

**INVESTMENT VENDOR SERVICES AGREEMENT**

**BETWEEN**

**LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION**

**AND**

**[\_\_\_\_\_]**

**[Date]**

**Prepared by:  
LACERA Legal Office**

# **INVESTMENT VENDOR SERVICES AGREEMENT**

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[To be added]

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## INVESTMENT VENDOR SERVICES AGREEMENT

This INVESTMENT VENDOR SERVICES AGREEMENT (this “Agreement”) is entered into and effective as of [\_\_\_\_\_] (the “Effective Date”), by and between the LOS ANGELES COUNTY EMPLOYEES RETIREMENT ASSOCIATION, a public pension fund organized under California law (“LACERA”), and [\_\_\_\_\_], a [\_\_\_\_\_] (“Vendor”).

### RE C I T A L S

A. Pursuant to California Government Code Section 31595 and related provisions of law, the Board of Investments of LACERA (the “Board”) has exclusive control of the investment of LACERA’s retirement fund and may, in its discretion, invest or delegate the authority to invest the assets of the retirement fund through the purchase, holding, or sale of any form or type of investment, financial instrument, or financial transaction when prudent in the informed opinion of the Board;

B. The Board must diversify the assets of LACERA’s retirement system so as to minimize the risk of loss and to maximize the rate of return, unless under the circumstances it is clearly prudent not to do so;

C. The Board must execute its duties with respect to LACERA’s retirement fund with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in like capacity and familiar with like matters would use in conducting an enterprise of like character and like aims;

D. The Board has determined that to execute its duties according to such standards it is in the best interests of LACERA, its members and beneficiaries to engage a competent, knowledgeable and professional Vendor to provide non-discretionary advisory and administrative services as set forth herein, and to that end issued a request for proposals (“RFP”) for such administrative services;

E. Vendor submitted a written proposal in response to the RFP, and made oral representations to LACERA as part of the RFP process, and has represented to LACERA that it possesses and will employ, in a fiduciary capacity, the highest degree of competence and expertise essential to provide such services;

F. Vendor hereby reaffirms the reliability and accuracy of the written proposal and oral representations made to LACERA in the RFP process (collectively, the “Vendor’s Proposal”); and

G. LACERA has determined, in reliance upon Vendor’s written proposal submitted in response to the RFP, Vendor’s oral representations made to LACERA in the RFP process, and LACERA’s due diligence, that (i) Vendor is qualified and capable of performing the international investment administrative services set forth in the Statement of Work attached

hereto (the “Services”), (ii) Vendor’s fee for the Services is competitive, fair and reasonable, and (iii) engaging Vendor to perform the Services is in the best interest of LACERA, its members and beneficiaries.

NOW, THEREFORE, in consideration of the above stated recitals, the mutual promises, covenants, representations and conditions contained herein, and the mutual benefits to be derived therefrom, LACERA and Vendor agree as follows:

## AGREEMENT

1. Definitions; Gender and Number. For purposes of this Agreement, the following words and expressions shall have the following meanings.

“Agents” means any Person appointed by the Vendor or under the direct or indirect control of Vendor acting in its capacity as a provider of Services to LACERA, including Vendor’s employees, officers, directors, representatives, affiliates and agents.

“Fee Schedule” means the document which sets forth the annual fees to be paid to Vendor under this Agreement. It is attached to this Agreement as Exhibit B.

“LACERA Records” means all records related to LACERA, including but not limited to any pertinent transaction, advice, administrative services, activity, time sheets, cost, billing, accounting and financial records, internal and external correspondence, proprietary data, telephonic recordings, and any other records created by Vendor or its Agents in connection with this Agreement and Vendor’s performance of its duties and obligations hereunder.

“Notice of Termination for Convenience” means a notice delivered by one party to the other party when the notifying party wishes to terminate this Agreement for its convenience.

“Notice of Termination for Default” means a notice delivered by one party to the other party when the notifying party wishes to terminate this Agreement due to a default by the other party.

“Person” means an individual, corporation, association, partnership, limited liability company or partnership, organization, business, trust, estate, or any other legal entity.

“Statement of Work” means the document which describes the manner and form of the Services which Vendor will provide to LACERA, as attached hereto as Exhibit A.

2. Appointment as Vendor and Acceptance of Appointment. LACERA hereby appoints Vendor as a fiduciary of LACERA and authorizes Vendor to provide the Services as set forth in Exhibit A. Vendor hereby accepts such appointment and agrees to execute its duties according to the terms, conditions and standards set forth in this Agreement.

3. Description of Services. Vendor shall provide to LACERA the Services as set forth in the body of this Agreement and in the Statement of Work attached hereto as Exhibit A.

in accordance with the terms, conditions, and standards set forth herein and therein. In determining whether Vendor has met its obligations under the Statement of Work, LACERA will refer to Vendor's representations set forth in Vendor's Proposal. Vendor agrees that should it perform work outside the scope of this Agreement, including the Statement of Work, as such may be amended from time to time, such work shall be deemed a gratuitous effort by Vendor and Vendor shall have no claim to any compensation for such work unless LACERA has agreed in writing to pay for such work.

Vendor's \_\_\_\_\_ [insert title], \_\_\_\_\_ [insert name] and any other individual appointed by Vendor and approved by LACERA, shall be responsible for performing the Services under this Agreement. Vendor will not replace any of its professional staff assigned to work on the LACERA account without LACERA's prior written consent.

4. Standard of Care. Vendor acknowledges that this Agreement places it in a fiduciary relationship with LACERA. As such, Vendor shall discharge each of its duties and exercise each of its powers under this Agreement with the competence, care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with these matters would use in the conduct of a like enterprise with like aims, in conformance with the California Constitution, Article XVI, Section 17 and California Government Code Sections 31594 and 31595 ("Standard of Care"). Vendor shall cause any and all of its Agents to exercise the same Standard of Care. Vendor shall be liable to LACERA for any Claim (as defined in Section 17 hereof) which arises from or relates to any failure by Vendor or any of its Agents to exercise this Standard of Care.

5. Independent Contractor Status. Vendor shall at all times act in the capacity of an independent contractor. This Agreement is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, or association as between Vendor and LACERA. Nothing in this Agreement shall cause LACERA to be responsible for any action, omission or inaction of Vendor. For all purposes, including but not limited to workers' compensation liability, Vendor understands and agrees that all persons furnishing Services to LACERA pursuant to this Agreement are deemed employees solely of Vendor and not of LACERA.

6. Authorized LACERA Personnel. Upon execution of this Agreement, LACERA shall provide Vendor with a list of authorized LACERA personnel and representatives ("Authorized Persons") who will be permitted to advise, inform and direct Vendor on LACERA's behalf. Vendor shall not furnish any information related to the Services it provides under this Agreement to any LACERA employee or representative not specifically named on the then current list of Authorized Persons. The list of Authorized Persons and any changes to such list shall be made in writing to Vendor. Until notified of any such change, Vendor may rely on and act upon instructions and notices received from an Authorized Person identified on the then current list furnished by LACERA. If Vendor receives instructions or notices from a source other than an Authorized Person, Vendor shall not comply with them and shall immediately notify LACERA's Chief Investment Officer in writing of such unauthorized instructions or notices. No Authorized Person will have any personal liability to Manager for any action taken or not taken by such individual while acting or purporting to act as an Authorized Person.

7. Compensation for Services.

a. Fees. LACERA shall compensate Vendor for the Services performed under this Agreement in accordance with the Fee Schedule attached as Exhibit B. Except for the fees described in Exhibit B, Vendor shall not earn, receive or keep any remuneration or compensation from LACERA or any other third party in connection with the Services under this Agreement.

b. Invoices. Vendor shall submit to LACERA a quarterly invoice within thirty (30) calendar days of the close of the Services period. Each invoice shall include the quarterly prorated share of Vendor's annual fee as set forth in the Fee Schedule, attached Exhibit B hereto. No compensation shall be paid to Vendor in advance of Services rendered. Invoices shall be mailed to:

Los Angeles County Employees Retirement Association  
300 North Lake Avenue, Suite 720  
Pasadena, CA 91101-4199  
Attention: Manager, Financial and Accounting Services

c. Annual Renewals. For any automatic renewal of this Agreement following the Initial Term (as defined below), Vendor's fee shall remain the same as that which applies to the then current term for all Services which Vendor has rendered or is reasonably expected to render during such term unless, at least one hundred and eighty (180) days prior to the expiration of the then current term, either party gives written notice to the other that the notifying party desires to renegotiate Vendor's fee. Any renegotiated compensation shall be set forth in a written amendment to this Agreement pursuant to the requirements of Section 36 below. If the parties are unable to agree to an amended fee, LACERA may terminate this Agreement for convenience pursuant to Section 10 below. If such termination occurs, Vendor shall continue to provide the Services for a period determined by LACERA, but not to exceed three (3) months following the Effective Termination Date (as defined below) at the then current fee and subject to all of the terms and conditions of this Agreement.

8. Seminars and Training Programs. In the event Vendor conducts seminars, training sessions or similar events which are generally made available to Vendor's clients, LACERA shall be invited to attend upon the same terms and conditions as such other clients. If LACERA reimburses Vendor for costs associated with LACERA's attendance, the Vendor will reduce the next quarterly invoice by the amount reimbursed.

9. Term. The term of this Agreement shall commence on the date first set forth above for an initial period of [five] years (the "Initial Term"), and thereafter, shall automatically renew for successive one-year terms, unless terminated by LACERA pursuant to the provisions of Sections 10 and 11 below, or by Vendor pursuant to the provisions of Sections 12 and 13 below.

10. Termination for LACERA's Convenience. LACERA may terminate all or any

part of this Agreement without cause at any time by delivering to Vendor a written Notice of Termination for Convenience specifying the date on which Vendor shall cease work hereunder, or cease performing such portion of the work as directed by LACERA (“Effective Termination Date”). For termination under this section, the Effective Termination Date shall be no earlier than one (1) calendar day after such Notice of Termination is delivered to Vendor. In no event shall LACERA’s termination of this Agreement under this Section 10 be deemed a waiver of LACERA’s right to make a claim against Vendor for damages resulting from any default by Vendor which occurred prior to the Effective Termination Date.

11. Termination by LACERA for Default. LACERA may immediately terminate this Agreement by delivering to Vendor a written Notice of Termination for Default which specifies the Effective Termination Date under any one of the following circumstances:

a. If Vendor materially fails to perform or cause to be performed the Services required under this Agreement, including the Statement of Work, or any of the other provisions of this Agreement (including failure to procure or maintain insurance as required), within the time specified therefor (or within a reasonable time if no time is specified) and subsequently fails to cure such default within thirty (30) calendar days (or such longer period as LACERA may authorize in writing) after receiving written notice from LACERA specifying such default;

b. Upon notice but without further cure period if Vendor repeatedly fails to perform according to this Agreement following notice and failure to cure pursuant to paragraph (a) of this Section 11;

c. Upon notice but without opportunity to cure if Vendor materially breaches any of the warranties, representations and covenants made in this Agreement;

d. Upon notice but without opportunity to cure if Vendor files for bankruptcy, becomes insolvent or generally cannot pay its debts as they become due;

e. Upon notice but without opportunity to cure if Vendor is subject to civil or criminal investigation, indictment or conviction, or is found civilly or criminally liable by a trial court, jury or administrative body in connection with any matter involving breach of trust, breach of fiduciary duty, fraud, theft, moral turpitude, or violation of any securities laws, rules or regulations;

f. Upon notice but without opportunity to cure if Vendor breaches its fiduciary obligation to LACERA or was grossly negligent in performing, or had reckless or willful disregard of, its duties under the terms of this Agreement; or

g. Upon notice but without opportunity to cure if Vendor attempts or purports to assign this Agreement, or any portion hereof, or any of its rights or obligations hereunder, without obtaining LACERA’s prior written consent.

If LACERA terminates this Agreement for default pursuant to this Section 11, LACERA shall be entitled to recover from Vendor all reasonable damages resulting from such default. The running

of any grace period for cure of a default pursuant to this Section 11 shall not limit LACERA's right to terminate this Agreement for convenience at any time pursuant to Section 10 above.

12. Termination for Vendor's Convenience. Vendor may terminate this Agreement in its entirety, but not in part, without cause at any time after the second anniversary of the Effective Date by delivering to LACERA a written Notice of Termination for Convenience specifying the Effective Termination Date. For termination under this section, the Effective Termination Date shall be no earlier than one hundred eighty (180) days after the Notice of Termination is delivered to LACERA, but may be earlier at LACERA's election, or later if both parties agree. In no event shall Vendor's termination of this Agreement under this Section 12 be deemed a waiver of Vendor's right to make a claim against LACERA for damages resulting from any default by LACERA which occurred prior to the Effective Termination Date.

13. Termination by Vendor for Default. Vendor may terminate this Agreement in its entirety, but not in part, upon written Notice of Termination for Default if LACERA materially fails to perform any of its obligations under this Agreement and fails to cure such default within sixty (60) calendar days of receiving Vendor's written notice of such default, which notice describes in reasonable detail the nature of the default and Vendor's view as to the cure required in order to bring LACERA's performance into material compliance with its obligations under this Agreement.

14. Force Majeure. Neither Vendor nor LACERA shall be terminated for default or liable for damages, pursuant to Sections 11 or 13 above, if Vendor's or LACERA's failure to perform under this Agreement arises from causes beyond the control and without the fault or negligence of such party. Such causes may include, but are not restricted to, acts of God or of the public enemy, acts of any foreign, international, federal or state government (including all subdivisions thereof) in such government's sovereign capacity, fires, floods and earthquakes, but in each case the failure to perform must be beyond the control and without the fault or negligence of Vendor (or Vendor's Agents) or LACERA, as the case may be.

15. Rights, Remedies and Responsibilities upon Termination. In the event of any termination of this Agreement, all of the terms and conditions herein shall continue to apply through the Effective Termination Date and through any period following the Effective Termination Date, during which Vendor shall continue to perform the Services in order to complete any transactions pending on the Effective Termination Date and to facilitate an orderly transition to a successor Vendor ("Transition Period"). The Transition Period shall last for three (3) months after the Effective Termination Date, but may end sooner at LACERA's election, or later if both parties agree. The following provisions shall also apply to any termination of this Agreement and shall survive termination of this Agreement:

a. Post-Termination Responsibilities. If either party terminates this Agreement, and unless otherwise expressly directed by LACERA, Vendor shall take all necessary steps to stop Services on the Effective Termination Date.

b. Termination Invoice. Following the end of the Transition Period (or if there is no Transition Period, following the Effective Termination Date), Vendor shall submit to



LACERA, in the form and with any reasonable certifications as may be prescribed by LACERA, Vendor's final invoice (the "Termination Invoice"). The Termination Invoice shall prorate Vendor's annual fees, on a daily basis, for Services already performed but for which Vendor has not been compensated through the Effective Termination Date, in accordance with the then current Fee Schedule. Vendor shall submit the Termination Invoice no later than thirty (30) days after the Transition Period (or if there is no Transition Period, the Effective Termination Date). Upon Vendor's failure to submit the Termination Invoice within the time allowed, LACERA may determine, on the basis of information available to it, the amount, if any, due to Vendor and such determination shall be deemed final. Subject to the provisions of this Section 15.c, after LACERA has made such determination, or after Vendor has submitted the Termination Invoice and LACERA has approved it, LACERA shall authorize payment to Vendor, so long as Vendor is not in breach or default of any of its post-termination obligations.

c. Payment Withheld for Default. LACERA shall not authorize and shall withhold payment for Services provided if LACERA terminates this Agreement for default pursuant to Section 11 above.

d. Excusable Default. If, after either party has issued a Notice of Termination for Default to the other party (pursuant to Sections 11 or 13 above, as the case may be), it is determined for any reason that the other party was not in default, or that such default was excusable, then the rights and obligations of the parties shall be the same as if a Notice of Termination for Default had not been given, or at the option of the party issuing such notice, the Notice of Termination for Default shall be treated as a Notice of Termination for Convenience in accordance with Sections 10 or 12 of this Agreement, as the case may be.

e. Good Faith Transfer. Upon any termination of this Agreement by either party and to the extent directed by LACERA, Vendor shall continue to serve as a Vendor hereunder at the then existing compensation level for the duration of the Transition Period. Vendor shall cooperate with LACERA in good faith to effect a smooth and orderly transfer of the Services and all applicable records. Upon termination of this Agreement, Vendor shall retain all LACERA Records (as defined below) according to the record retention provisions set forth in Section 24 below, or if required by LACERA, promptly deliver the LACERA Records to LACERA or to such other party designated by LACERA.

f. Cumulative Nature of Rights and Remedies. The rights and remedies of the parties provided by this Section 15 are not exclusive, but cumulative and in addition to any other rights and remedies provided by law, in equity or under any of the provisions of this Agreement.

16. Measure of Damages. Damages arising from any default, act or omission under this Agreement by either party hereto shall be determined under the laws of the State of California, without regard to special circumstances or conditions of the parties, provided that such damages are reasonably foreseeable at the time of entering into this Agreement. If any payment required to be made to a party hereto by the other party is not paid in full when due, the amount due shall include an amount equal to the average Federal Funds rate as published daily in *The Wall Street Journal*, and compounded to the extent permitted under applicable law from the

date of loss to the date on which payment is made.

17. Vendor's Obligation to Defend and Indemnify.

a. Definitions. As used in this Section:

(i) "Claims" means any and all liabilities, losses, injuries, suits, costs, charges, judgments, fines, penalties, expenses (including, without limitation, defense costs, expert witness fees and attorneys' fees), claims, demands, recoveries, settlements, or damages of any nature whatsoever, including, but not limited to, loss of funds, bodily injury, death, personal injury, or property damage.

(ii) "LACERA Covered Persons" means LACERA, its officers, trustees, fiduciaries (excluding Vendor), employees and agents.

(iii) "Vendor Action" means any services rendered or other material action taken, omitted or suffered by Vendor Personnel, including, without limitation, any alleged or claimed:

- (a) bad faith, negligence, willful misconduct, fraud, improper or unethical practice by Vendor Personnel;
- (b) breach of any representation or warranty made by any Vendor Personnel in this Agreement or in any agreement contemplated by this Agreement;
- (c) breach of any covenant, agreement or obligation of any Vendor Personnel contained in this Agreement or any other instrument contemplated by this Agreement;
- (d) misrepresentation contained in any statement or certificate furnished by any Vendor Personnel pursuant to this Agreement or in Vendor's Proposal; or
- (e) any violation of the Legal Requirements.

(iv) "Vendor Personnel" means Vendor and its Agents.

b. Vendor will defend, at its expense, indemnify, save, and hold harmless the LACERA Covered Persons from and against any and all Claims arising out of, related to, or in connection with any Vendor Action. The passive negligence of any LACERA Covered Person shall not relieve Vendor of its obligations to defend and indemnify. Vendor's obligations to defend and indemnify shall survive the termination of this Agreement.

c. LACERA will give Vendor prompt written notice of any Claim for which any LACERA Covered Person is entitled to indemnification pursuant to this Section. Vendor

shall control the defense or settlement of the Claim, provided that, no such settlement or compromise shall be entered into unless, as part of such settlement or compromise, the third party executes a full and complete release of the LACERA Covered Persons without recourse to the LACERA Covered Persons for any amount, claim or other obligation whatsoever respecting such Claim. Vendor will not have the right to settle or compromise any such Claim without the consent of the LACERA Covered Persons, which consent may be withheld for any reason or no reason, if such settlement or compromise involves the issuance of injunctive or other non-monetary relief binding upon any of the LACERA Covered Persons or a plea of guilty or *nolo contendere* on the part of any of the LACERA Covered Persons in any criminal or quasi-criminal proceeding, or which involves any admission of liability or culpability on the part of the LACERA Covered Persons, or which has any collateral estoppel effect on any of the LACERA Covered Persons.

d. Vendor's obligation to defend the LACERA Covered Persons at Vendor's expense is in addition to, and separate from, Vendor's obligation to indemnify under this Section. In the event that Vendor fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to LACERA, Vendor shall pay full compensation for all costs incurred by LACERA.

18. Insurance.

a. General Insurance Requirements: Without limiting Vendor's indemnification obligations under Section 17 above, during the term of this Agreement, Vendor shall provide and maintain, and shall require all of its subcontractors and Agents to maintain, the following programs of insurance in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by LACERA, and such coverage shall be provided and maintained at Vendor's own expense.

(i) Evidence of Insurance: Certificate(s) or other evidence of coverage satisfactory to LACERA shall be delivered to:

[\_\_\_\_\_]
LACERA
300 N. Lake Avenue, Suite 850
Pasadena, CA 91101-4199

prior to commencing Services under this Agreement and annually thereafter. Such certificates or other evidence shall:

- (a) specifically identify this Agreement;
- (b) clearly evidence all coverages required in this Agreement;
- (c) include the cancellation notice provision from the policy; and

(d) include copies of the additional insured endorsement to the commercial general liability policy, adding LACERA, its trustees, officers and employees as insureds for all activities arising from this Agreement.

(ii) Insurer Financial Ratings: Insurance shall be provided by an insurance company acceptable to LACERA with an A.M. Best rating of not less than A-, X, unless otherwise approved by LACERA.

(iii) Failure to Maintain Coverage: Failure by Vendor to maintain the required insurance, or to provide evidence of insurance coverage acceptable to LACERA, shall constitute a material breach of this Agreement upon which LACERA may immediately terminate or suspend this Agreement. LACERA, at its sole option, may obtain damages from Vendor resulting from said breach.

(iv) Compensation for LACERA Costs: In the event that Vendor fails to comply with any of the indemnification or insurance requirements of this Agreement, and such failure to comply results in any costs to LACERA, Vendor shall pay full compensation for all costs incurred by LACERA.

(v) Survival of Obligations. Vendor's obligations under this Section 18 shall survive expiration or termination of this Agreement.

b. Commercial General Liability. Vendor shall provide and maintain a Commercial General Liability insurance policy which names LACERA as additional insured. Such policy shall cover legal liability for bodily injury and property damage arising out of Vendor's business operations and the Services that Vendor provides pursuant to this Agreement. Such policy shall include, without limitation, endorsements for Officers and Directors Liability, Property Damage, Premises-Operations, Products/Completed Operations, Contractual, and Personal/Advertising Injury with a limit of at least Five Million Dollars (\$5,000,000) per occurrence and an annual aggregate limit of at least Twenty Five Million Dollars (\$25,000,000). If such insurance is written on a Claims Made Form, such insurance shall be endorsed providing an extended reporting period of not less than five (5) years following termination or expiration of this Agreement.

c. Auto Liability. Vendor shall provide and maintain a comprehensive auto liability insurance policy endorsed for all "owned", "non-owned", and "hired" vehicles, or coverage for any "auto", with a combined single limit of not less than One Million Dollars (\$1,000,000) per accident.

d. Workers' Compensation. Vendor shall bear sole responsibility and liability for furnishing workers' compensation benefits to Vendor's employees for injuries arising from or connected with any Services provided to LACERA under this Agreement. Vendor shall provide and maintain a program of workers' compensation, in an amount and form to meet all applicable statutory requirements. In all cases, workers compensation insurance also shall include employer's liability insurance with limits of not less than One Million Dollars

(\$1,000,000) per accident and One Million Dollars (\$1,000,000) disease , covering all of Vendor's employees.

e. Crime Coverage.

(i) Vendor shall provide and maintain throughout the term of this Agreement a fidelity or financial institution bond policy with at least the following insuring agreements:

- (a) Employee dishonesty coverage with limits of at least Five Million Dollars (\$5,000,000) per occurrence; and
- (b) Computer theft coverage with limits of at least Five Million Dollars (\$5,000,000) per occurrence.

(ii) Such policy shall provide protection to LACERA against loss by reason of fraud or dishonesty on the part of Vendor, and shall be in an amount meeting the bonding requirements of Section 412(a) of the Employee Retirement Income Security Act, as amended from time to time, if such amounts are from time to time greater than those specified in this Subsection 18.e.

f. Errors and Omissions. Vendor shall provide and maintain insurance covering liability arising from any error, omission, negligent or wrongful act of the Vendor, its officers, employees or Agents, with limits of at least Thirty Million Dollars (\$30,000,000) per claim and an annual aggregate limit of at least Thirty Million Dollars (\$30,000,000). The coverage also shall provide an extended one-year reporting period commencing upon termination or cancellation of this Agreement.

g. Cyber Liability Insurance. Without limiting any of the obligations or liabilities of Vendor, Vendor shall carry and maintain, at its own expense including any applicable deductibles or retention, Cyber Liability insurance with limits of not less than \$2,000,000 for each occurrence and an annual aggregate of \$5,000,000 covering claims involving privacy violations, information theft, damage to or destruction of electronic information, intentional and/or unintentional release of private information, alteration of electronic information, extortion and network security. The policy coverage shall include, but not be limited to:

- (i) Privacy Liability Coverage. This coverage shall include LACERA and its members for breaches of their private information in the case of a data breach.
- (ii) Notification Costs. This coverage shall cover the costs of notifying third parties and LACERA potentially affected by a data breach.
- (iii) Crisis Management. This coverage shall include the costs of managing the public relations outfall from most data breach scenarios.
- (iv) Theft and Fraud Coverage. This coverage shall include the costs of theft or destruction of the LACERA's data and theft of funds.
- (v) Network and Business Interruption. This coverage shall include any expense due to an intentional interruption of the LACERA's computer systems.
- (vi) Data Loss and Restoration. This coverage shall include the costs of diagnosing and repairing the cause of the loss and restoring all data.

19. Vendor's Representations, Warranties and Covenants. Vendor makes the following representations, warranties, covenants and agreements set forth in this Section 19 with the understanding that LACERA has relied upon them in determining to enter into this Agreement, and that they constitute a material inducement to LACERA to enter into this Agreement. The representations, warranties, covenants and agreements contained in this Section 19 shall survive the expiration or termination of this Agreement.

a. Authorization.

- (i) Vendor is duly organized, validly existing, and in good standing

under the laws of the state of its organization and is qualified to do business in California, and has full corporate power and authority to carry on its business as it has been and is conducted.

(ii) The execution and delivery of this Agreement and the consummation of the transactions contemplated by this Agreement are within the power of the Vendor and have been duly authorized by all necessary corporate and other action. Vendor has duly authorized, executed and delivered this Agreement, and this Agreement constitutes the legal, valid and binding agreements and obligations of Vendor, enforceable against Vendor in accordance with its terms, except insofar as such enforceability may be limited by bankruptcy, insolvency, reorganization, moratorium or other similar limitations on creditors' rights generally and general principles of equity.

(iii) Vendor is not subject to or obligated under any law, rule or regulation of any governmental authority, or any order, injunction or decree, or any agreement, that would be breached or violated by Vendor's execution, delivery or performance of this Agreement.

(iv) Vendor has completed, obtained, and performed all registrations, filings, approvals, licenses, authorizations, consents, or examinations required by any government or governmental authority for entry into this Agreement and performance of its acts contemplated by this Agreement, and Vendor shall maintain such proper authorizations while this Agreement is in force.

b. Quality of Services. All Services which Vendor provides hereunder shall meet the requirements and standards set forth in the body of this Agreement and any Exhibits, Schedules and Appendices attached hereto. At LACERA's request, Vendor shall promptly correct any errors or omissions in the provision of the Services.

c. Contingent Fees. Except as previously disclosed in writing to LACERA, (which writing includes the name(s) of the recipient(s), the amount of the fee paid or payable, and the date(s) on which the fee was paid or is to be paid), neither Vendor nor any of its affiliates has paid or agreed to pay any fee or commission, including broker's fees, finder's fees, third party marketing fees, consulting fees, placement fees, or similar fees, to any entity or person in connection with the negotiation or execution of this Agreement by LACERA, except for bona fide employees of Vendor. If Vendor in any way breaches or violates of this warranty, LACERA shall have the right to immediately terminate this Agreement for default and, in LACERA's sole discretion, to deduct from Vendor's compensation under this Agreement, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

d. Gratuities. Neither Vendor nor its Agents have offered or given any gratuities in the form of gifts, entertainment or otherwise, to any officer, fiduciary, or employee of LACERA or the County of Los Angeles with a view toward securing this Agreement or securing any favorable determination made concerning the award of this Agreement. Vendor covenants that no such gratuities will be offered or given to any such person with a view toward

securing any favorable treatment concerning the performance and/or continuation of this Agreement. If it is found that Vendor has offered or given such gratuities, LACERA may terminate this Agreement upon one (1) calendar day's written notice; provided, however, that the facts upon which LACERA bases such findings shall be at issue and may be reviewed in any competent court sitting in the County of Los Angeles, California. In the event of such termination, LACERA shall be entitled to pursue the same remedies against Vendor as it could pursue in the event of default by Vendor.

e. Conflict of Interest with Persons Related to LACERA. Vendor does not and shall not knowingly employ in any capacity: (1) any LACERA or Los Angeles County employee or fiduciary who either could influence the award of this Agreement or any competing agreement, or who does or will have any direct or indirect financial interest in this Agreement ("Interested Person") and (2) any spouse or economic dependent of any Interested Person.

f. Certification Regarding Financial Contacts and Solicitations. Vendor represents that during the twelve (12) months preceding the Effective Date, no member of the LACERA Boards or key staff of the Boards or any elected or appointed official of Los Angeles County, as identified by LACERA in Exhibit C-1, which may be amended by LACERA from time to time by providing an updated list to Vendor in writing (each, a "Designated Person"), or any person claiming to represent or have influence with either Board or with any member of the Boards has contacted Vendor with respect to a financial transaction or solicitation which was not solely on behalf of LACERA's business with Vendor. In addition, Vendor shall immediately advise LACERA if any Designated Person or any person claiming to represent or have influence with either Board or with any member of the Boards contacts Vendor with respect to a financial transaction or solicitation which is not solely on behalf of LACERA's business with Vendor, and shall deliver to LACERA on or before January 31st of each year, or more frequently if requested, the certification and information required by Exhibit C attached hereto.

g. Audits and Financial Reports. Vendor shall provide LACERA a copy of its annual audited financial statements, including its audited balance sheet, income statement and statement of cash flow, within ten days of their completion.

h. Intellectual Property. In connection with its performance under this Agreement, Vendor shall not knowingly develop, provide or use any program, process, composition, writing, equipment, appliance or device, or any trademark, service mark, logo, idea, or any other work or invention of any nature, or any other tangible or intangible assets, that infringes or will infringe on any patent, copyright, or trademark of any other person or entity, or is or will be a trade secret of any other person or entity.

i. Investigations and Complaints. As of the Effective Date and during the prior five (5) years, to the best of Vendor's knowledge, (i) no Vendor Personnel is or has been the subject of, or a defendant in (1) any civil or criminal investigation, examination, complaint, disciplinary action or other proceeding which is commenced by any of the following: (A) the Securities and Exchange Commission of the United States ("SEC"), (B) any stock exchange, (C) the Financial Industry Regulatory Authority, (D) any Attorney General or any regulatory agency of any state of the United States, (E) any U.S. Government department or agency, or (F) any



governmental agency regulating securities of any country in which Vendor is doing business, (2) any action (or settlement or sanction in lieu thereof) brought by investors for violation of duties owed to such investors, or (3) any lawsuit or legal proceeding and which, if adversely determined, would be reasonably likely to adversely affect Vendor's ability to perform under this Agreement and (ii) there is no pending or threatened action, lawsuit, legal or administrative proceeding or allegations of misconduct that (X) would reasonably be expected to adversely affect the ability of Vendor or a Vendor Personnel to discharge any of its duties or obligations under this Agreement or (Y) would reasonably be expected to adversely affect the operations, properties or business of Vendor. Vendor shall promptly notify LACERA in the event that any investigation, action, proceeding or allegations described in this paragraph is threatened or initiated against Vendor or any Vendor Personnel who has performed any service under this Agreement in the twenty-four (24) preceding months.

j. Registered Investment Advisor. Vendor hereby represents that it is, and for so long as this Agreement is in force shall remain, a registered investment advisor under the Investment Advisors Act of 1940 as amended and that it has completed, obtained and performed all registrations, filings, approvals, authorizations, consents or examinations required by any governmental authority for its services contemplated by this Agreement. Vendor shall immediately notify LACERA if at any time during the term of this Agreement it is not so registered or if its registration is suspended.

k. Vendor's Agents. The Agents of Vendor who will be responsible for discharging Vendor's duties and obligations under this Agreement are and will be individuals experienced in the performance of the various functions contemplated by this Agreement. None of such individuals have been convicted of any crime or found liable in a civil or administrative proceeding or pleaded no contest, or agreed to any consent decree with respect to any matter involving breach of trust, breach of fiduciary duty, fraud, securities law violations, bankruptcy law violations or any act or omission involving moral turpitude.

l. Disclosure Statement. Vendor warrants that it has delivered to LACERA, at least five (5) business days prior to the execution of this Agreement, Vendor's current Securities and Exchange Commission Form ADV, Parts 2A and 2B (Vendor's "Disclosure Statement"), unless it is exempt from such requirement, in which case Vendor has delivered to LACERA with a letter from its counsel explaining the basis for such exemption. During the term of this Agreement, Vendor agrees to provide LACERA with a copy of each Disclosure Statement it files with the SEC, within thirty (30) days of filing with the SEC.

m. Annual Certification and Notice of Changes. Vendor shall certify in writing no later than January 31 of each year that each of the representations, warranties and covenants made in this Section are true as of December 31 of the prior year, or shall state in writing the facts that render such representations, warranties and covenants no longer true. Vendor shall notify LACERA in writing within three (3) business days of any of the following changes: (i) Vendor becomes aware that any of its representations, warranties and covenants set forth herein cease to be materially true at any time during the term of this Agreement; (ii) there is any change in Vendor's senior personnel assigned to perform the Services under this Agreement, or in Vendor's key personnel within its organization; (iii) there is any change in ownership or

control of Vendor; or (iv) Vendor becomes aware of any other material change in its business organization, including without limitation the filing for bankruptcy relief.

n. Conflicts of Interest Arising From Other Business Activities. Vendor acknowledges that certain business activities of Vendor and Vendor's affiliates create potential conflicts of interest which, if not properly managed, could have an adverse effect on the Services provided to LACERA by Vendor under this Agreement. Vendor represents and warrants that it has implemented appropriate procedures necessary to assure that no actual conflict of interest arises during the term of this Agreement, and that Vendor shall at all times properly discharge its duty of loyalty owed to LACERA as a result of Vendor acting as a fiduciary for LACERA. Vendor shall provide LACERA with an appropriate party within its organization to provide LACERA with information about any business relationship between Vendor and any of Vendor's affiliates and any investment manager recommended by Vendor. Vendor shall notify LACERA of all recommendations and advice given by Vendor to any affiliate or other group of Vendor concerning or in any way related to an investment manager currently retained by LACERA. Such notice shall be transmitted by telephone call to LACERA's Chief Investment Officer, followed by written confirmation via electronic mail at the same time as all other clients of Vendor are notified.

o. Changes in Clientele. Vendor agrees to notify LACERA within thirty (30) days of (i) Vendor entering into any contract to perform administrative services and (ii) any termination of a contract it has to perform administrative services. The notice shall include the type of client (e.g., public or private pension plan), the amount of assets of the client, a general description of the services to be performed or being terminated, and with respect to terminations, a general description of the reason(s) for the termination.

p. Placement Agent Disclosure Form. Vendor represents, warrants and covenants that the information contained in the Placement Agent Disclosure Form it submitted to LACERA dated \_\_\_\_\_ is true and accurate as of the Effective Date, and the information contained in the Placement Agent Disclosure Form is not false or misleading and does not omit any material information.

q. Most Favored Nations. For so long as this Agreement remains effective, Vendor shall promptly advise LACERA of any fee agreement or arrangement between Vendor and any of its clients that contains terms more favorable than those set forth in the then current Fee Schedule. LACERA shall automatically receive the benefit of any such more favorable terms at its option.

r. Economic Disclosure Requirements. Vendor acknowledges that it is subject to the California Political Reform Act of 1974, as amended, from time to time (Cal. Government Code section 81000 et seq., the "Reform Act") and the California Code of Regulations, Title 2, Division 6 as amended from time to time (Section 18110, et seq., the "Cal Regs") because it meets the definition of "Vendor" under Regulation 18700.3. As such, upon execution of this Agreement, Vendor shall provide LACERA with a list of its employees performing Services under this Agreement that meet the definition of "Vendor" and ensure that each such individual timely files an assuming office statement no later than thirty (30) days after

assuming a responsibility that requires the employee to file a statement of economic interest with LACERA and, thereafter, files an annual statement of economic interests (and a leaving office statement, if applicable) in accordance with all applicable statutory and regulatory provisions including without limitation LACERA's Conflict of Interest Code.

s. Notice of Contacts. Vendor shall immediately advise LACERA's Chief Investment Officer (i) if any member of the LACERA Boards, as identified in Exhibit C-1, contacts Vendor with respect to LACERA business or Vendor's services and obligations under this Agreement and (ii) if any LACERA staff, as identified in Exhibit C-1, contacts Vendor with respect to anything other than LACERA business or Vendor's services and obligations under this Agreement. Vendor's report to LACERA shall include the date of contact, circumstances, and a summary of the discussion or other contact.

t. SOC-2 Report. The Vendor shall have an annual audit performed by an independent audit firm. The audits shall include the Vendor's and any subcontractor's handling of Confidential Information and shall address all areas relating to information technology security and operational processes to provide such security. The audits shall be performed in accordance with the guidance set forth in Reporting on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy (SOC 2), as published by the American Institute of Certified Public Accountants (AICPA) and as updated from time to time, or according to the most current audit guidance promulgated by the AICPA or similarly recognized professional organization, as agreed to in writing by LACERA.

u. Disaster Recovery & Business Continuity. Vendor will implement and maintain disaster recovery and business continuity procedures that are reasonably designed to recover data processing systems, data communications facilities, information, data and other business related functions of LACERA in a manner and time frame consistent with legal, regulatory and business requirements applicable to LACERA.

v. Data Breach Verification. Vendor shall provide an annual written, signed attestation that to the best of its knowledge, no data breach, hacking, or incidental divulging of any data has occurred, and that no data has been compromised ("Incident"). The attestation shall verify that adequate internal policies and procedures exist to prevent data theft and unauthorized access.

- (i) Vendor shall provide an annual system penetration test in support of the attestation made above. Vendor shall provide the results of penetration tests to LACERA.
- (ii) Vendor at its own cost, shall comply with California Civil Code § 1798.29(e) and California Civ. Code § 1798.82(f). In the event of a security breach of more than 500 records, the Vendor shall electronically submit a single sample copy of that security breach notification, excluding any personally identifiable information, to the Attorney General.
- (iii) Vendor at its own cost, shall notify any California resident whose unencrypted personal information, as defined, was acquired, or reasonably believed to have been acquired, by an unauthorized person as required by California Civil Code §1798.29(a) and California Civ. Code §1798.82(a).
- (iv) Notwithstanding the legal notification requirements in the preceding paragraphs, Vendor will immediately, which means no more than 48 hours after discovery,

notify LACERA upon its discovery of any Incident whether such Incident includes LACERA data or not. Such notice shall include the nature and extent of the breach, the type of data compromised, and a summary of mitigation taken.

20. Compliance with Legal Requirements. In performing under this Agreement, Vendor shall comply with all applicable foreign, international, federal, state, county and local laws, regulations, rules, ordinances, registrations, filings, approvals, authorizations, consents and examinations (“Legal Requirements”), and all provisions required by such Legal Requirements to be included in this Agreement are hereby incorporated by reference.

21. Assurance of Compliance with Civil Rights Laws. Vendor hereby assures LACERA that Vendor shall comply with Subchapter VII of the Civil Rights Act of 1964, (42 U.S. Code Sections 2000(e) through 2000(e) (17)), to the end that no person shall, on grounds of race, creed, color, sex, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under this Agreement or under any project, program, or activity undertaken pursuant to this Agreement.

22. Nondiscrimination in Employment. Vendor shall take all necessary action to ensure that job applicants are employed, and that its employees are treated during employment, without regard to their race, color, religion, sex, age, marital status, sexual orientation, disability, medical condition, ancestry or national origin. For purposes of this Section 22, the term “employment” shall include, but not be limited to the following: employment, upgrading, promotion, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship.

23. Replacement of Vendor’s Agents. Upon demand by LACERA, Vendor shall replace any Agent assigned to perform Services under this Agreement who LACERA determines is unable to effectively execute the responsibilities required by this Agreement.

24. Record Retention and Inspection.

a. Record Maintenance. Vendor shall keep and maintain the LACERA Records for the longer of (i) the period they are required to be kept and maintained under applicable statutory law and SEC Regulations, or (ii) according to Vendor’s record retention standards, but in no event for less than seven (7) years following the termination of this Agreement. After the minimum retention period has expired, Vendor will give LACERA at least sixty (60) days notice of its intent to dispose of the LACERA Records and LACERA will have

the right to take possession of such records prior to disposal. Vendor will cooperate with LACERA with respect to the change of possession of the LACERA Records. Upon termination of this Agreement and at any time LACERA requests physical possession of the LACERA Records as permitted by this Agreement, Vendor shall, and shall cause its Agents to, promptly deliver the LACERA Records to LACERA at Vendor's cost and expense.

b. Record Review and Audit. Vendor agrees that LACERA, or any duly authorized representative of LACERA, shall have access to and the right to examine, audit, excerpt, copy or transcribe any LACERA Records at any time during the term of this Agreement, or at any time for up to seven (7) years after the expiration or earlier termination of this Agreement. Upon LACERA's request, and on reasonable notice, Vendor shall make such records available for review during normal business hours at Vendor's business office. Vendor shall make the persons responsible for creating and maintaining the LACERA Records available to LACERA during such review for the purpose of responding to LACERA's reasonable inquiries.

c. Acknowledgment of Ownership. Vendor acknowledges that the LACERA Records are the property of LACERA for all purposes.

d. Survival. The provisions of this Section 24 shall survive the termination of this Agreement.

25. Confidentiality. Vendor shall maintain the confidentiality of all information, data and records (including LACERA Records) in any form from any source related to the Services, including, but not limited to, (i) all information and records in any form provided by or on behalf of LACERA and LACERA's agents, employees, representatives, investment managers and Vendors and subcontractors to Vendor or its Agents, and (ii) all transaction, advice, time sheets, cost, billing, accounting and financial records, correspondence and other information and records in any form created by Vendor or its Agents in connection with the Services (such information, collectively, "LACERA Information"). Vendor shall maintain the confidentiality of all LACERA Information using whatever security measures are necessary to protect all such material, data and information from loss or damage by any cause, including, but not limited to, fire and theft. The preceding obligations shall not apply to LACERA Information which (i) was lawfully in the possession of Vendor prior to disclosure of such information by LACERA; (ii) was, or at any time becomes, available in the public domain or from a third party, other than through a violation of this Agreement; (iii) is disclosed by LACERA to a third party without restrictions on its disclosure; (iv) is independently developed by Vendor; or (v) is disclosed pursuant to an order to do so by a court of competent jurisdiction. Vendor agrees that the LACERA Information will be used by LACERA only for the purpose of providing the Services and not in any way detrimental to LACERA or for the benefit of a third party. Only representatives and Agents of Vendor who need to review the LACERA Information in connection with providing the Services may access and view the LACERA Information. Vendor shall inform all of its Agents of the confidentiality provisions of this Agreement, and require each Agent who is to have access to the LACERA Information to sign a confidentiality agreement governing the LACERA Information that is at least as restrictive as this Agreement before given access to the LACERA Information. Vendor shall notify LACERA orally and in

writing within twenty-four (24) hours after Vendor learns that the confidentiality of the LACERA Information in Vendor's possession has been compromised through dissemination, disclosure, or impermissible use, or it is reasonably possible that it has been compromised and will use best efforts to assist LACERA in minimizing the damage from such disclosure. Vendor shall indemnify, defend, and hold harmless LACERA from and against any claims arising from or relating to the unauthorized disclosure of any LACERA Information by Vendor or its Agents. Both the confidentiality and indemnity obligations of Vendor under this Section shall survive expiration or termination of this Agreement.

26. Audit Settlement. If an error is discovered as a result of an audit performed by LACERA, or if Vendor becomes aware of any error affecting LACERA through any other means, Vendor shall promptly correct such error by crediting or debiting LACERA in the appropriate amount and shall pay damages to LACERA pursuant to Section 17 above.

27. Publicity. In recognizing Vendor's need to identify its services and related clients to sustain itself, Vendor may publicize its role under this Agreement within the following conditions:

a. Vendor shall develop and present all such publicity material in a professional and not misleading manner.

b. During the course of performance of this Agreement, Vendor, its employees, agents, and subcontractors will not publish or disseminate commercial advertisements, press releases, opinions or feature articles, using the name of LACERA without the prior written consent of LACERA.

c. Vendor may, without the prior written permission of LACERA, indicate in its proposals and sales materials that it has been awarded an agreement to provide the Services.

28. Cooperation in Contract Administration. Vendor shall cooperate with such Vendors as LACERA may retain from time to time to assist LACERA in the administration of this Agreement, including, without limitation, investment Vendors, attorneys, and accountants. This provision shall survive termination of this Agreement.

29. Notices.

a. All notices or other communications required or permitted hereunder shall be in writing, and shall be delivered or sent, as the case may be, by any of the following methods: (i) personal delivery, (ii) overnight commercial carrier, (iii) registered or certified mail, postage prepaid, return receipt requested, or (iv) electronic mail. Any such notice or other communication shall be deemed received and effective upon the earlier of (1) if personally delivered, the date of delivery to the address of the person to receive such notice, (2) if delivered by overnight commercial carrier, one day following the receipt of such communication by such carrier from the sender, as shown on the sender's delivery invoice from such carrier, (3) if mailed, on the date of delivery as shown by the sender's registry or certification receipt, or (4) if given by electronic mail, when sent. Any notice or other communication sent by electronic mail

must be confirmed within forty-eight hours by letter mailed or personal delivery, overnight commercial carrier, or registered or certified mail. Any reference herein to the date of receipt, delivery, or giving, or effective date, as the case may be, of any notice or communication shall refer to the date such communication becomes effective under the terms of this Section. Rejection or other refusal to accept or failure to receive because of changed address of which no notice was given shall be deemed to constitute receipt of notice or other communication sent. The address to be used in connection with notices are the following, or such other address as a party shall from time to time direct by notice given in accordance with this Section:

If to LACERA:

Jonathan Grabel  
 Chief Investment Officer  
 300 N. Lake Avenue, Suite 850  
 Pasadena, CA 91101  
 Phone: 626-564-6000 ext. 3306  
 Fax: 626-564-6110  
 Email: [jgrabel@lacera.com](mailto:jgrabel@lacera.com)

with copy to:

Steve Rice  
 Chief Counsel  
 300 N. Lake Avenue, Suite 620  
 Pasadena, CA 91101  
 Phone: 626-564-6000 ext. 4340  
 Fax: 626-564-2336  
 Email: [srice@lacera.com](mailto:srice@lacera.com)

If to Vendor:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Phone:  
 Fax:  
 Email:

with copy to:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 Phone:  
 Fax:  
 Email:

b. Vendor agrees to comply with the following communication policy adopted by the Board:

All formal notices required to be given to LACERA by a service provider pursuant to the service provider's contract with LACERA shall be addressed and delivered in accordance with the terms and conditions of the contract.

A service provider, or person or entity related to a service provider, shall provide to LACERA's Chief Executive Officer a copy of all written communications to LACERA (other than purely personal or social correspondence, routine announcements, generally-distributed newsletters, and the like) related to LACERA's business. If the communication relates to investment-related services provided to LACERA, a copy shall also be provided to LACERA's Chief Investment Officer. If the communication relates to an actual or potential contract dispute, a copy shall also be provided to LACERA's Chief Counsel.

c. The addresses for LACERA's Chief Executive Officer, Chief Counsel, and Chief Investment Officer are:

Office of the Chief Executive Officer LACERA 300 N. Lake Ave., Suite 820 Pasadena, CA 91101	Steven Rice Chief Counsel LACERA 300 N. Lake Ave., Suite 620 Pasadena, CA 91101
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Jonathan Grabel  
Chief Investment Officer  
LACERA  
300 N. Lake Ave., Suite 850  
Pasadena, CA 91101

30. Attorneys' Fees, Costs and Expenses. In any legal proceeding which arises out of or relates to this Agreement (whether in contract, tort, or any other legal theory whatsoever), the party not prevailing shall pay to the prevailing party all reasonable costs and expenses incurred therein by the prevailing party including, without limitation, reasonable attorneys' fees, court costs, expert witness fees and costs, travel time and associated costs, copy costs, deposition costs, exhibit costs, costs on appeal, fees and costs associated with execution upon any judgment or order, special transcript costs, and the appointment of a Special Master or discovery referee. Such expenses shall be in addition to any other relief to which the prevailing party may be entitled and shall be included in and as part of the judgment or decision rendered in such proceeding.

31. Section Headings; Interpretation. Caption and section headings used in this Agreement are for convenience and reference only and shall not affect in any way the meaning, construction or interpretation of this Agreement. Each party hereto and its counsel have participated fully and equally in the review and negotiation of this Agreement. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement. The language in all parts of this Agreement shall in all cases be construed according to its fair meaning, and not strictly for or against any party hereto. Any rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not apply in interpreting this Agreement.

32. Entire Agreement. This Agreement, together with any and all Exhibits, Schedules and Appendices attached hereto, and together with Vendor's Proposal contains the final, complete and exclusive statement of the terms of the agreement between the parties pertaining to the subject matter of this Agreement and supersedes all other previous oral and written agreements or understandings, and all contemporaneous oral and written negotiations, commitments, understandings and communications between the parties, relating to the subject matter of this Agreement. No party has been induced to enter into this Agreement by, nor is any party relying on, any representation or warranty outside those expressly set forth in this Agreement.

33. Vendor's Proposal, Exhibits, Schedules and Appendices. Vendor's Proposal, and



the Exhibits, Schedules and Appendices attached hereto, are incorporated in and made a part of this Agreement by reference. If any conflicts, inconsistencies or ambiguities should arise between or among this Agreement and the incorporated documents, the following precedence shall be used to interpret the requirements of this Agreement:

- a. The terms of this Agreement;
- b. The terms of the Exhibits; and
- c. Vendor's Proposal.

34. Severability. If any provision of this Agreement is held by any court to be invalid, void or unenforceable, in whole or in part, the other provisions shall remain unaffected and shall continue in full force and effect unless an essential purposes of this Agreement would be defeated by the loss of the illegal, invalid, or unenforceable provision.

35. Waiver. No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this Agreement shall be effective unless it is in writing and signed by the party waiving the breach, failure, right, or remedy. No waiver of any breach, failure, right or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, or preceding or subsequent, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

36. Amendments in Writing.

a. This Agreement may be amended or modified only by a written instrument executed by both parties hereto and making specific reference to this Agreement and the intent of the parties that it be modified or amended by such writing.

b. The parties shall meet and confer in good faith on any modification of this Agreement that may become necessary to make its provisions consistent with any investment policy of LACERA, or any foreign, international, federal, state, county or local statute, rule, regulation or ordinance which governs any aspect of this Agreement.

37. Governing Law and Venue.

a. This Agreement shall be governed by, and construed and enforced in accordance with, the laws of the State of California without regard to principles of conflicts of laws.

b. Any party bringing a legal action or proceeding against any other party arising out of or relating to this Agreement or the transactions it contemplates (whether in contract, tort, equity, or otherwise), shall bring the legal action or proceeding in either the United States District Court sitting in the County of Los Angeles, California or in any court of the State of California sitting in the County of Los Angeles, California.

c. Each party to this Agreement consents to the exclusive jurisdiction of any United States District Court sitting in the County of Los Angeles, California and any court of the State of California sitting in the County of Los Angeles, California, and their appellate courts for

the purpose of all legal actions and proceeding arising out of or relating tot this Agreement or the transactions it contemplates.

d. LACERA, in its sole and absolute discretion, may waive the requirements of either or both of Sections 37.b and 37.c as to either party or both parties to this Agreement.

38. Assignment and Delegation. Vendor may not assign any of its rights or delegate or subcontract any of its duties hereunder without LACERA's prior written consent, which consent LACERA may grant or withhold in its sole discretion. Despite LACERA's consent, no assignment shall release Vendor of any of its obligations or alter any of its primary obligations to be performed under this Agreement, unless such consent expressly provides for such release of Vendor. Any attempted assignment or delegation of this Agreement in violation of this Section shall be void and shall entitle LACERA to terminate this Agreement for default.

39. Restrictive Agreements.

a. For purposes of this Section 39, "Restrictive Agreements" means any non-competition agreement, non-solicitation agreement, and any other agreement between Vendor and any of its Agents, including, without limitation, those individuals responsible for providing investment administrative services to LACERA, whether entered into prior or subsequent to this Agreement, which purports to restrict any Agent whose working relationship with Vendor terminates voluntarily or involuntarily ("Former Agent"), from soliciting investment administrative business or any other business from LACERA, or from entering into any contractual relationship with LACERA for investment administrative services or any other business purpose (collectively, "Business Activity"), by (1) prohibiting such Business Activity by the Former Agent for any period of time, (2) requiring the payment of money or other consideration by the Former Agent to Vendor to enter into such Business Activity, or (3) requiring any other act or forbearance from action by the Former Agent in connection with such Business Activity.

b. Vendor acknowledges that Restrictive Agreements infringe upon the Board's fiduciary duty to select vendors to consult and provide advice with respect to the assets under LACERA's administration.

c. Vendor agrees Restrictive Agreements shall not be applicable to any Business Activity between LACERA and any Former Agent. Vendor shall not enforce any Restrictive Agreement against any Former Agent to the extent such Former Agent engages in a Business Activity with LACERA.

40. Joint and Several Liability. If Vendor (or any permitted assignee) consists of more than one person or entity, the liability of each such person or entity signing this Agreement as Vendor shall be joint and several.

41. Word Usage. Unless the context clearly requires otherwise, (i) the plural and singular number shall each be deemed to include the other; (ii) the masculine, feminine, and neuter genders shall each be deemed to include the others; (iii) "or" is not exclusive; (iv)

“includes” and “including” are not limiting; (v) “hereof,” “herein,” and other variants of “here” refer to this Agreement as a whole; and (vi) “default” and “breach” are used interchangeably.

42. Recitals Incorporated. The Recitals set forth above are incorporated into the body of this Agreement.

43. Surviving Provisions. The provisions of this Agreement that expressly survive the termination of this Agreement, and other provisions which by their nature are intended to survive expiration of this Agreement, will survive the expiration of this Agreement.

44. Execution in Counterparts; Electronic Signatures. The parties may execute this Agreement in any number of duplicate originals, each of which constitutes an original, and all of which, collectively, constitute only one agreement. The parties may execute this Agreement in counterparts, each of which constitutes an original, and all of which, collectively, constitutes only one agreement. Any party delivering an executed counterpart of this Agreement by electronic mail shall also deliver a manually executed counterpart of this Agreement, but the failure to do so does not affect the validity, enforceability or binding effect of this Agreement.

45. Recitals Incorporated. The recitals set forth at the beginning of this document are incorporated in and made a part of this Agreement.

*[Remainder of this page intentionally left blank. Signatures follow on next page]*

**IN WITNESS WHEREOF**, LACERA has caused this Agreement to be executed by its duly authorized officer and Vendor has caused this Agreement to be executed by its duly authorized officer as of the date first above written.

**“LACERA”**

**“VENDOR”**

Los Angeles County Employees  
Retirement Association

\_\_\_\_\_, a \_\_\_\_\_

By: \_\_\_\_\_  
Name: Jonathan Grabel  
Title: Chief Investment Officer

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**APPROVED AS TO FORM:**

**APPROVED AS TO FORM:**

\_\_\_\_\_  
Senior Staff Counsel  
LACERA Legal Office

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

**EXHIBIT A**  
to  
**Investment Vendor Services Agreement**

**STATEMENT OF WORK**

The following administrative services will be provided to LACERA by Vendor:

[To be provided.]

**EXHIBIT B**  
to  
**Investment Vendor Services Agreement**

**FEE SCHEDULE**

**EXHIBIT C**  
to  
**Investment Vendor Services Agreement**

**CERTIFICATION REGARDING FINANCIAL CONTACTS AND SOLICITATIONS**

\_\_\_\_\_ (“Vendor”) acknowledges that the Los Angeles County Employees Retirement Association is responsible for the administration of the employees’ retirement trust fund for the employees of Los Angeles County, California. The members of LACERA’s Board of Retirement and the Board of Investments (hereinafter referred to as the “Boards”) are the sole and exclusive trustees and fiduciaries of this statutory trust.

Vendor agrees to assist the Boards in discharging their mutual fiduciary obligations and to affirmatively assist in identifying potential conflicts of interests. Vendor hereby acknowledges that the Boards are directing Vendor to file an annual certification regarding contacts, which may represent potential conflicts of interest and further agrees to furnish the annual certification.

In the event any person described below (a “Designated Person”) contacts Vendor with respect to a financial transaction or solicitation which is not solely on behalf of LACERA’s business with Vendor, Vendor shall promptly report by telephone and in writing such contact to the respective Chairs of the Boards and the Chief Executive Officer. For purposes of reporting contacts, a “solicitation” includes, as an example and without limitation, a request for contribution to any campaign for any elected seat on either Board, or for a seat on the Board of Supervisors of Los Angeles County, made by or on behalf of a Designated Person. A Designated Person is:

- (1) Any member of either Board;
- (2) Any candidate for an elected seat on either Board;
- (3) Any member of the Board of Supervisors of Los Angeles County;
- (4) Any candidate for a seat on the Board of Supervisors of Los Angeles County;
- (5) Any of the LACERA Executive Staff designated on Attachment No. 1 hereto; and
- (6) Any person claiming to represent or to have influence with any person described in (1) through (5) above.

LACERA may amend Attachment No. 1 from time to time upon written notice to Vendor.

Vendor further agrees to furnish an annual certification, attested to by a responsible officer of Vendor. The certification shall describe reportable contact, listing the date(s) of such contact, the person making the contact and the subject matter of the contact. The certification shall state that except as specifically described in the certification, Vendor has not been contacted by or on behalf of a Designated Person with respect to a financial transaction or solicitation which is not solely on behalf of LACERA’s business with Vendor. Such certification shall be filed annually by January 31 of each year for the preceding calendar year.

**EXHIBIT C-1**

[Most up-to-date list to be inserted]