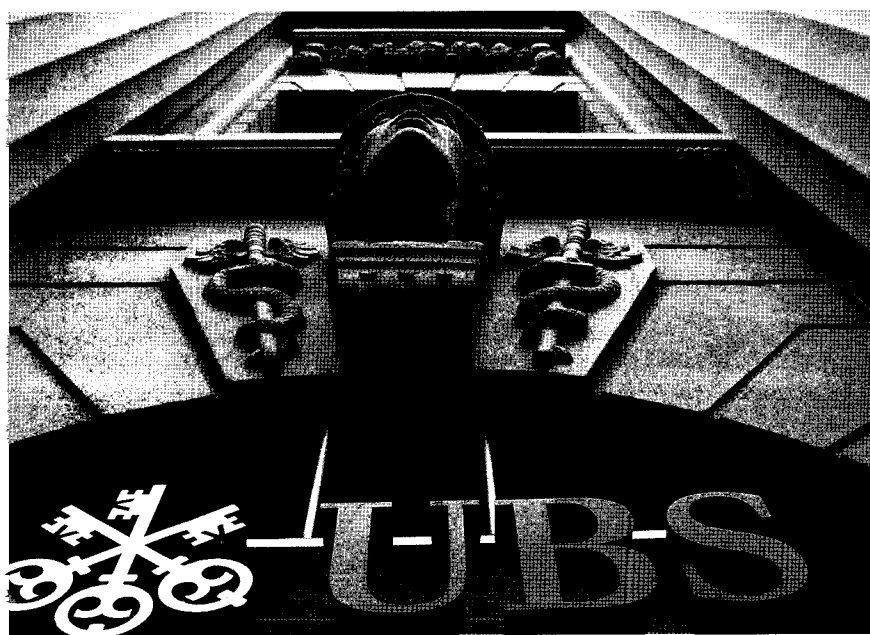




UBS Institutional Consulting



**A strategic approach
for institutional investors**



November 11, 2010

Board of Trustees
Guadalupe-Blanco River Authority
933 East Court Street
Seguin, Texas 78155

UBS Financial Services Inc.
10001 Woodloch Forest Drive
Suite 100
The Woodlands, TX 77380
Tel. 281-362-6360
Fax 281-362-6399
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To the board of the GBRA retirement fund:

We have taken the time to understand the current state of your plan. January 1, 2011 marks an important pivot point in how the GBRA retirement plan(s) must be viewed and managed and in how employees hired on either side of that date should be addressed. Having 26 years of experience working with DB plans, we have seen the retirement industry develop towards a point where DC-only plans make economic sense. We are mindful that the regulatory environment for DC plans is evolving to look similar to the DB plan universe. Our group is on the forefront of guiding clients through this transition, to meet the growing fiduciary and regulatory requirements for DC plans while having the experience to continue servicing DB plans.

A cornerstone of our approach is our focus on who the plan benefits in the first place, the employees of GBRA. We believe it will be crucial to devise outreach and educational policies to address two classes of employees; those involved with the old DB/DC plan and those who will be participating in the new DC plan. The former should know how to regard their DB benefits when contemplating DC plan investment selections. In the end, we are employee-focused in how we consult on plan design and asset allocation.

As a plan consultant, we bring a record of effectively working with other plan professionals to integrate information and provide exemplary service. For example, we have studied your most recent actuarial report and will be prepared to consider with you what an assumed rate-of-return of 8% means as far as practicality in asset allocation, how warranted a 4% assumed inflation rate is, how a 70% equities /30% fixed income asset allocation may be expanded upon, to compare and contrast the advantages and disadvantages of active versus passive investing, what options a 58.3% funded ratio does or doesn't give you for terminal funding and how a positive cash flow into the plan can be combined with a rebalancing policy to create efficiencies.

Running an exceptional institutional consulting group such as ours is resource-intensive and requires the maintenance of a large informational infrastructure. However, we run efficiently and understand the necessity to balance the costs of services we offer in a competitive marketplace.

With our group as your plan consultant, we hope you see we are truly holistic in our approach and reach beyond the more traditional approach of simply managing your investment selections but will address the more important asset allocation decisions that need to be made, help you understand and fulfill your fiduciary duties as we will be co-fiduciaries alongside you, develop an appropriate employee education plan and very importantly, help implement best practices which will provide a solid foundation for future plan trustees and those they choose to delegate oversight to.

Should we be selected for a formal presentation, we would look forward to talking more specifically of our services and the value we can add to your plan.

Sincerely,

Jon P. Willhite, CIMA
Senior-Vice President Investments
UBS Institutional Consultant



Guadalupe-Blanco River Authority RFP

November 12th, 2010

The Willhite Institutional Consulting Group

*UBS Financial Services Inc.
10001 Woodloch Forest Drive, Suite 100
The Woodlands, TX 77380
(281) 362-2250*

Attachment A

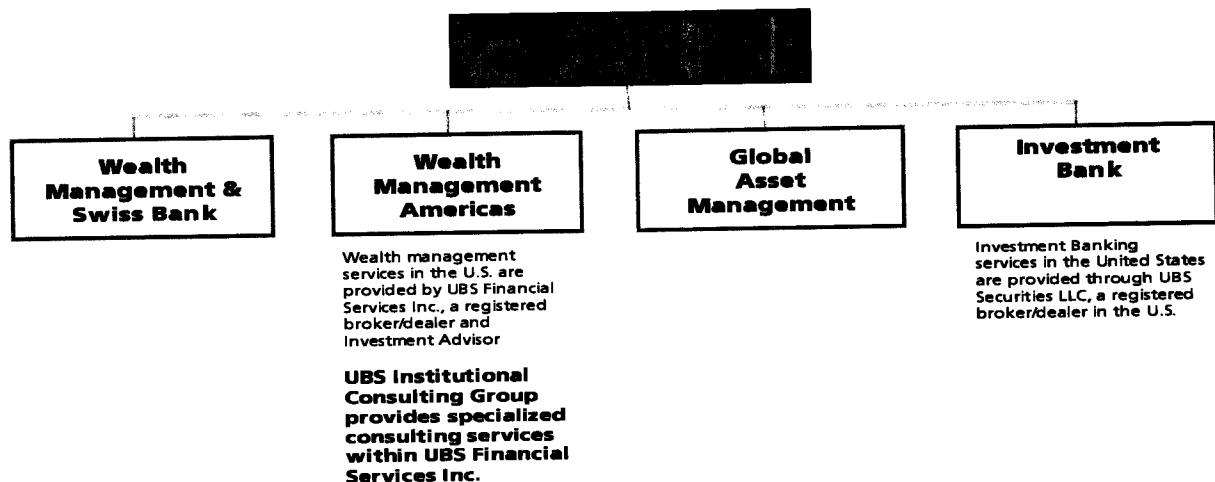
1. How many years has your organization been in business as a Retirement Plan / Investment consulting firm? Please give a brief history of the firm including the nature of the firm's ownership and specific details with regard to any affiliated companies or joint ventures.

The UBS Institutional Consulting Group provides investment advisory services within UBS Financial Services Inc. Investment consulting clients include corporations, private and public retirement plans, Taft-Hartley plans, municipalities, foundations, and endowments. There are 125 Institutional Consultants through-out the country with approximately \$49 billion of client assets under advisement (11/09). The UBS Institutional Consulting Group has served the investment consulting needs of institutional investors since 1984.

As a segmented group within the firm, the UBS Institutional Consulting Group combines the advantages of a "boutique" structure with the resources and depth of a major global firm. Our consulting services concentrate on four primary services: 1) Investment Policy Assistance; 2) Asset Allocation Analysis and Studies; 3) Investment Manager Search, Identification and Recommendation; and 4) Portfolio Evaluation and Review.

The firms that have come to make up today's UBS began as two Swiss predecessor banks, Swiss Bank Corporation (SBC) and Union Bank of Switzerland (Union Bank), which were established in the 19th century. The 1998 merger of SBC and Union Bank brought together these two leading Swiss financial institutions and created the world leader in private banking-- UBS AG. PaineWebber Inc. merged with UBS AG in November 2000, giving UBS a truly global presence in investment banking and wealth management.

The business structure of UBS AG is illustrated below:



- a) If a corporation, provide the following, date of incorporation, state of incorporation, president's name, and corporation address.**

UBS, originally known as the Swiss Banking Association, was formed in 1912 through the merger of the Bank in Winterthur and Toggenburger Bank, both founded in the early 1860s. UBS AG, the parent company of UBS Wealth Management Americas is incorporated in Switzerland.

Oswald J. Grubel
Group Chief Executive Officer
UBS AG
Bahnhofstrasse 45, Zurich, Switzerland, and
Aeschenvorstadt 1, Basel, Switzerland

- b) If an individual or a partnership, provide the following, date of organization, name and address of partnership, and names of principal partners.**

n/a

- c) If other than a corporation or partnership, describe organization and name principals.**

n/a

- 2. Identify the individual or individuals responsible for the firm's Retirement Plan / Investment consulting services (list names, titles, mailing address, telephone number, and qualifications).**

Jon P. Willhite, CIMA, AIF
Senior Vice President – Investments
UBS Institutional Consultant
Willhite Institutional Consulting Group

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The Woodlands, TX 77380
281-362-2250

Bryan G. Scott, CFP
Wealth Advisor
UBS Financial Services

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San Antonio, TX 78216
210-805-1049

Taylor R. Willhite
Financial Advisor
Willhite Institutional Consulting Group

10001 Woodloch Forest Drive, Suite 100
The Woodlands, TX 77380
281-362-6351

Michael O'Laughlin, CFA
Investment Associate
Willhite Institutional Consulting Group

10001 Woodloch Forest Drive, Suite 100
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281-362-6349

Brenda Paulson
Senior Registered Client Service Associate
Willhite Institutional Consulting Group

10001 Woodloch Forest Drive, Suite 100
The Woodlands, TX 77380
281-362-2242

Jim Hausmann

1200 Harbor Boulevard

Managing Director – Wealth Management Americas
Head of Market Investments and Institutional Platforms Group Weehawken, NJ 07086
201-352-3000

Carolyn Anderson
Executive Director – Wealth Management Americas
Program Manager – Institutional Consulting 1200 Harbor Boulevard
Weehawken, NJ 07086
201-352-3000

Marilyn Freedman
Director – Wealth Management Americas
Marketing and Communications – Institutional Consulting 1200 Harbor Boulevard
Weehawken, NJ 07086
201-352-3000

Richard Panchery
Director – Wealth Management Americas
Tools and Technology – Institutional Consulting 1200 Harbor Boulevard
Weehawken, NJ 07086
201-352-3000

Robert Vaughan
Associate Director – Wealth Management Americas
Contracts – Institutional Consulting 1200 Harbor Boulevard
Weehawken, NJ 07086
201-352-3000

3. Describe the firm's Retirement Plan / Investment consulting experience for the last three (3) years with organizations similar to GBRA that have a defined benefit pension plan, defined contribution plan, and/or 457 plan.

Please include the date(s) of service, the name of the client, client contact name and telephone number, and a description of the services provided. The same information should also be provided for each sub consultant if one was used. This information should be limited to the branch or office of the firm and the personnel that are proposed to perform the work that is the subject of this request and not reflect the experience of any branch offices that will not be involved in providing services to GBRA.

The Willhite Institutional Consulting Group regularly provides services specifically designed to search for alternative retirement platforms. These services include assistance to sponsors with:

- Assistance with the development of criteria used in selecting service providers
- Evaluation of the relative merits of bundled recordkeeping/investment service providers
- Evaluation of proposals received from prospective service providers
- Assistance in evaluating the type and number of investment alternatives offered
- Investment search option
- Portfolio review and evaluation
- Coordination with the relationship manager of the retirement platform
- General employee education and communication

The Willhite Institutional Consulting Group has conducted approximately 15 custodian/trustee searches in the past three years. Each search is customized to each client.

A general procedure that our team follows for all of our custodian/trustee searches is as follows:

- Meet with Client to determine priorities/objectives
- Incorporate client's objectives into a formal RFP document
- Send RFP to qualified vendors
- Aggregate and analyze vendor's responses.

- Check vendor references
- Meet with committee, present findings, and select finalists
- Interview vendor finalists & select successful vendor
- Oversee transition to new vendor

Transition meeting- our goal would be to hold an in-depth meeting to understand the goals and objectives of the GBRA. We would ascertain plan history, employee concerns, and the reason for the company's desire for change. We would obtain all current documents and schedules.

Plan design and implementation meeting- at this meeting we would lay out a prospective plan design changes, detail suggested process for vendor selection and develop a timeline and action steps necessary to implement changes.

Vendor Selection- utilize third-party databases to develop a short list of potential 457/401(k) vendors, and obtain and analyze proposals from those vendors. We would then provide you with three competitive proposals and invite the vendors to present to the company.

Our team has many years of practical experience with various retirement plan vendors. We understand each vendors investment offerings, pricing, communications, service models, as well as, their administrative and technological capabilities.

The Willhite Institutional Consulting Group's Process for Working with New Plans

- Provide initial Trustee Education
- Assist the Committee in determining goals and objective for the plan
- Prepare a fee analysis of the current plan
- Assist the Committee in constructing an acceptable Asset Allocation for the plan
- Assist the Committee with drafting the initial Investment Policy Statement (IPS) for the Plan
- Assist the Committee in conducting an initial review of all investments currently being utilized
- Assist the Committee in conducting the initial search for all asset styles of investments to be utilized
- Assist the Committee with the mapping strategy and transition to new investments (if applicable)
- Attend Committee meetings and participate in conference calls and vendor calls as reasonably requested
- Prepare a fee analysis of the current plan

The Willhite Institutional Consulting Group can assist you with service provider fee negotiations and an annual plan fee and expense review. We can also provide assistance with evaluating vendor service agreements and contracts. However, please note that UBS does not provide legal advice, and clients should consult with their legal/tax advisors before making any plan related decisions.

We will meet and work with you to, first, understand your plan needs and, second, help you identify the criteria most important to you in the evaluation of a retirement plan program provider. Utilizing our program provider search process, we will screen our data base of more than one hundred program providers against your unique plan requirements to narrow the search to an appropriate number of qualified providers.

We can also assist our clients by collaborating with recordkeepers and trustees and other outside parties involved in administering the GRBA plans. The Willhite Institutional Consulting Group has been called upon by our clients to assist in helping to obtain full disclosure of revenue and fees from recordkeepers and other plan vendors. We have helped our clients negotiate vendor fees and obtain full fee disclosures from providers who had previously been reluctant to provide such disclosure. While reviewing data provided to us by recordkeepers/trustees, on several occasions we have identified beneficial cost savings for the plan and plan participants. We have extensive industry experience regarding what these vendors may be charging for their services to similar sized clients. We are in regular contact with many record keepers and investment managers, and are regularly aware of new fee schedules, pricing, lower cost share classes, etc.

One of our key strengths is to coordinate our services with those of your administrative and legal support in pursuit of your objectives. While we do not provide plan design services, we can coordinate with your professionals to identify participant needs which may be reflected in your plan design. However, UBS does not provide legal advice, and thus cannot assist you with complying with any legal requirements for your plan.

We can also provide consulting regarding issues such as bundled vs. unbundled administration, revenue sharing vs. non revenue sharing share classes, etc. We can also provide participant education, custodial/trustee search and recommendation, Plan merger support including mapping and vendor comparison. These supplemental services are all provided from the primary consultant.

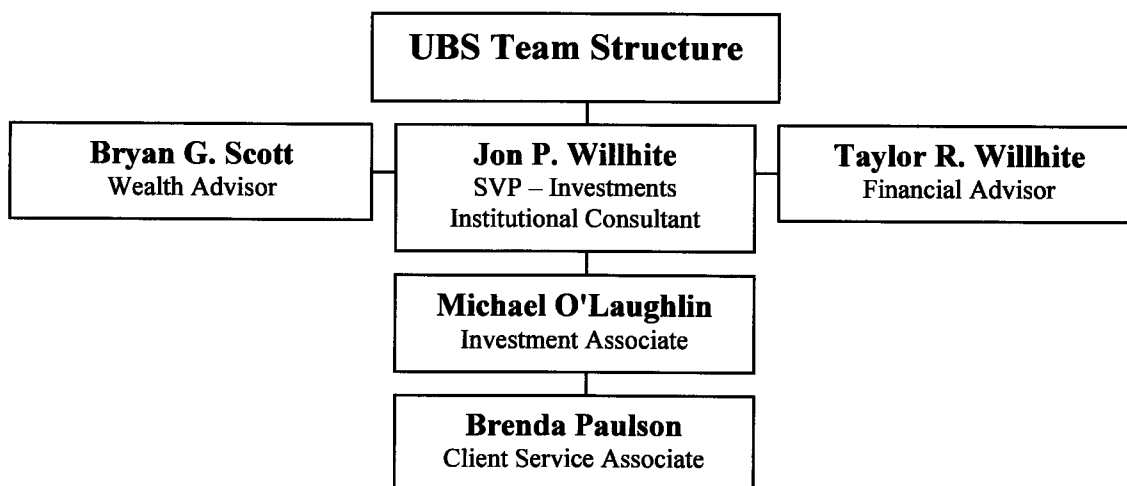
However, you are ultimately responsible for ensuring that plans are complying with all of the requirements of ERISA 404(c). Note that representatives of UBS Financial Services are not legal or tax advisors. Clients should consult with their legal/tax advisors before making any plan related decisions.

UBS Financial Services adheres to a high level of client confidentiality and privacy. Below is a partial list of the Willhite Institutional Consulting Group's client base that has agreed to be contacted as a reference on our behalf.

Client Name	Client Contact	Telephone Number	Date(s) of Service	Services Provided
Association Management Inc.	Carlton Thorpe	713-932-1122	July 2010 - present	401(k) plan design consulting, plan transition management, investment consulting, Investment Policy Statement assistance, employee education program design, implementation and monitoring
Batavia Police Pension Fund	Tim O'Brien	630-879-2840	1988 – present	Municipal defined benefit plan consulting, investment consulting, customized performance reporting, IPS assistance, rebalancing policy and cash flow statement assistance
Dixon Firefighter's Pension Fund	Mark Callison	815-288-3323	1988 – present	Municipal defined benefit plan consulting, investment consulting, customized performance reporting, IPS assistance, rebalancing policy and cash flow statement assistance

Client Name	Client Contact	Telephone Number	Date(s) of Service	Services Provided
Dixon Police Pension Fund	Brad Sibley	815-288-5352	1988 – present	Municipal defined benefit plan consulting, investment consulting, customized performance reporting, IPS assistance, rebalancing policy and cash flow statement assistance
Harvey Firefighter's Pension Fund	Jason Anderson	708-333-3351	1988 – 2001 2005 – present	Municipal defined benefit plan consulting, investment consulting, customized performance reporting, IPS assistance, rebalancing policy and cash flow statement assistance
Rochelle Police Pension Fund	Terry Inman	815-562-2131	2006 – present	Municipal defined benefit plan consulting, investment consulting, customized performance reporting, IPS assistance, rebalancing policy and cash flow statement assistance
St. Charles FPD Pension Fund	Joel Meeter	630-377-4457	1985 – present	Municipal defined benefit plan consulting, investment consulting, customized performance reporting, IPS assistance, rebalancing policy and cash flow statement assistance
St. Charles Police Pension Fund	Larry Laughlin	630-232-0977	1985 – present	Municipal defined benefit plan consulting, investment consulting, customized performance reporting, IPS assistance, rebalancing policy and cash flow statement assistance

4. Provide an organizational chart showing functions and locations of the Retirement Plan / Investment consulting personnel that will be responsible for GBRA's account. Provide a complete listing of all personnel proposed to work on the account with qualifications and duties of each as well as any backup personnel. What is the average client to consultant ratio?



The Willhite Institutional Consulting Group's average client to consultant ratio is 11:1.

Our Group combines experience with a proactive approach. We maintain a commitment to understanding the financial needs and objectives of each client, and services are customized to meet individual needs. We are on-hand to offer consulting advice, provide ongoing services including education and seminars, and personally assist in the construction of a tailored investment plan.

In summary, we will continue to leverage the strengths of our firm in order to create a consulting group of greater value for our most important asset – our clients. The Willhite Institutional Consulting Group is positioned to draw upon the firm's intellectual capital and their own experience to assist you in creating investment plans that guide you towards your goals.

We believe that there are several ways that working with UBS Institutional Consulting can add value to your organization: 1) experience and knowledge; 2) structure and implementation; and 3) outstanding client service.

Experience and Knowledge

Our firm brings with it a wealth of experience in all aspects of investment consulting. Working day to day with plan sponsors and investment committees, our Team has acquired a high level of knowledge about the industry, the issues that trustees, board members and investment committee members face, and the changes that are taking place. We can use this knowledge as a reference point to enhance the decisions clients make for their plan.

With 26 years in the industry, the Willhite Institutional Consulting Group has proven experience consulting on municipal retirement plans. The group is constantly working to improve its best practices methodology by keeping abreast of the regulatory issues affecting public funds, attending conferences and listening to our client's needs. The Willhite Institutional Consulting Group always acts in the client's best interest as we acknowledge our role as a fiduciary for the Plan.

Structure and Implementation

A properly constructed investment plan is the foundation for sound and sensible, long-term decision-making. An Institutional Consultant can assist you in the development and annual review of policies to provide such a framework. More importantly, our experience in implementing policies is an invaluable resource. Our role as a facilitator and coordinator of information between committee members and the various other professionals that may be associated with your plan (auditors, actuaries, investment managers) is fundamental to carrying out your investment plan.

The Willhite Institutional Consulting Group is focused on building a pension management process that starts with a thorough analysis of the benefit and cash flow characteristics of your Fund. From there, we develop a strategic asset allocation tailored to meet your Fund's investment return goals, risk tolerances and cost management concerns. To implement the Fund's investment strategy, we utilize a managed accounts universe of third party investment managers that are subject to thorough and ongoing due diligence protocols plus appropriate third party accountability standards. To complement the investment process, an investment policy statement is designed to maintain high fiduciary standards and Trustee control of the

Plan investment process. In addition, our goal is to promote a more proactive Plan management process with the Fund Trustees, that continuously monitors and analyzes retirement and investment industry trends to create a "best practices" approach that serves the best interests our clients'.

Client Service

The main factor we look to in determining the quality of our client service is the response of our clients. Perhaps the most important measurement of our success in this area is our client retention history. Over the last five years, client turnover has averaged less than five percent of the asset base. We believe that the reason for this continued success is a focus on maintaining long-term client relationships and our availability and professionalism.

The Willhite Institutional Consulting Group has a dedicated business structure in place that focuses on best practices and ensures the unique situations and needs of our client's are fully addressed. In order to keep our clients informed on and active in the consulting process we attend quarterly board meetings at the convenience of the client to review the portfolio.

Team Member Biographies and Qualifications

Jon P. Willhite, CIMA - Jon is one of the premier advisors in the Defined Compensation and Defined Benefits area and is a member of the Institutional Consulting Group. He has worked with institutional clients for the past 26 years. Jon graduated from Texas State with a B.S. in Finance; then earned the Certified Investment Management Analyst (CIMA) and the Accredited Investment Fiduciary (AIF) designation. He is a member of the Illinois Public Pension Fund Association, the Illinois Public Pension Advisory Committee and the Texas Local Firefighter's Association.

Jon P. Willhite, the Institutional Consultant for this relationship, is a CIMA designee and has held the designation for 9 years. To become an Institutional Consultant, additional industry qualifications and experience are generally required. This includes earning the designation of Certified Investment Management Analyst (CIMA) or Chartered Financial Analyst (CFA). CIMA designees must succeed in a rigorous academic program that focuses on asset allocation, manager search, identification and recommendation, investment policy and performance measurement and is taught in partnership with the Wharton School of Business. In addition, CIMA designees are required to maintain their credentials through extensive continuing education.

Jon P. Willhite, has also received the AIF designation. This designation is awarded by the Center for Fiduciary Studies and focuses on increased knowledge in the area of fiduciary obligations. Holders of the AIF designation have completed a program on investment fiduciary standards, passed a comprehensive exam and are maintain the designation with continuing education.

Bryan G. Scott, CFP - Bryan is one of a small number of UBS Financial Advisors who has earned the designation of Wealth Advisor. As a Wealth Advisor and a CERTIFIED FINANCIAL PLANNER™, he is eminently qualified to provide highly personalized wealth management services to his clients. He applies experience, education and ethics in helping his clients with financial planning, investment management, retirement income distribution, insurance, taxation and estate planning. He holds a Bachelor of Business Administration degree from the University of Texas in San Antonio and completed his CFP® coursework at the Kaplan University School of Continuing

and Professional Studies. Bryan has been with UBS since 2004 and has served in the financial services industry for almost a decade.

The CERTIFIED FINANCIAL PLANNER™ designation has become the recognized standard of excellence for financial planning. It provides clients with the ability to identify financial planners who are committed to competent and ethical behavior when providing financial planning services. Individuals certified by the CFP® Board have taken the extra step to demonstrate their professionalism by voluntarily submitting to the rigorous CFP® certification process that includes demanding education, examination, experience, and ethical requirements. CFP® professionals must always preserve their designation by completing annual continuing education requirements.

Taylor R. Willhite - Taylor has worked with institutional clients in the retirement industry for the last five years. She focuses on designing and implementing customized solutions for Defined Benefit Plans and 401k Plans. Prior to joining the Willhite Institutional Consulting Group, Taylor earned a Bachelors of Science in Finance from St. Edward's University in Austin, TX. Taylor is a member of the Illinois Public Pension Fund Advisory Committee.

Michael O'Laughlin, CFA - Michael has worked in the financial industry for the past six years and is currently an Investment Associate for the Willhite Institutional Consulting Group. He holds the Chartered Financial Analyst (CFA) designation. Michael has an analytic and quantitative background and graduated from the University of Wisconsin with a Master in Neuroscience.

Michael O'Laughlin of the Willhite Institutional Consulting Group has held the Chartered Financial Analyst designation since September of 2008. He was awarded this designation after completing a three year program. The CFA designation belongs to a specialized group in the investment profession and is awarded by the CFA Institute. CFA designees must succeed in an intensive academic program that focuses on the portfolio management process, asset valuation, financial accounting and quantitative analysis.

Brenda Paulson - Brenda is a Senior Client Service Associate at UBS Financial Services Inc for the Willhite Institutional Consulting Group. She has worked with the Willhite Institutional Consulting Group for over ten years. Brenda performs day to day operations for all client accounts.

UBS Team Member Roles and Responsibilities

Jon Willhite Institutional Consultant	Bryan Scott Wealth Advisor	Taylor Willhite Financial Advisor	Michael O'Laughlin Investment Associate	Brenda Paulson Client Service Associate
<ul style="list-style-type: none"> - Oversee and coordinate all group operations - Primary lead on fiduciary plan reviews - Plan design and integration consulting - Service provider review - 404(C) compliance assistance - Attends quarterly board meetings and performance reviews - Assists plan sponsors in establishing best practices to execute their fiduciary responsibilities - Cash flow and rebalancing policy design 	<ul style="list-style-type: none"> - Provides consulting services to clients - Attends quarterly board meetings and performance reviews - Attends onsite education meetings - Offers wealth management solutions tailored to client needs - Provides financial and estate planning services as applicable 	<ul style="list-style-type: none"> - Education program design, implementation and monitoring - Coordinates and attends onsite education meetings - Assists with investment policy statement construction and reviews manager compliance to document - Reviews state and federal statutes governing plan(s) - Develops and oversees client service schedule - Vendor RFP design assistance 	<ul style="list-style-type: none"> - Provide analytic and research functions supporting plan comparisons, asset allocation and money manager selection and performance evaluation - Conducts due diligence on TPA's and investment selections 	<ul style="list-style-type: none"> - Day to day operations for all client accounts - Interface with client's staff, accountants, actuaries, lawyers and other professionals - Coordinates monthly cash flow requirements - Oversees on boarding of new client accounts - Liaison between record keeper, plan sponsors and TPA firms

5. Is your firm registered as an investment advisor with the Securities and Exchange Commission and if so, provide verification of such. If not, why not?

UBS Financial Services Inc. is a fully licensed broker/dealer and is a registered advisor with the SEC under the Investment Advisor Act of 1940 and functions as a fiduciary as provided under such Act. The required Form ADV disclosure brochure is attached. Please see Appendix A for details.

6. Does this firm carry Errors and Omissions Insurance or other professional liability insurance and if so in what amount? Have there been any claims in excess of \$25,000 over the past five (5) years? Attach explanation(s) if necessary.

UBS has Errors and Omissions insurance through Chartis which protects the firm against wrongful acts in the rendering or failure to render professional services. The annual aggregate limit of liability is \$5 million. Unfortunately, UBS can not comment on our claims experience. To do so would violate our duty of confidentiality to our insurers.

7. Is your firm, its parent or affiliate a broker/dealer? Does your firm trade for client accounts through this broker/dealer? If so, to what extent?

For disclosures on arrangements or potential arrangements between UBS Financial Services with broker-dealers whereby UBS Financial Services or a related company would benefit if managers placed trades with such broker-dealers, please see the following section of our Form ADV:

X. Code of Ethics and Participation or Interest in Client Transactions

8. Describe in detail any potential conflicts of interest your firm, affiliates, or parent may have in management of this account.

Our Institutional Consulting Team cannot and does not accept any compensation from managers to be included in searches. Managers are not charged, nor do they pay to be included in the universe of managers presented to you. In order to further address any perceived conflicts of interest, our team would not recommend for your consideration any proprietary or affiliated money managers, mutual funds or alternative investments. If our non-ERISA clients specifically request the usage of proprietary or affiliated money managers in writing, they can access them. Given the size and structure of UBS investment managers in our advisory programs are asked to contribute to our overall training and education costs for Financial Advisors in our managed accounts programs. Neither contribution towards these educational expenses, nor lack thereof, is considered as a factor in analyzing or determining whether an investment manager should be included or should remain in our advisory programs. Investment managers do not contribute toward educational programs specifically for the UBS Institutional Consulting Group. These Manager contributions are not disclosed to UBS Institutional Consultants and are not part of their compensation.

UBS or any of its affiliates, for compensation, may engage in a variety of transactions with or provide a range of other services to investment managers and mutual funds or to affiliates of or service providers to such funds. Such other transactions and services may include effecting transactions in securities or other instruments, as broker or as dealer for its own account and research, consulting, performance evaluation, investment banking, banking or insurance services.

For disclosures on UBS Financial Service's and related companies' relationships with managers that may be presented to your organization, please see the following sections of our Form ADV:

VI. Additional Sources of Compensation to UBS Financial Services, UBS Affiliates or Financial Advisors

IX. Consulting, Other Business Activities and Affiliations

X. Code of Ethics and Participation or Interest in Client Transactions

9. Discuss your firm's policy on "soft dollar" or revenue sharing with vendors or other service providers.

UBS policy on receiving soft dollars from investment managers:

Financial Advisors in the UBS Institutional Consulting Group are prohibited from receiving unrelated commission or other transaction revenue from any investment manager who is also employed on one of their UBS Institutional Consulting Group relationships. This prohibition covers all trades that are directed to or on behalf of the Financial Advisor and are unrelated to an account that is receiving consulting services from the Financial Advisor. For details please see our Form ADV, Section VI, Additional Sources of Compensation.

UBS policy on receiving soft dollars as a method of payment for services provided:

Yes, we accept payment in soft dollars in the form of offsets of brokerage commissions or mutual fund compensation if requested and contracted for in the contract with our client. Thus, we can accommodate clients' desire to offset our consulting fees through payments generated through

brokerage commission offsets or mutual fund compensation. In such cases, mutual fund compensation is completely rebated to the client, and commission offsets are negotiable on no greater than a \$2 to \$1 basis. i.e., \$2 of gross brokerage commissions will offset \$1 of consulting fees. Similarly, distribution fees and finder's fees paid to UBS from mutual funds would be credited against our minimum fee on a \$1 to \$1 basis. After the minimum annual fee has been fully offset by such mutual fund compensation, we will credit back to the plan any subsequent 12b-1 or finder's fees. Any shortfall incurred within the contract year will be invoiced directly to you in order to pay the remaining balance on your **hard dollar** fee.

To accommodate our clients through commission or mutual fund offsets, UBS must be identified as the broker of record. There is no requirement for our clients to use mutual fund and commission offsets if they choose not. Therefore, as long as you do not list UBS as the broker of record, the Willhite Institutional Consulting Group should not receive any compensation from any investment companies managing investment funds for your organization as a direct result of you investments.

On a quarterly basis, the UBS Institutional Consulting Group will notify you in writing of the levels of compensation credited against your hard dollar fee at a rate agreed upon in the UBS Institutional Consulting Group Services Agreement and will inform you if the commissions and/or fund compensation have satisfied your UBS Institutional Consulting fees. Any additional transactions executed through us and our affiliates will result in additional compensation for us and our firm; however, any 12b-1 fees collected above your annual fee will be rebated back. Once your fee has been satisfied, we will notify you.

For further details concerning directed brokerage, please see our Form ADV, Section V, General Information, Payment of Fees.

10. Does your firm accept fiduciary responsibility for its role as an investment advisor?

We will acknowledge in our UBS Institutional Consulting Group Services Agreement to act as a fiduciary to the Guadalupe-Blanco River Authority with respect to certain services described in the UBS Institutional Consulting Group Services Agreement regarding non-discretionary investment manager and/or mutual fund searches and asset allocation. We will not act or serve a fiduciary with respect to any other functions or services rendered to your account by other entities or persons, including investment managers.

In addition to accepting fiduciary responsibility as an investment advisor, The Willhite Institutional Consulting Group will help the Guadalupe-Blanco River Authority address its fiduciary duties to its employees. Over many years we have found that among the most important factors are documentation and communication. The advice and materials that we provide help our clients address their fiduciary duties and document that their processes include the following:

1. Development assistance and continuous update of an Investment Policy Statement that reflects the needs of the organization
2. Implement an Asset Allocation using objective advice and update the Asset Allocation on a regular basis.
3. Hire Investment Managers for each category on an objective basis
4. Conduct Performance Reviews, including monitoring of Investment Managers
5. Replace Investment Managers as necessary in order to pursue enhanced performance

6. Use Risk Management systems prudently to preserve principal
7. Negotiate fees with Investment Managers and controlled expenses.
8. Met regularly to review the global economy, the asset allocation and performance of the investments and consistently make decisions that respond to current conditions and the welfare of the organization

11. Does your firm have an individual(s) dedicated to investment management research, selection and monitoring? If so, please state the name of each individual assigned, relevant experience, and their role and responsibility.

While UBS houses a capable team of professionals who engage in investment management research at the firm level, the Willhite Institutional Consulting Group (WICG) possesses the capability to further that process within the group in order to specifically target client needs. Michael O'Laughlin, CFA, functions as the team analyst and routinely conducts manager and fund screens, due diligence meetings, updates and monitoring and performance evaluation. Michael has been involved with manager/fund oversight for over five years. His presence on the team allows clients of WICG to search out and retain investment managers covered by UBS' Manager Research Group which are appropriate for each client. Because information is so readily available today, we believe that our challenge is to sift through the extensive amount of data, analyze and interpret its importance, augment it with real experiences and observations, and assemble it in a concise and meaningful fashion for client consideration.

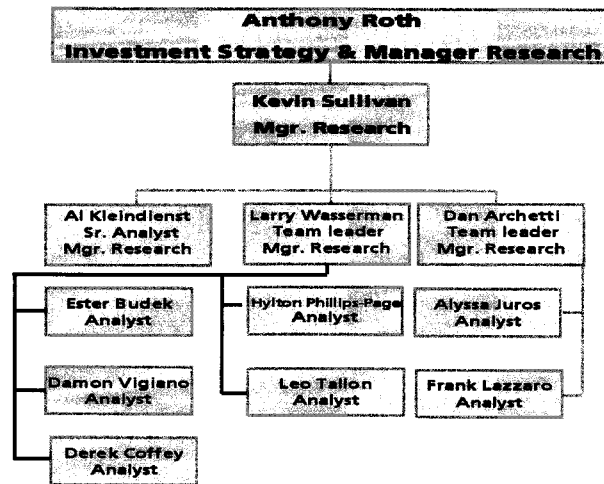
UBS Financial Services Inc. has been assisting clients in individual investment manager searches since its inception in 1978. We seek to make this potentially complicated and time-consuming process as smooth as possible.

The Manager Research Group, located in Weehawken, N.J., is the dedicated team that constructs and maintains the UBS proprietary manager selection database. The team is made up of approximately 12 investment professionals. The team possesses about 15 years experience average financial services industry, advanced degrees and many of the team members have earned the right to use the CFA designation.

The senior analysts and the members of the Manager Research Team bring to the manager research team an array of experience and expertise in areas such as professional investment management, equity research and institutional investment consulting. Combined, our senior analysts possess over 175 years of investment experience in various market and economic conditions.

The analysts in the Manager Research Group are organized into two broad asset classes: Equity and Fixed Income/Convertibles. There is a head of fixed income manager research with analysts who specialize in core, high yield, and convertible subclasses. There is a head of equity manager research with analysts who specialize in the following subclasses: domestic, international, growth, value, large cap, all cap, small cap and mid cap.

Manager Research



As of 7/10

Kevin Sullivan, CFA - Kevin Sullivan, CFA, is an Executive Director in Wealth Management (US) with oversight responsibility of the Manager Research Group. He also acts as Senior Analyst responsible for U.S. small and mid cap equity managers. Mr. Sullivan joined UBS in November 2006, bringing more than 10 years of investment experience. Prior to joining UBS, he was a senior research analyst at a NY-based hedge fund where he was instrumental in both the investment and marketing side of the business. Prior to that, Mr. Sullivan was a senior sell-side research analyst at Lehman Brothers. Mr. Sullivan earned his M.B.A. in Finance from New York University and his B.S. degree in Finance and Management Information Systems from the University of Albany. He has earned the right to use the CFA designation.

Alfred D. Kleindienst, CFA - Alfred D. Kleindienst is Senior Analyst for the Manager Research Group and co-leader for the U.S. & International Equity Team. Mr. Kleindienst previously served as Director, International Economist and International Value Portfolio Manager at Ladas & Hulings. At Ladas & Hulings, Mr. Kleindienst also served as an International Equity Analyst and a member of the investment committee. Mr. Kleindienst has earned the right to use the CFA designation. He is also a member of the Association for Investment Management and Research (AIMR). He received his B.A. cum laude in Modern European History from Harvard and his M.A. in International Economics and Asian Politics from The Johns Hopkins School of Advanced International Studies (first in class).

Lawrence Wasserman, CFA - Lawrence Wasserman, CFA, is Head, Equities Due Diligence for the Manager Research Group. Prior to joining the Manager Research Group, Mr. Wasserman served as a Senior Analyst and Vice President in Morgan Stanley's Global Advisor Research group where he performed due diligence and research on separately managed account managers and mutual funds. Mr. Wasserman was a Divisional Vice President and Senior Investment Manager Research Analyst in PaineWebber's Managed Account Consulting department where he performed due diligence on separately managed account managers. He received an B.A. in Economics from Tulane University and a M.B.A. in Finance (Beta Gamma Sigma) from Rutgers University – Graduate School of Management. He is a CFA Charterholder and maintains the Series 7 and 66 licenses.

Daniel Archetti - Dan Archetti is a Sr. Analyst for the Fixed Income Team in the Manager Research Group. Prior to joining the Manager Research Group, Mr. Archetti served as the Principal Accounting Officer and Compliance Officer for the UBS Alternative Investment Group and CFO for the Managed Futures Funds. His additional experience includes serving as a Financial Analyst in Donaldson, Lufkin, Jenrette's Investment Banking Division and a Planning Analyst with Smith Barney. Mr. Archetti received his B.A. in Economics from Lehman College (City University of New York) and his M.B.A. in Finance and Investments from Baruch College (City University of New York).

12. Describe in detail your investment manager database, including the number of strategies and asset classes. What fees or other consideration, if any, do you receive from managers who wish to be maintained in your database? Describe any advantage that you perceive your database has over your competitors.

Investment Manager Database – Strategies and Asset Classes

Our proprietary researched database currently contains approximately 400 individual investment strategies from approximately 230 managers. These managers are subjected to rigorous on-going due diligence conducted by the Manager Research Group. These managers cover the full spectrum of asset classes and investment styles, including domestic and international equity in all capitalizations and styles, domestic and international fixed income in all sectors, durations and credits, and diversifiers such as REITs and convertibles. We evaluate numerous different investment approaches including fundamental, quantitative and passive strategies. The strategies in our proprietary researched database currently include:

- 250 domestic equity and balanced strategies
- 50 international equity and balanced strategies
- 100 domestic fixed income strategies
- 80 alternative strategies (including hedge funds, private equity funds, real estate, managed futures and commodities)
- 800 ETFs
- 3,000 mutual funds strategies

What fees or other consideration, if any, do you receive from managers who wish to be maintained in your database?

Managers are not charged, nor do they pay to be included in our proprietary database. In turn our Institutional Consulting Team cannot and does not accept any compensation from managers to be included in searches.

Given the size and structure of UBS, investment managers in our advisory programs are asked to contribute to our overall training and education costs for Financial Advisors in our managed accounts programs. Neither contribution towards these educational expenses, nor lack thereof, is considered as a factor in analyzing or determining whether an investment manager should be included or should remain in our advisory programs. Investment managers do not contribute toward educational programs specifically for the UBS Institutional Consulting Group. For additional information on those contributions, please see Section VI of the Form ADV Disclosure Brochure.

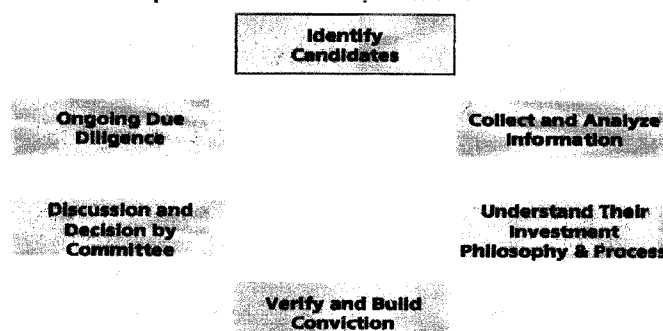
Describe any advantage that you perceive your database has over your competitors.

The Willhite Institutional Consulting Group combines access to the rich database maintained by UBS' Manager Research Group in addition to the PSN database available to us through the UBS Institutional Consulting Group. UBS also contracts with Morningstar to power a mutual fund database and report engine available to us. Furthermore, our in-group processes and expertise utilizes other third-party resources to gather information and data on investment managers and funds for our screening and due diligence process. We believe the combination of multiple layers of information and data sources gives us an advantage over other groups with more limited resources. The vast resources of UBS is one reason our group has chosen to house our practice with the firm.

13. Describe how your firm gathers, verifies, updates and maintains the data collected on managers for the database.

Our Manager Research Model

Process is both quantitative and qualitative



* For managers included in searches, we currently provide research by the Manager Research Group. We cannot assure you that we will continue to provide ongoing analysis for parameters and criteria reviewed for each manager category.

Since 1978, the Manager Research Group has been committed to identifying high-quality investment management firms to build and manage the accounts in our managed programs. The Manager Research Group uses a proprietary, multi-step process that utilizes both quantitative and qualitative analysis. It is a carefully crafted and disciplined process that is focused on selecting the best managers to fulfill certain mandates.

An integral part of the investment manager selection process is the "due diligence" effort performed. The managers selected must pass certain due diligence standards. Once accepted for our proprietary database, the managers must continue to meet these criteria over time in order to remain in good standing.

Approximately 1,700 managers (offering over 7,000 investment products) meet the basic requirements for inclusion in our normal search process. These are the managers who make up the "investment universe". Through each step of the selection process, the universe is continually narrowed. As the selection process advances, manager candidates undergo increasingly intensive screening processes, both qualitative and quantitative, with the hurdle becoming progressively harder as they advance to the next step. These high standards help separate those top-tier managers

from the rest, as only very few manager candidates make it through the entire selection process. The manager search and selection process is described below.

Identify Candidates – Based on the search requirements, the process begins with a preliminary selection of those managers who specialize in the asset class or investment style being sought. The search is augmented with screening conducted in manager databases and the Group's network of industry contacts.

Collect and Analyze Information – Once a manager candidate passes the initial screen, an initial examination takes place, including analysis of a detailed questionnaire, which covers all aspects of the manager's investment philosophy, process and research capabilities. Other factors include their key personnel, their management and corporate structure, and detailed performance results over the short and long term. Generally, a performance attribution analysis is prepared. This effective statistical study identifies and breaks down the various sources of each manager's historical performance to ensure that it was achieved in ways that are consistent with the manager's philosophy, investment style and process. Managers who fail to meet the Group's standards are eliminated from further consideration.

Understand Their Investment Philosophy and Process – The Manager Research Group at this stage, to gain a thorough understanding of the philosophy and process will typically, initiate meetings with key members of the investment management organization, run more detailed performance track record analysis or request additional information from the manager.

Verify and Build Conviction – If the Group is satisfied with the outcome of this analysis, an in-depth due diligence meeting is conducted. This meeting is the principal opportunity to verify that the manager candidate's philosophy, process, and capabilities are indeed as stated. The due diligence meeting also enables the Group to expose any structural weaknesses and procedures that are inconsistent with the manager's stated goals. Finally, a detailed report on the manager is prepared based on all the research completed to date.

Discussion and Decision – A final analysis and recommendation is presented to the Manager Research Review Committee, composed of senior members of Wealth Management Solutions and the Manager Research Group. Any manager candidate still under consideration has overcome the more easily visible hurdles in the selection process. This part of the process requires an appreciation and awareness of the intangible "human" and qualitative factors that help distinguish a manager as a leader from the rest of the crowd. The Manager Research Review Committee uses its collective wisdom and perspective to raise, and subsequently answer, the questions that will determine the final evaluation and rating for the manager candidate.

14. Describe your firm's manager rating system. Describe in detail your firm's ongoing manager due diligence process. How often are on-site due diligence visits conducted with your client's managers?

UBS' Manager Rating System

The Manager Research Group considers 50 different criteria in determining the overall rating for a strategy. The manager evaluation scores for each section (organization, investment personnel, investment philosophy & process, risk management, Implementation, style consistency,

performance and quality of track record) are derived internally, based on a proprietary scoring system utilized by the Manager Research Group. Analysts will rank each of the 50 criteria from 1 (highest) to 5 (lowest) based on quantitative and/or qualitative analysis and are updated on an ongoing basis based on due diligence visits and other meetings with the manager.

The Manager Research Group assigns one of these overall rating to investment managers. The ratings are:

Highly Recommended: The highest possible rating. Overall, the manager is well above the standards set by our process. The Manager Research Group has highly rated the investment team and their investment process.

Recommended: A good rating. Overall, the manager has met the standards set by our process. There may be several areas where the manager is well above standards, and a number of areas where the manager meets standards. It is possible that there may be areas where improvement may be desirable.

Hold: The strategy is currently not available for new investment. There is a degree of concern in one or more areas and improvement is needed to regain Recommended status. Several areas are likely to be below standard and are being monitored closely by the Manager Research Group.

Describe in detail your firm's ongoing manager due diligence process.

After developing Investment Policy guidelines and objectives with you, the Willhite Institutional Consulting Group can begin to evaluate current managers. We use a screening process involving both qualitative and quantitative measures to objectively identify manager candidates most suitable to a given style. Through our monitoring process, we evaluate managers against their benchmarks and peers and use a variety of statistics to evaluate style purity and risk profile. The end result is a portfolio of complementary managers who enable the client to manage its investment goals with minimal risk. A minimum of three investment choices where available and most compatible with the goals and objectives are then presented for your review. Our manager recommendations cover those managers included in our firm-sponsored programs or otherwise reviewed by us.

The Willhite Institutional Consulting Group is continually modifying and trying to enhance our manager research process. Our team, along with the Wealth Management Solutions research group, spends a considerable amount of time performing manager due diligence as well as exploring new asset classes and styles.

Because information is so readily available today, we believe that our challenge is to sift through the extensive amount of data, analyze and interpret its importance, augment it with real experiences and observations, and assemble it in a concise and meaningful fashion for client consideration. The Willhite Institutional Consulting Group will consider a number of quantitative and qualitative factors in evaluating an investment management firm and/or fund product.

Our Manager Research Group provides ongoing due diligence for managers in our proprietary researched database. Investment management firms, like all businesses, are constantly changing and these changes should be evaluated. After the initial due diligence process, Manager Research will conduct quarterly review and maintenance of our research. Manager Research will schedule

meetings and visits as appropriate to investigate significant developments. We expect to refresh our due diligence every 1-3 years, depending on the stability and performance of the manager.

The Manager Research Group regularly compiles portfolio holdings for the strategies it monitors. The source of these holdings is either from an internal UBS source or from an external source, including the manager. The following documents are requested during our due diligence review to assist us in our evaluation of the firm's and the strategy's risk management capabilities:

- Organizational Chart
- Financial Statements and Composite
- Form ADV I and II
- Findings of SEC reviews
- Ethics and Trading Procedures
- Disaster Recovery Plan

How often are on-site due diligence visits conducted with your client's managers?

Our proprietary database is generated by the Manager Research Group of Wealth Management Solutions, including managers that are limited to institutional clients. Managers must satisfy certain due diligence requirements and are subject to on-going due diligence review. This meeting also enables the Group to expose any structural weaknesses and procedures that are inconsistent with the manager's stated goals. Our manager research teams evaluate approximately 400 strategies and meets with approximately 200 different managers each year. We add approximately 40-50 managers annually and remove approximately 25-30 managers annually. Unfortunately, due to concerns for confidentiality, we can not disclose the managers we meet.

Additionally, the Willhite Institutional Consulting Group meets directly with numerous managers to discuss investment strategies and portfolios both covered by the Manager Research Group. The team analyst for our group, Michael O'Laughlin, CFA meets with investment managers in our offices, on-site at the manager's offices when convenient and also attends seminars and informational meetings sponsored by managers. The result is constant engagement with managers our clients have an investment relationship with as well as others who may potentially have value to add to our clients.

15. Give an overview of your firm's approach and criteria for terminating or placing a fund manager or fund on a watch list.

The Manager Research Group assigns one of three ratings to each individual strategy on its Researched List: Highly Recommended, Recommended and Hold. Ratings are based on a comprehensive quantitative and qualitative review of the manager, its organization, investment personnel, investment process and performance. The Manager Research Group may assign a Hold rating to a strategy if there were a significant change in the organization, personnel or process, as well as if there were notable performance-related concerns. The Manager Research Group monitors strategies on Hold closely and the Hold rating may be removed if the Manager Research Group is satisfied that conditions leading to the rating have been addressed and/or the team has had time to demonstrate its ability to execute the strategy effectively.

Your investment policy statement will establish guidelines for investment managers to which they must adhere and by which they will be judged. We believe the continued use of a manager should be questioned if one of those criteria is not being met or for the reasons listed below:

- Consistent under-performance over the long-term compared to the appropriate market index and peer group;
- Significant changes in the organization (key personnel, ownership, etc.) that may have a negative impact upon potential performance;
- A drift in the manager's established investment process;
- Reduction in an allocation to a particular asset class or investment style.

We may recommend that a manager be terminated if the firm fails to meet the client's long-term objectives or no longer meets the qualitative or quantitative criteria used for manager evaluation. However, dismissing a manager for the sole reason of short-term under-performance will likely lead to unnecessary turnover costs.

If a manager does not perform up to par, we typically allow several quarters before recommending that you remove a manager. For a manager who is not performing up to par, we seek to uncover the factors contributing to the underperformance or any significant operational change that may have occurred. We will then evaluate these factors in the context of overall market conditions. We also take into account, however, that even the best managers will suffer periods of disappointment. For example, in the last decade, 75% of top quartile performing large cap money managers spent at least one three-year period in the bottom quartile of the group.* Historically, even some of the most legendary money managers have experienced periods of disappointment on their way to building stellar investment records. Nonetheless, if, based on our findings, there appear to be risks that potentially could significantly impair future long-term performance, we will conduct a fund manager search to identify potential replacements.

** Source: Davis Advisors. 160 managers from eVestment Alliance's large cap universe whose 10-year average annualized performance ranked in the top quartile from January 1, 1998 to December 31, 2007.*

16. Describe how benchmarks are chosen or developed and how performance is compared to similar portfolios.

Benchmarks and comparative universes are selected based upon your Investment Policy Statement, objectives and the investment approach used by the manager(s). Our universes data is provided by Russell/Mellon Analytics and Morningstar. In some cases, we regress a manager's historical returns against a variety of indices to determine appropriate benchmarks. Customized benchmarks are constructed at the index level. Our reports have hundreds of indices available for custom benchmarking.

Various asset categories are tracked in our performance measurement system. The following, as well as other asset classes, are tracked:

- US Equities (large-cap and small cap growth and value)
- US Fixed Income (short, intermediate and long duration)
- International Equities
- International Fixed Income

- Cash
- Convertibles

Literally dozens of market indices are tracked and available for custom benchmarking. When selecting a custom benchmark for each asset class, we want to be certain that we are comparing each manager's performance not to a generic asset class but to the specific asset class that the manager deems as his/her "best-fit" index. For example, while S&P 500 may be an appropriate benchmark for large cap stocks, it may fall short in measuring the performance of a large cap value manager. In that instance, Russell 1000 Value may be the appropriate benchmark and not S&P 500. For example, some of the benchmarks we may consider include:

- Russell 1000 Value and Growth (for large caps) or S&P 500 for Large "Core/Blend"
- Russell Mid Cap Value and Growth
- Russell 2000 Value and Growth (for small caps)
- MSCI EAFE Index for developed international markets
- MSCI EAFE Emerging Markets Index for developing/emerging international markets
- Barclay's Capital Intermediate Government/Corporate Credit for bond ladders
- Barclay's Capital High Yield Bond Index
- HFRI Hedge Fund of Fund index (market neutral etc.)
- NAREIT Index for REITS
- Dow Jones Commodity Index for investments that are positively correlated to commodities such as natural resources

17. What is your firm's step-by step process for return reconciliation? How will discrepancies between your firm and the manager be investigated and resolved?

We use custodians' reports to calculate performance. We review the performance results with the results reported by money managers for comparative purposes. Discrepancies in performance are investigated and reviewed with the respective investment managers.

18. Describe the content and format of your firm's quarterly performance reports for the total fund, major asset classes and individual investment managers. Can reports be customized? What is the anticipated turnaround time for each report (number of calendar days after returns are submitted to your firm)? Provide a sample report.

Describe the content and format of your firm's quarterly performance reports for the total fund, major asset classes and individual investment managers.

Our UBS Institutional Consulting Team believes that the value to properly evaluating the investment manager performance reports is the ability of your consultant to customize their presentation in analyzing those reports to the specific client or committee. Our UBS Consulting Team has worked with very sophisticated client accounts as well as market cycles and each presentation brings with it custom analysis that caters to the economic environment and the needs of each client.

Typically, we meet with our clients on a quarterly basis to review their portfolio and the individual investment managers. We also provide a brief series of slides and charts we call the "Capital Markets Overview." Before we discuss the client's plan and investment managers, we will provide

this capital markets overview so that the client has a keen perspective when they later review each manager and why it under- or over-performed during a period. We believe this additional perspective is critical to making informed long term assessments and decisions.

Through the performance evaluation report, we review the following elements in order to provide a comprehensive understanding of an investment program and its progress over time:

- summary of assets at the beginning and end of the period, including any additions or withdrawals
- industry standard time-weighted rates of return
- risk-adjusted return analysis
- detailed investment performance analysis
- objective comparisons to appropriate indices, inflation, and stated goals
- appropriate universes of similarly managed funds
- market cycle comparisons
- performance attribution analysis

We present performance measurement information in a variety of dimensions, including return vs. risk. The rate of return is calculated with industry standard time-weighted, geometrically linked approach; and the risk measure is derived from the calculation of the variance of returns and depicted, typically, as the standard deviation of returns. Returns can also be compared to a manager peer group as well as relative to the investment policy and the stated customized benchmark. Additional risk measures may also include portfolio beta, R-squared, Sharpe ratio and up-market/down-market analyses.

We describe not only that a manager or entire portfolio may have under- or outperformed its goal, but why it performed as such. We consider and discuss a variety of areas including, individual manager relative performance (to an appropriate benchmark), asset class relative performance (to a broad asset class benchmark), and investment program relative performance (to stated long-term goals).

Our team generates consolidated performance reports in house utilizing a third party software provided by Informa's Performer. Performer is a proprietary portfolio accounting and performance software package. Informa Investment Solutions has been providing a broad array of products and services to thousands of investment and wealth management professionals for over 30 years. The company's products include performance measurement and client reporting applications and services.

These performance reports can be customized to contain the level of detail required by each client. We can create a more or less robust version of the performance report that includes only the analytics each client considers most important. In addition, we can create customized executive summaries that consolidate key data on one page for quick review by busy Trustees or Investment Committee members. We can also incorporate your historical performance data so that your investment committee does not have a "break" in the performance information.

We can evaluate portfolio performance using hundreds of static and dynamic market indices distributed with Performer, including the ability to input market indices not currently maintained in the database. We can create custom blended benchmarks comprising any number of market indices.

Or, define a risk comparison for each asset class in the portfolio and Performer will create a weighted average index for the portfolio based on its average asset allocation and the risk indices assigned to each asset class. In addition, Performer will create dynamic indices based on the average allocation across each account in a client composite. Dynamic index measures are automatically updated once created. We can compare the performance of your portfolio(s) within peer group universes. Performer's open architecture design also gives us the ability to import data directly from our PSN investment manager database.

For defined contribution plans with a DC Advisory performance report:

The report has the following components:

- Alerts – criteria set on performance, risk, ratings, and other characteristics
- Performance – category rankings and performance vs. benchmark
- Risk and return – standard deviation, mean, alpha and beta vs. category and benchmark
- Style Drift – orientation of various plan funds
- Investment Cost – expense ratio relative to category mean
- Plan summary – diversification of plan assets
- Correlation – diversification effect of combining a plan investment with other investment options
- Stock intersection – top 10 stocks in the plan's investment offerings
- Morningstar Measures – stewardship grades, Morningstar ratings
- Fund scoring – scores derived from UBS proprietary process

Our Team will supplement this report with an executive summary that:

- Highlights and summarizes pertinent data;
- Aligns the data with your investment policy criteria; and
- Makes observations and recommendations for Committee action.

Can reports be customized?

A performance monitoring report is provided quarterly that can be customized to meet the needs of the most sophisticated organization.

What is the anticipated turnaround time for each report (number of calendar days after returns are submitted to your firm)?

For the Guadalupe-Blanco River Authority's Defined Benefit Plan the Informa investment performance report is available four to six weeks after the end of each quarter.

For the Guadalupe-Blanco River Authority's 457 and 401(k) plans the DC Advisory investment performance report is available within 30 days from the end of the reporting period.

We have the capabilities to electronically submit all performance reports to clients. For assets custodied at UBS Financial Services we can also provide on-line account access and statements. Statements are usually available on-line within ten business days after the end of the month.

If you were to use UBS as your custodian, an intuitive, user-friendly secure website is provided at no additional charge. Online you would be able to track:

- Activity
- Holdings
- Daily changes in value
- Current and historic performance
- Asset allocation
- Historical statements and trade confirmations
- Considerable UBS economic research

We would also have access on our system to your UBS website account (www.ubs.com). This enables us to talk through a web-related question with staff and/or directors while both of us review the exact same material.

If you elect to use a third party custodian, UBS has the ability to electronically receive and use the data from the third party for reporting purposes. These reports can be delivered electronically.

Provide a sample report.

Please reference Appendix B for a sample Informa performance report.

Please reference Appendix C for a sample DC performance report.

**19. Describe your approach to developing investment policy and objectives for the fund.
Provide an example of a policy statement.**

We can assist you in developing a comprehensive investment policy statement. Developing an investment policy statement is an important part of a well-executed investment plan. The investment policy is intended to be a constant "blueprint" for the current committee members as well as new members in the future. It is intended to offer sufficient guidance with regards to selection, monitoring, and replacement of investments.

It is important that the investment policy statement provides clear and comprehensive guidelines for the plan and its investment managers. We believe it is important to review and update the plan as necessary. The investment policy statement should address, at minimum, the following elements:

- Investment objectives
- Asset Class Selection
- Investment Manager Selection and Evaluation
- Acceptable risk levels
- Investment

choices

We believe that adhering to an appropriate documented process is a critical component of addressing a trustee's fiduciary responsibility.

Policy Elements

The starting point for developing an investment policy statement is the risk profile. It is important that the investment policy statement provides clear and comprehensive guidelines for the plan and its investment managers. We believe it is important for you to review this policy at least annually. We can assist you in creating the guidelines which should address, at minimum, the following elements:

- Investment objectives
- Expected returns on a nominal and real basis
- Benchmarks for performance evaluation
- Asset allocation parameters and risk constraints
- Prohibited assets classes
- Acceptable risk levels
- Time horizon
- Liquidity needs
- Diversification requirements
- Allowable and prohibited securities
- Proxy voting
- Any unique requirements
- Make whole provisions
- Manager acknowledge section

We help you establish return objectives that are both reasonable given our proprietary UBS capital market assumptions and given your organization's risk tolerance. In addition, an important element of establishing effective performance goals relates to an understanding of the value added from active-management in today's competitive investment landscape. We have the resources to assist in determining reasonable assumptions about the risk/return tradeoff of pursuing various active-management strategies.

We believe that it is extremely important that your guidelines and the investment policy as a whole properly align the assets of the organization with the mission of the organization. The Plan's funding level and anticipated future contributions are critical to determining Plan objectives. From low funding levels (where the primary objective is to achieve full funding) to overfunded status (where the objective is almost exclusively on managing funded level volatility), the Investment Policy Statement may well require adjustment as the objectives change.

By their definition, ongoing plans with new entrants and unlimited time horizons require careful consideration of liabilities that may fluctuate significantly from year to year. As new liability streams are produced with each actuarial valuation, that year's contributions and existing assets are realigned with the liability stream. Accordingly, investment policy may need to include multiple objectives assigned to various portions of the Plan.

Investment Objectives and Risk Tolerance

In order to build a profile of your return and risk requirements, we will discuss thoroughly your required return, your needed liquidity levels, and your expectations with respect to variation of returns. As part of our process, you may be asked to complete a series of questions designed to collect information and gauge risk tolerance. You may also be asked to choose portfolios from a

number of hypothetical alternatives, each with different risk and return characteristics. After analyzing this information, we can determine potential asset mixes that may be suitable for your objectives and risk comfort level.

Policy Constraints

Your policy constraints will play an integral role in the creation of investment policy and the implementation of the investment strategy. Our Team will evaluate constraints such as limitations or exclusions of particular securities, asset classes, investment styles, or particular investment vehicles (e.g., short selling, options, etc.).

Objectives

The next step in reviewing your investment policy is to review your investment objectives; that is, your organization's absolute need for liquidity, income, growth of income, growth of principal and preservation of capital. Our Team will assist you in balancing all of these needs and developing an appropriate investment strategy. Since your investment strategy needs a benchmark against which results can be measured, we will develop a customized performance benchmark for the aggregate Fund.

The investment policy statement's content should always be customized to each organization's specific needs. Following are a number of topical areas for consideration for the GBRA on the development or revision of an investment policy statement:

- The purpose of the investment policy statement
- The investment objectives
- Roles/responsibilities of parties involved in plan investment decisions
- Investment decision-making process
- Investment plan design and types of investment options
- Number of investment options
- Investment diversification
- Investment selection criteria — defined process and methodology
- Investment monitoring/evaluation criteria — defined process and methodology
- Benchmarking against indexes and peers
- Risk measurement
- Frequency of reports and meetings
- Options for investments that do not meet evaluation criteria, including what is unacceptable performance? How long before action is taken?
- Decision to hold, add alternatives, or substitute investments
- Procedures for enforcing and amending the investment policy statement

Asset Weight Limits

Institutional clients can utilize asset and, to some degree, sub-asset class weight limits within their long-term investment program, and incorporate these limits officially (within ranges) in their investment policy statements. One of the elements of an investment program we regularly cover at investment committee meetings is the current portfolio's allocation vs. its intended long-term target, and what risks exist within the disparity. We generally will recommend rebalancing when a portfolio materially differs from its target ranges.

The UBS Institutional Consulting Group does not assume responsibility for monitoring compliance with specific guidelines contained in your investment policy or your investment manager's compliance with your investment policy statement or other investment restrictions. However, we will endeavor to review and report on investment policy issues when discovered.

Please see Appendix D for a Sample Defined Benefit Plan Investment Policy Statement and Appendix E for a Sample 457/401(k) Investment Policy Statement.

20. Describe your firm's view, methodology, and expertise for incorporating liabilities into the asset allocation process. Discuss your views on liability – driven allocation and appropriate methods for liability valuation.

UBS creates its own expectations for asset classes. Combined with our expectations for future performance of asset classes, we can incorporate client's contributions, withdrawals and liabilities. From there, taking the client's risk and return expectations into consideration we can create a strategic asset allocation customized for our client.

Clients require varying levels of asset/liability support. We focus on the asset side of the plan, while working closely with the employee benefits consultant to understand the demands faced by the Fund. If you desire an asset-liability study, we will work with you to identify a third-party vendor and provide them with the Firm's capital market assumptions. After you receive an asset-liability study, our Team can work with you in developing an asset allocation in line with the actuarial return and also work to incorporate other liability-driven investing concepts into the plan's asset allocation structure.

For example, some plans which are underfunded may choose to assume more risk and request a 'total return' philosophy and exposure to equity returns. Other plans, perhaps having made it through recent markets and still adequately funded may want to investigate an immediate immunization process through LDI. Still other plans, somewhere in the middle of funding and risk, may want to adopt a hybrid of partial immunization and total return combined.

21. Outline your process for analyzing a client's portfolio structure. Describe your process for recommending modification to the portfolio structure as warranted by changes in the market place or benefit obligations/assumptions.

Developing appropriate asset allocation targets is one of the more important aspects of the consulting service process. Our process begins with an intensive interview to determine objectives, projected cash flow/needs, risk tolerance and education on various asset classes to determine the appropriateness of their inclusion into the asset allocation model.

The Willhite Institutional Consulting Group takes a strategic approach to asset allocation that uses quantitative portfolio optimization technology to define the efficient frontier. We recommend combinations of managers for your asset allocation model which complement each other within and across asset classes.

As an additive step, our Institutional Consulting team utilizes Quantitative Investment Solutions (QIS), an advanced proprietary portfolio analysis and simulation tool. QIS provides extensive top-down and historic performance analysis of a portfolio and, using Monte Carlo simulation

techniques, calculates statistical estimates for the future projected growth of a portfolio. It provides comprehensive reports that include final portfolio value distributions, shortfall risk, risk & return characteristics, asset allocation breakdowns, historic stress tests, portfolio optimization and simulation. This proprietary software application is available to UBS Institutional Consultants from the UBS Quantitative Analysis Team in Zurich.

Each client's asset allocation is developed from the following:

1. An assessment of your investment objectives and tolerance for risk
2. Sophisticated proprietary methodologies using our proprietary capital market assumptions
3. An estimated covariance matrix that estimates expected relative reactions during all market conditions
4. Identification of underlying economic and fundamental influences of each asset class to be considered for inclusion
5. Our research on the future risk and return potential of each asset category under consideration
6. Equity and fixed income allocations that are further segmented into subclasses and investment styles
7. Final correlations among classes as well as market- related risks

Describe your process for recommending modification to the portfolio structure as warranted by changes in the market place or benefit obligations/assumptions.

The Willhite Institutional Consulting Group is available to address questions regarding your asset allocation when needed. However, the asset allocation and investment policy should be established based on a long-term strategic plan. Frequent changes should be avoided. Changes in the structure, needs or goals of your organization would warrant an immediate review of the asset allocation. Otherwise a review of the asset allocation should also take place annually to ensure that your allocation is guiding you toward your objectives. Our team constructs cash flow and rebalancing policies based upon client assets and liabilities to manage and document this process.

Periodically the plan may need to address an asset rebalancing to adjust asset allocations to comply with strategic levels indicated in your investment policy statement. Systematic portfolio rebalancing augments asset allocation by keeping the portfolio from drifting too far off the mark. Together, asset allocation and rebalancing help you establish and adhere to a long-term investment strategy and avoid "style drift".

While our model allows us to analyze the anticipated effects of plan inflows and outflows, our model does not explicitly forecast actuarial liabilities. We will work with the Plan's actuary in understanding the salary growth, mortality, and benefit assumptions used to calculate the Plan's future obligation. If the Plan had a significant benefit under-funding or a non-uniform liability term structure, you may need to conduct an asset/liability study that would more closely match the Plan's current assets with its unique liability term structure. We can be of assistance if you choose to have this type of analysis prepared. Our Team can work with you in developing an asset allocation in line with the actuarial return.

22. What role does passive management serve in your firm's general view of investment strategy development?

As Investment Consultants we advise clients on the use of both active and passive equity strategies. With every client, we work with the Committee to help determine the blend of active and passive equity investment, and how those choices are integrated with your organization's risk management strategy. The selection of active versus passive management should be made after an appropriate evaluation of the strategy in light of your goals and objectives.

We believe that large institutional investors should consider, as appropriate, a combination of active equity management and index equity management. Passive index investments may have lower fees, while active managers may be more effective at controlling risk during negative periods in the equity markets. We measure the effectiveness of these strategies by their upside or downside capture ratios over multiple time periods. The tactical use of defensive active equity managers during recessionary periods of a market cycle can be an effective risk control technique. We believe that indexing can be a viable tool for pursuing investment-related goals. The merits of indexing are compelling (low cost, simplicity, etc.); however, the decision to index should not be made solely upon short-term market performance or cost.

Creating an investment portfolio with active management also involves identifying strong active managers. Strong managers generally understand and take advantage of the emotional mistakes of others, while weak managers can react emotionally during the decision-making process. This may result in poor decisions and greater risk taking. The Manager Research Group focuses on identifying and separating those strong managers from the weak ones. A key role of the Manager Research Group is to understand the emotional side of investing and, through analysis, to identify managers who possess the traits we believe are necessary to keep their emotions in check. We believe that those investment managers who are capable of making investment decisions based on these traits— rather than emotional responses— are less likely to make decisions that can compromise investment performance. Although economic theory would suggest that the markets are efficient, behavioral finance suggests that inefficiencies may exist and that some investors through behavioral mistakes may be creating opportunities for other investors. The Manager Research Group is seeking out those active managers that through their processes, experience and skill can benefit from other investors behavioral mistakes.

Overall, we believe that our extensive education and experience keeps us ahead of our peers, as well as our ability to tactically allocate during all market environments to allow our clients to position themselves as best as possible to pursue Alpha, or excess returns for the level of risk they're willing to take over any passive investment indices.

23. Describe the structure, organization and capabilities of your research department, (If no department exists, then describe how this function is performed.) Provide the titles and a brief description of any research reports provided to your clients.

UBS is one of the premier investment research institutions in the world, seeking to provide clients with quality research content in a timely and convenient manner. UBS Wealth Management Research (WMR) provides general research on a variety of topics, from broad thematic research examining long-term social, economic, demographic, financial and geopolitical trends likely to impact global financial markets to more specific categories of securities, including, credit research, economic research, emerging market research, investment strategy and technical research.

Research reports are issued continuously from around the world throughout the year and access can be gained directly from your UBS Institutional Consultant. We can screen to a client's particular interests and/or investment portfolio for relevant topics. On an annual basis, the firm provides a number of economic and investment forecasting research reports that we are pleased to share with our clients.

Communication	Description	Delivery Date	Format
WMR Monthly Investment Strategy Guide	A general overview and outlook on economics, the equity and fixed income markets and investment strategy.	2-3 weeks after month end	Electronic or hard copy
WMR Quarterly Investment Strategy Guide	WMR's strategic direction for various asset classes. Combines benchmark allocations primarily developed by UBS with tactical deviations for equities, bonds, cash and non-traditional assets.	3-4 weeks after quarter end	Electronic or hard copy
UBS-IC Quarterly Market Review	Comprehensive report detailing the domestic equities, international equities and fixed income markets.	3-4 weeks after quarter end	Electronic or hard copy
UBS Institutional Consulting Newsletter "Institutional Perspectives"	Publication produced by the UBS Institutional Consulting that provides a market review, performance report, outlook and a brief report on major public policy and political developments.	2-3 weeks after quarter end	Electronic or hard copy
Flash Report	Publication that provides monthly, year to date, quarterly, annualized and calendar year returns for major indices.	Initial report 5-6 business days after month-end	Electronic or hard copy
WMR Investment Strategy Guide Chartbook	Compilation of charts that detail the current financial market performance, market scenarios and economic outlook.	4-6 weeks after quarter-end	Electronic or hard copy
UBS Website	Provides general research on a variety of topics, from broad thematic research examining long-term social, economic, demographic, financial and geopolitical trends likely to impact global markets.	24/7	Research, white papers, other UBS public communications

24. Describe the investment-related education provided to your clients.

The Willhite Institutional Consulting Group is available for group participant education meetings and will work with you to identify strategies to increase participation in your plan and improve general investment education for your employees. We have a broad range of education materials which can be delivered to your general employee population, pre-retirees, retirees, former

employees or corporate executives. We strive to engage employees and encourage goal-oriented behavior. We believe in taking an active role in helping to shape and execute a communication and education plan, and have a great deal of experience integrating our services with those provided by 401(k) vendors.

The Willhite Institutional Consulting Group will work with the GBRA to design an education plan for its employees that will address how each of the plans (DB, 457 and 401(k)) offered by the GBRA can be utilized by the employee to maximize savings.

To ensure that the GBRA's employee education needs are met we follow a formalized process to construct an education plan:

Evaluate the requirements for effective employee communication and education, as well as the activities that can increase employee acceptance and satisfaction with the plan.

The Willhite Institutional Consulting Group performs a detailed analysis of your employee base including a breakdown of participation rates by age, salary, location, and department. With this research, we are able to target education seminars to each type of employee. In addition to general 401(k) plan topics, we have specific seminars targeting new employees, non-deferring employees, pre-retirees, employees that are being laid-off, and highly compensated employees.

Decide on a course of action to help educational activities boost plan enrollment or participation.

The Willhite Institutional Consulting Group can aid the plan in creating an education policy that will reinforce the corporate benefits program, help limit the fiduciary responsibility associated with employee-directed retirement plans and educate the employees on financial and retirement planning.

UBS has a formal employee Financial Education Program developed specifically for retirement plan participants. The Willhite Institutional Consulting Group can create a customized program that best fits the employees. Some of the topics include:

- The basics of investing
- The need to develop a retirement strategy
- Retirement distributions and planning for your income in retirement
- Your retirement savings plan

Our seminars are intended to help employees understand the important financial issues they face and how to potentially maximize their retirement plan benefits and other financial resources to help them pursue their goals. We can provide general investment education meetings on topics such as: investing, saving for retirement, financial planning, income and distribution planning, retirement planning and transition; descriptions of investment objectives; philosophies, risk and return characteristics; historical returns information and other related information about investment alternatives; general financial and investment information.

Education Materials

Retirement Savings Asset Allocation Guide

The Retirement Savings Asset Allocation Guide is designed to educate employees about different asset classes, the importance of asset allocation, developing an asset allocation strategy and rebalancing. Included in the Guide is a self-scoring investment savings assessment questionnaire which employees can use to select from among the six generic asset allocation strategies included in the Guide.

Seminars

We are very keen on sponsor and participant education, and offer ongoing educational seminars that will be beneficial to your participants. Our seminars are intended to help employees understand the important financial issues they face and how to potentially maximize their retirement plan benefits and other financial resources to help them pursue their goals. Topics such as investing, saving for retirement, financial planning, income and distribution planning, retirement planning and transition are covered.

Document the plan's ongoing educational activities and communication initiatives.

The Willhite Institutional Consulting Group will utilize the following best practices with a plan to ensure the firm's education plan is sound:

- Create a formalized Education Policy
- Focus on the need for retirement adequacy
- Target employee demographics – age and income level and focus on the needs of the participants with different levels of investment knowledge and sophistication

Monitor the success of the education plan and amend the plan as necessary.

- Review the Education Policy annually
- Create a yearly calendar for education and communication activities and events

We continuously research these participation reports to review the trends in participant behavior prior to and following our targeted educational seminars. In addition, we monitor employee deferral rates, employee participation rates, number of investments used per participant and website activity. By monitoring these plan statistics we believe we can assess the effectiveness of our education efforts. In terms of obtaining these statistics we do depend on the record keeper to provide us with this information.

Following each presentation, we offer a participant survey to all meeting attendees to get instant feedback on our presentations and services. We find the feedback extremely valuable in helping us improve our services as well as customizing our efforts towards the interests and questions of your employees and participants.

25. Please summarize in a tabular or list format the principle Retirement Plan / Investment consulting services your firm is proposing to provide GBRA and include a fee proposal for such services.

Defined Benefit Plan Consulting Services**Cost**

Investment Policy Statement Review	Assistance with developing guidelines, investment objectives and risk tolerances, cash flow and rebalancing policies
	Request investment managers to sign off that they have received, understand and will comply with the IPS
Asset Allocation Analysis & Review	An assessment of your investment objectives and tolerance for risk, review of actuarial report
	Utilize our research on the future risk and return potential of each asset category under consideration
	Allocation tailored to specific investment preference
Investment Manager Search & Recommendation	Conduct further due diligence and analysis to identify and present investment managers
	We will evaluate current managers to identify suitable manager candidates
	Willhite Institutional Consulting Group has access to the following databases to conduct manager searches:
	<ul style="list-style-type: none">• UBS proprietary database generated by the Manager Research Group• Plan Sponsor Network (PSN) separate account database• Zephyr separate account database• Morningstar Mutual Fund Research database
Portfolio Evaluation & Review	Performance reports will be provided through Informa Investment Solutions software
	Includes quarterly evaluation of performance, style of each manager relative to selection criteria and any material changes within the organization
	Performance monitoring reports provided quarterly for each manager and the total fund composite versus objectives, indexes and peer groups
	Benchmarks and comparative universes customized based upon your objectives and the manager's investment approach
Trustee Education	We will inform Trustees about best practices, industry trends and technical research and proactively update Trustees about current events and fund manager departures
	We will also highlight alternative investment structures and direction (e.g., multiple managers, Commingled Trusts, Institutional Mutual Funds) as well as highlight alternative cost structures (e.g., breakpoints and indexing)
Ongoing Consulting & Various Other Services	Consulting services related to the integration and operations of entities DB, 401(k) and 457 plans
	Access to research, white papers, other UBS public communications
	Assistance in issuing RFP's and vendor selection
	Coordination with the relationship manager of the retirement platform, its legal team, actuaries and other service providers/vendors
Total fee for services described above is 30bps of assets.	
For example: a plan with \$13,000,000 would pay a yearly fee of \$69,000 for Investment Consulting service.	
<i>This fee does not include the cost the plan incurs from its investments, i.e. separately managed account, mutual funds, ETFs or alternative assets.</i>	

**30
bps**

Defined Contribution 401k/457 Plan Consulting Services**Cost**

Program Provider Search	Assistance with the search and selection of a program provider for the recordkeeping and/or administration of clients' retirement plan	
	Services may include an analysis of the client's current program; development of criteria the client will use in selecting a service provider; and evaluation of proposals received from prospective service providers	
	Assistance with the transition and conversion to the new provider including, but are not limited to, assistance in completing required paperwork, participation in conference calls and/or creation of timelines	
Investment Consulting	Review and guidance on the plan's Investment Policy Statement to ensure it addresses various components of the overall investment plan and outlines the criteria utilized to monitor the investments offered in the plan	
	Assistance with the review and selection of plan investments	
	Investment reviews of the investment funds offered as investment options under the plan will be provided quarterly using the DCA Morningstar tool	
	Fund searches will take into account the participant demographics and the plan's investment objectives	
	Provide assistance to plan sponsors and participants with asset allocation models by utilizing the UBS Retirement Savings Asset Allocation Guide	
Employee Education Consulting	Perform a plan sponsor needs assessment to analyze the organizations employee demographics, plan provisions and plan challenges	
	Assist in creating a customized education and communication program that demonstrates to employees the value of the plan provider by their employer	
	Assist in monitoring the education plan to ensure participation results are being achieved, adjust education plan as necessary	
	Perform and coordinate onsite employee education visits and planning services, e-mail campaigns and webinars	
	Total fee for services described above is 30bps of assets.	30
	<i>This fee does not include the cost the plan incurs from its investments, i.e. separately managed account, mutual funds, ETFs or alternative assets.</i>	bps

26. What other related services does your firm provide to retirement plans and what are the fees associated with these services?

The fee quoted herein includes our use of proprietary software used on your behalf. We do not provide online access to clients to the firm's databases, but we do provide queries on behalf of clients for no additional charge.

To the extent you elect to custody assets at UBS, we would set up an account to provide complimentary on-line access to your investment portfolios, activities, balances, etc.

There are no additional charges for our institutional consulting services. For asset custodied at UBS Financial Services in the "wrap fee programs," the fee would be the fee as provided in the selected wrap fee program, which depending on the program may also include the manager fee. This annual fee would include custody of securities and all brokerage and execution services for the purchase and sale of securities at our Firm.

For assets not custodied at UBS, you would incur a manager fee in addition to custody and execution costs.

While not an institutional consulting service available under our UBS Institutional Consulting Group Services Agreement, for participants desiring more comprehensive financial planning services, we can, independent of our institutional consulting relationship with you, provide participants a Financial Goal Analysis Report that considers a participant's entire financial picture.

UBS can also provide asset backed financing solutions for assets custodied at UBS.

Depending on the needs of your organization, a borrowing need could be addressed by utilizing a credit line secured by assets of your organization. UBS offers both fixed rates of varying terms and variable rate loans for flexibility based on the needs of your organization. UBS rates depend on the size of the line qualified for—the larger the line the lower the rate (regardless of whether you use the full capacity). Depending on the strength of your projected cash flows, or your desire to take advantage of the relatively flat interest rate curve today, we could also discuss the ability to construct a liability ladder in tranches to address your cash flow needs, potentially minimize borrowing costs as well as use a fixed rate term to lock in the low rates of today's interest rate environment.

Please note that asset backed financing is a brokerage service which is separate from our advisory services provided under a UBS Institutional Consulting Group Services Agreement. Our team may receive additional compensation for these services, as described in our Form ADV, Section X Code of Ethics and Participation or Interest in Client Transactions, Credit Lines. For a full discussion of the risks associated with borrowing using securities as collateral, please review the attached Loan Disclosure Statement and the Nonprofit Corporate Indemnity Agreement.

The client may terminate the Institutional Consulting contract at any time by giving verbal or written notice. Investment consulting fees, if charged in advance, will then be pro-rated for the quarter in which the contract is terminated and the balance refunded to the client. If the fees are charged in arrears, the pro-rated fees may be deducted from each account or billed to the client. Any fees due from client must be received before assets can be transferred to another institution.

Attachment B

The following criteria will be used in evaluating and grading responses to the RFP.

No.	CATEGORY	MAX PTS.	COMMENTS	SCORE
1	Overall compliance with RFP Attachment A	15		
2	Organizational structure and approach to accomplish services	10		
3	Experience and expertise of key personnel proposed to provide services	15		
4	Recent experience in similar feasibility studies	15		
5	Capability to provide services	15		
6	Discussion with references	10		
7	Service fees to deliver services	20		
	TOTAL	100		