverage for liability and errors and omissions insurance of not less than \$\_\_\_\_\_ limit of liability both for bodily injury or property damage to third parties arising out of Consultant's activities hereunder, with a 30-day written Notice of Cancellation in favor of the limit of \$1,000,000. The Retirement Boards shall be named as an "additional insured" on the commercial general liability insurance policy required herein.~~

~~(2) Workers' Compensation providing coverage to all employees of Consultant for injuries or death arising out of or within the scope of their employment with Consultant with a limit of \$1,000,000.~~

~~(3) Professional Liability/Errors and Omissions Insurance providing coverage for claims resulting from errors and omissions arising out of the performance of services under this Agreement, with a limit of \$10,000,000 (each claim and in the aggregate).~~

~~(2)(4) The Consultant shall provide certification of said insurance prior to or at the time of executing this Agreement: and upon request.~~

Consultant agrees to provide the Retirement Boards with prior notice of a decrease in coverage of cancellation of any of the above insurance policies.

~~(a) Commercial General Liability. The Retirement Boards reserve the right to require that Consultant provide complete certified copies of any policy of insurance offered in compliance with these specifications. The evidence of insurance shall specifically identify this Agreement. Consultant agrees to provide the Retirement Boards at least thirty (30) days notice of any material changes or modifications or termination of any policy of insurance. As an alternative to insurance certificates, Consultant's insurer may voluntarily provide complete, certified copies of all required insurance policies, including endorsements, affecting the coverage required by these specifications.~~

~~(b) Workers' Compensation. This policy shall cover Consultant's employees for injuries arising out of the services provided under this Agreement. The amount will be sufficient to meet all applicable statutory requirements to cover Consultant's employees.~~

~~(c) Errors and Omissions. Consultant shall maintain insurance to cover Consultant and its agents for errors and omissions losses arising from the services provided under this Agreement. Such policy shall have Consultant agrees to provide the Retirement Boards with prior notice of a decrease in coverage of cancellation of any of the above insurance policies.~~

~~(a) limit sufficient to protect the assets of the Retirement Boards from errors and omissions losses arising from the services provided under this Agreement.~~

~~(e) Deductibles and Self-Insured Retention. Any deductibles or self-insured retention must be declared to and approved by the Retirement Boards' Administrator.~~



~~(f)~~(a) Claims Made Professional Liability Insurance. If professional liability coverage is written on a Claims Made ~~claims made~~ form:

1. The "Retro Date" must be shown, and must be on or before the date of the contract or the beginning of contract work.
2. If coverage is canceled or non-renewed, and not replaced with another Claims Made policy form with a "Retro Date" prior to the contract effective date, Consultant must purchase "extended reporting" coverage for a minimum of five (5) years after termination of this Agreement if such coverage is available in the marketplace.
3. A copy of the claims reporting requirements must be submitted to the Retirement Boards for review.

(b) Acceptability of Insurers. Such insurance as set forth above will be provided by insurer(s) rated not less than Best's Financial Class X and Best's Policy Holder Rating A or otherwise approved in writing by the Retirement Boards.

~~12~~ 13. Jurisdiction and Venue. Any controversy or claim arising out of or relating to this Agreement which cannot be amicably settled without court action shall be litigated either in a state court for Fresno County, California, or in the United States District Court for the Eastern District of California, sitting in Fresno. The rights and obligations of the parties and all interpretations and performance of this Agreement shall be governed in all aspects by the laws of the State of California. The prevailing party in any litigation, whether prevailing through settlement, judgment, appeal, or otherwise, shall be entitled to reasonable attorneys' fees and costs from the other party.

~~13~~ 14. Amendments. Any changes to this Agreement requested either by Consultant or Retirement Boards may only be effected if mutually agreed upon in writing by duly authorized representatives of the parties hereto. This Agreement shall not be modified or amended or any rights of a party to it waived except by such in writing.

~~14~~ 15. Final Agreement. This Agreement supersedes any and all agreements, either oral or written between the parties hereto with respect to the rendering of services by Consultant to the Retirement Boards and contains all of the covenants and agreements between the parties with respect to the rendering of such services in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises, or agreements, oral or otherwise, have been made by any party or anyone acting on behalf of any party, which are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding. Any modification of this Agreement will be effective only if it is in writing executed by the parties hereto.

~~15~~ 16. Notices. Any notices hereunder, other than an Account Instructions Communication, to the respective parties shall be deemed delivered if given in writing, mailed with postage prepaid, addressed to the respective party at the address given on the signature page of this Agreement or at such other address as the parties may from time-to-time designate by written notice. Except as otherwise provided by law, all decisions and notices required of the Retirement Boards by this Agreement, and not otherwise specifically provided for, shall be made by the Retirement Boards.

16 17. Consent to Identification. It is understood that Consultant may identify Retirement Systems as a client of Consultant in connection with marketing its consulting services and Retirement Boards hereby consents to being so identified.

17 18. Form ADV. Retirement Boards hereby acknowledge having received a copy of Part II of Consultant's Form ADV, at least 48 hours prior to executing this Agreement.

[Remainder of Page Left Intentionally Blank]

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the day and year first hereinabove written.

**CONSULTANT FIRM**

**CITY OF FRESNO FIRE AND  
POLICE RETIREMENT SYSTEM**

By: \_\_\_\_\_

By: \_\_\_\_\_

Title: \_\_\_\_\_

Title: \_\_\_\_\_

**CITY OF FRESNO  
EMPLOYEES RETIREMENT  
SYSTEM**

By: \_\_\_\_\_

Title: \_\_\_\_\_

**Addresses:**

City of Fresno Retirement Systems  
2828 Fresno Street, Suite 201  
Fresno, California 93721-3622

Investment Consultant Firm  
Street  
City, State, Zip

**Approved as to form:  
Foley & Lardner LLP**

By: \_\_\_\_\_  
Thomas A. Hickey, III  
Attorneys for Retirement Boards

**EXHIBIT "A"**  
**Description of Consulting Services**

**TO BE DETERMINED**

The scope of this assignment is to provide general investment consulting services for the City of Fresno Retirement Systems. The goal is to ensure that CFRS will have timely access to management-level consultant expertise on diverse investment issues and to help the CFRS ensure that the investments are following applicable policy and procedures, whether currently held or added in the future, for which CFRS holds investment management responsibility. The general investment consultant will work closely with CFRS as an extension of its staff.

The General Investment Consulting Annual Retainer will include, but not be limited, to the following services:

**SCOPE OF SERVICES**

**1. Development and Implementation of Investment Policy, Objectives and Guidelines**

Assist the Boards in the development and annual review of its Investment Objectives and Policy Statement to ensure that it properly reflects the Boards' tolerance for risk and that it best helps the Board meet its investment rate of return assumption, funded status and administrative expense objectives.

On an ongoing basis, provide the CFRS staff with information and advice related to proposed changes to existing investment policies, objectives, guidelines and procedures.

**2. Asset Allocation Studies and Liability Studies**

Periodically conduct an asset allocation study, with or without liability study, to determine whether or not the current asset allocation falls within the Boards' investment objectives and guidelines.

**3. Investment Manager Search**

Assist the Boards in their due diligence and search for new investment manager(s) utilizing the process and procedures established for the Boards' due diligence and the manager search and selection policies.

Investment manager searches for Public and Private Market Managers in all asset classes includes the Investment Due Diligence analysis and evaluations as required by the Boards.

Operational Due Diligence is not included in this agreement.

#### **4. Development of Investment Manager Performance Standards and Guidelines**

Assist the Boards in the development and review of performance standards and guidelines with which the Board can measure each investment manager's progress. Attend monthly meeting or special meetings as requested by the Boards.

#### **5. General consulting services including Market Research and Education**

Provide general consulting services including Market Research and Education as requested by the Boards. This would include services for custodial search and selection, etc.

Provide written research studies or conduct investment training on specific issues affecting the global investment markets.

#### **6. Performance Measurement, Monitoring and Reporting**

Review and evaluate investment manager(s) performance on a quarterly basis, monitor the Boards' investment manager(s) performance and provide reports which enable the Retirement Systems the ability to determine the investment manager(s) progress toward the Boards' investment objectives.

Performance evaluations and investment analytics will include all portfolio managers and funds. Consultant shall publish a customized quarterly investments performance measurement report, which requires the collection, compilation and review for reasonableness of all the data provided by CFRS' investment managers, both domestic and international. Consultant will assist CFRS in developing appropriate performance measurement benchmark(s).

Perform quarterly reconciliations agreeing consultant's records individually to CFRS' custodian records.

Consultant will monitor and review information and advise the Boards regarding material events affecting CFRS' investment manager portfolios.

#### **7. Assist in Fund Diversification**

Assist the Boards in the development of an investment manager structure that provides adequate diversification with respect to the numbers and types of investment managers to be retained by the Boards.

#### **8. Compliance Monitoring**

Review and evaluate current investment manager(s) portfolios and monitor compliance with the Boards' Investment Objectives and Policy Statement on a quarterly or monthly



basis as requested by the Boards.

**9. Attendance at monthly Board meeting**

The assigned Primary Consultant will attend the monthly Joint Board meeting designated for review of investment related matters and other meetings as required by the Boards.

**10. Special investment research projects**

Primary Consultant shall be available for special projects if requested by the Boards or staff. Such projects could include, but are not limited to, market research on a specialized investments, research on new investment asset classes, analysis on prospective transactions, and review of manager contracts. For each project requested, the Boards or staff will delineate the scope and timeline of the project.

**For non-retainer services listed below, a fee will be negotiated for the following services if requested by the Boards:**

- Transaction analysis study

## EXHIBIT “B”

### ETHICAL GUIDELINES

#### California

**Gifts prohibited up to \$420\* per annum.** Section 89503 et seq. of the California Government Code, as modified every two years by CAL. CODE REGS. 18940.2, prohibit members of state boards or commissions, or designated employees of state or local agencies from accepting gifts from any single source in any calendar year with a total value of more than four hundred and twenty (\$420) dollars. The gift limitation amount is adjusted on January 1 of each odd-numbered year to reflect changes in the Consumer Price Index, and the next amendment is due on January 1, 2013. Furthermore, for board members or state employees under CAL. GOV’T CODE §89503(c), the gift limit is only applicable “if the member or employee would be required to report the receipt of income of gifts from that source on his or her statement of economic interests.” (see **Financial Disclosure**, below).

**Gifts defined.** A gift is defined in CAL. GOV’T CODE Title 2 §82028(a) as “any payment that confers a personal benefit on the recipient, to the extent that consideration of equal or greater value is not received.” The term includes a rebate or discount in the price of anything of value unless the rebate or discount is made in the regular course of business to members of the public without regard to official status. Furthermore, any person, other than a defendant in a criminal action, who claims that a payment is not a gift by reason of receipt of consideration has the burden of proving that the consideration received is of equal or greater value.

**Exceptions.** CAL. CODE REGS. Title 2 §18942 expands on the definitional language in CAL. GOV’T CODE §82028, and provides that the following are not considered “gifts” for the purpose of §82028:

- (1) Informational material, meaning any item which serves primarily to convey information and which is provided for the purpose of assisting the recipient in the performance of his or her official duties. The term includes books, reports, and pamphlets, and includes transportation to “on site demonstrations and tours” but only “insofar as such transportation is not commercially obtainable.”
- (2) A gift (other than a ticket or pass) that is not used and that, within 30 days after receipt, is returned or donated, or for which reimbursement is paid.
- (3) A gift from an individual’s spouse, child, parent, grandparent, grandchild, brother, sister, parent-in-law, brother-in-law, sister-in-law, nephew, niece, aunt, uncle, or first cousin or the spouse of any such person, unless the donor is acting as an agent or intermediary for any person not identified in this subdivision.

- (4) A campaign contributions.
- (5) Any devise or inheritance.
- (6) A personalized plaque or trophy with an individual value of less than two hundred fifty dollars (\$250).
- (7) Hospitality (including food, beverages or occasional lodging) provided by an individual in his or her home when the individual or a member of the individual's family is present.
- (8) Gifts exchanged between an individual who is required to file a statement of economic interests and another individual, other than a lobbyist, on holidays, birthdays, or similar occasions to the extent that the gifts exchanged are not substantially disproportionate in value. The term "gifts exchanged" includes food, beverages, entertainment, and nominal benefits provided at the occasion by the honoree or another individual, other than a lobbyist, hosting the event.
- (9) Leave credits, including vacation, sick leave, or compensatory time off, donated to an official in accordance with a bona fide catastrophic or similar emergency leave program established by the official's employer and available to all employees in the same job classification or position. This shall not include donations of cash.
- (10) Payments received under a government agency program or a program established by a bona fide charitable organization to provide disaster relief or food, shelter, or similar assistance to qualified recipients if such payments are available to members of the public without regard to official status.
- (11) Free admission, and refreshments and similar non-cash nominal benefits provided to a filer during the entire event at which the filer gives a speech, participates in a panel or seminar, or provides a similar service, and actual intrastate transportation and any necessary lodging and subsistence provided directly in connection with the speech, panel, seminar, or service, including but not limited to, meals and beverages on the day of the activity. These items are not payments and need not be reported by any filer.
- (12) The transportation, lodging, and subsistence specified by CAL. CODE REGS. tit. 2 § 18950.4, which affects payments "in direct connection" with campaign activities.
- (13) Wedding gifts.

**Honoraria Ban.** State and local board members and employees are prohibited by CAL. GOV'T CODE §89502 from receiving any honorarium from any source, if the member or employee would be required to report the receipt of income or gifts on his or her statement of economic interests.

**Honorarium Defined.** An “honorarium” is defined as any payment made in consideration for any speech given, article published or attendance at any public or private conference, convention, meeting, social event or like gathering. CAL. GOV’T CODE §89501(a).

**Travel, Meals and Lodging for Speeches.** CAL. CODE REGS. Title 2 §18950.1 and §18950.3 provides that with the exception of local elected officials and filers under §87200, payment made for admission to an event at which an official makes a speech, transportation, and necessary lodging, food, or beverages, and nominal non-cash benefits provided to the official in connection with making the speech is not a “payment” as defined in §82044 and is not reportable if all of the following apply:

- (1) The speech is for official agency business and the official is representing his or her government agency in the course and scope of his or her official duties.
- (2) The payment is a lawful expenditure made only by a federal, state, or local government agency for purposes related to conducting that agency’s official business. For purposes of this subdivision, a payment made to the agency by a nongovernmental source that is earmarked for use by or reimbursement of an official specified by the source is not a “payment by a federal, state, or local government agency.”
- (3) The official making the speech is not a state or local elected officer, as defined in §82020, or an official specified in §87200.

**Financial Disclosure.** “Public officials who manage public investments” are required to file statements of economic interests pursuant to §§87200-87210 of the CAL. GOV’T CODE shall include in those statements information regarding the date and value of the gift. CAL. CODE REGS. Title 2 §18753.

## EXHIBIT "C"

### PLACEMENT AGENT POLICY

City of Fresno Retirement Systems  
Investment Objectives and Policy Statement

#### **PART III -- INVESTMENT GUIDELINES**

##### **5.2 \_\_\_ Disclosure of Placement Agent Fees**

Each investment manager of the Retirement Systems must at the time investment discussions are initiated and continuing thereafter fully disclose and submit a written statement disclosing any and all compensation of any kind provided or agreed to be provided to a Placement Agent, including the nature, timing and value thereof.

Compensation to Placement Agents shall include compensation to third parties as well as employees of the investment manager or the investment consultant who are retained in order to solicit, or who are paid based in whole or in part upon, an investment from the Retirement Systems.

This Placement Agent disclosure statement shall state whether the Investment Manager or Investment Consultant, or any of their principals, employees, agents or affiliates has compensated or agreed to compensate, directly or indirectly, any person (whether or not employed by the Investment Manager or Investment Consultant) or entity to act as a Placement Agent in connection with the investment of the Retirement Systems. In addition, this Placement Agent disclosure statement shall make known all campaign contributions and all gifts given to board members during the prior 24 month period and any subsequent campaign contributions and any gifts given to any member of the board, during the time the placement agent Placement Agent is receiving compensation in connection with a system Retirement System investment; it shall state whether the placement agent is a registered lobbyist, is registered with the Securities and Exchange Commission or the Financial Industry Regulatory Association, or any similar regulatory agent in a country other than the United States, and the details of that registration or explanation as to why no registration is required, and provide a resume for each officer, partner, or principal of the placement agent Placement Agent detailing the person's education, professional designations, regulatory licenses, and investment and work experience. The disclosure statement shall also set forth a description of the services being provided by the Placement Agent.

Disclosures by investment managers Consultant pursuant to this policy Placement Agent Policy shall be public records subject to disclosure under the California Public Record Act. Each



~~investment manager~~ Consultant shall indicate in writing that it will comply with this  
~~policy~~ Placement Agent Policy.

EXHIBIT "C"  
EXHIBIT "D"

CONSULTANT PERSONNEL ASSIGNED TO  
PERFORMANCE OF THIS AGREEMENT

1. Thomas Toth shall manage the consulting team assigned to the performance of this Agreement.
2. Other personnel participating as part of the consulting team shall include Andrew Junkin.
3. Other senior Consultant's personnel shall be assigned as necessary whenever a particular area of expertise is required.
4. In the event any of the personnel specifically named above are no longer available to perform the services required hereunder, Consultant shall give Retirement Boards prompt notice of such change, and replacement personnel assigned by Consultant shall meet with Retirement Boards at the earliest mutually convenient date thereafter. Retirement Boards shall evaluate the performance of the replacement personnel, and if Retirement Boards notify Consultant in writing that the performance of the replacement personnel is unsatisfactory to Retirement Boards, then Consultant shall designate new replacement personnel as soon as possible.