MANAGEMENT AGREEMENT

This AGREEMENT, made this _____ day of _____, 20__, by and between _____ of _____, ___ (the "Manager") and City of Minneapolis (the "Client").

WITNESSETH:

1. INVESTMENT MANAGEMENT SERVICES.

(a) The Client hereby engages the Manager, and the Manager hereby agrees to act, as discretionary investment manager for the account of the Client (the "Account") with respect to the assets credited thereto. The Client represents that it owns, or has authority to designate an investment manager for, all Account assets. The description of the initial assets credited to the Account for which the Manager hereby agrees to act as investment manager is set forth in an "Account Assets Letter to Manager" which shall be dated and signed by the Client City's Finance Officer and the City's Treasury Director. The description of Account assets is subject to change from time to time, and shall be as described in "Account Asset Letters to Manager" dated and signed as provided in this section, and delivered to the Manager, and shall be a part of this Agreement. An "Account Assets Letter to Manager" shall specify an effective date for the addition or removal of assets and shall be sent according to the provisions of Section 23. Manager acknowledges that Client is a municipality under Minnesota Statutes Chapter 466, and that Client is a Charter City.

(b) Client hereby grants Manager, as its agent and attorney-in fact, the power and authority to purchase, sell, exchange, trade, and effect transactions in securities for the initial assets in the Account as described in "Account Asset Letter to Manager" . However, Manager is not authorized to direct delivery or payment to itself or to direct any disposition of any assets under management except to City or its duly appointed Custodian on the City's behalf. Manager shall work with Client's appointed Custodian and will provide customary and necessary information to the Custodian. Manager has the discretion and authority to make all investment decisions and to act on those decisions with respect to the assets, with the City's appointed Custodian, that are assigned for Manager's management, subject to the Client's Directions and all applicable laws, without prior approval of the Client.

The investment of Account assets shall at all times be subject to the investment objectives, policies, directions and restrictions, of Client, if any, established for the Account, or for any subaccount of investment securities established by Client within the Account (a "Subaccount"), as set forth in initial written directions, and in written amendments or supplements thereto, from time to time delivered by the Client to the Manager (the "Directions"). By delivery of Directions to the Manager, the Client may direct retention of any assets to the credit to the Account, and may direct acquisition of assets for the Account or disposition of assets from the Account, including the stock or other securities. This agreement requires Manager to make only investments that comply with state and federal laws and regulations, including regulations of the Minnesota Commerce Commissioner. Manager must meet all legally required disclosure and conflict of interest requirements. It shall be the Client's responsibility to promptly deliver all Directions to the Manager. The initial Directions shall be in the form set forth in Exhibit A hereto. Manager represents

that Manager has received the Directions and that Manager will direct investments only in accordance with the Directions. Manager confirms that Manager knows and understands the Directions. Client shall communicate any changes to the Directions to the Manager in writing, such Directions to be effective as soon as reasonably possible as stated by Client, unless Client agrees to a mutually agreed upon effective date in writing.

(c) Within the requirements of the Directions for the Account or any Subaccount, the Manager shall have the responsibility for the discretionary investment management of the Account assets and the making and execution of all investment decisions for the Client with respect to the Account.

(d) Manager will not act as the custodian or trustee for the Account. The Manager will cause the Account's trustee or other custodian to take all necessary steps to settle purchases, sales, and trades directed by the Manager, including delivery of certificates, payment of funds, and such other acts as may be necessary to fulfill such custodial responsibilities. The Manager shall give notice and directions (and copies thereof) with respect to transactions in such manner as shall be agreed upon with the Account's trustee or other custodian and with the Client. Instructions of Manager to Client and/ or the Custodian for the Account shall be made electronically or in writing. Client's custodian has represented to Client that Custodian is a "qualified custodian" as defined by Rule 206(4)-2 under the Investment Advisers Act of 1940.

(e) The Client City reserves the right to take full control of any or all cash money or securities at any time if it is in the City's best interest to do so upon notice to the Manager. The Client may at any time add assets to or remove assets from the Account or any Subaccount, additions, removals, or changes as described in an "Account Asset Letter to Manager"; provided that certain lead time may be necessary between the time of the Client's notice to the Manager of the Client's intent to transfer assets from an Account and the subsequent removal of such assets to allow for any necessary valuation by the Manager of assets to be transferred from such Account; and provided further that in no event shall such necessary lead time exceed a reasonable valuation period from the time the Manager receives notice of the Client's intent to transfer assets from the Account.

(f) The Manager shall remain at all times registered with the federal SEC or licensed in Minnesota in order to perform the investment management services pursuant to this Agreement. If Manager is registered with the SEC and not licensed in Minnesota, Manager shall at all times maintain any registrations, reports, or filings as required by Minnesota Statutes and Minnesota Rules in order to perform the investment management services pursuant to this Agreement. If Manager is no longer registered with the SEC or no longer licensed in Minnesota, or no longer maintains required registration, reports, or filings, Manager shall notify Client as soon as possible. Manager will also notify Client of any censures or adverse federal and state licensing or registration actions involving the Manager. Manager shall also notify Client of any SEC, NASD or regulatory censure or litigation involving institutional business Manager's firm conducts with governmental or private investors or regulatory censure or litigation involving any individuals added to Manager's firm in the past three years and throughout the term of this Agreement. Manager shall at all times maintain all insurance and bonding as may be required

by state and federal laws regarding provision of any and all investment management services that Manager provides under this contract.

(g) Client reserves the right to decline to have any investment management services provided by anyone charged with, or convicted of a felony. Manager confirms that neither Manager, nor any of its officers, partners, or principals, has any felony convictions for which civil rights have not already been restored, and that none of the aforementioned has any pending felony charges.

2. BOOKS, RECORDS, AND REPORTS.

(a) The Manager will furnish information, reports or statements at such times and in such manner as the Client may from time to time reasonably request, and the Manager shall report to the Client regularly at such times and in such detail as the Client may from time to time reasonably determine to be appropriate, in order to permit the Client to determine that the Manager's investment of Account assets are consistent with the Directions.

(b) The Manager hereby acknowledges that records necessary in the operation of the Account, including without limitation records pertaining to investment of the Account, are the properties of the Client. If a transfer of management or investment advisory services to someone other than the Manager should occur, the Manager will promptly, and at its own cost, take all steps necessary to segregate such records and deliver them to the Client.

(c) The Client agrees to furnish the Manager or cause to be furnished to the Manager such information as the Manager may from time to time reasonably request with respect to services to be performed by the Manager under this Agreement.

3. PROXY VOTING.

The Client delegates all authority to the Manager to vote proxies in relation to securities held in the Account; provided, however, that this does not authorize manager to vote proxies for securities of Manager or any affiliate company held under the Account, which, if held, in accordance with the Client's directions, will be forwarded to the Client.

4. COMPENSATION FOR SERVICES.

As payment for all services rendered by the Manager under this Agreement, and for all costs incurred by the Manager in connection with the rendering of services under this Agreement, the Client shall compensate the Manager at such times, in such manner and in accordance with the calculations and requirements set forth in Exhibit B attached hereto. Such compensation may be paid directly by the Client or from the Account assets as directed by the Client. The Client shall review and approve all market quotations and fee calculations upon which any fees payable to the Manager for services rendered under this Agreement are based.

5. LIABILITY OF MANAGER.

Except for negligence, malfeasance, misfeasance, violation of applicable law or of fiduciary responsibilities, or material breach of this agreement, neither the Manager nor

any of its officers, directors, employees or agents shall be liable hereunder for any loss suffered by the account due to asset value depreciation unless Manager fails to conform to the Client's lawful Directions and Investment policies, applicable law, or to the Manager's contractual requirements under this agreement. It is further agreed that the Manager may rely upon information that the Client furnishes to the Manager and that the Manager reasonably believes to be accurate and reliable. The Client understands and acknowledges that Manager does not warrant any rate of return, market value or performance of any assets in the Account. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith and, therefore, nothing herein shall constitute a waiver of any right which the Client may have under those laws. Manager shall provide proof of insurance on an annual basis.

6. FREEDOM TO DEAL WITH THIRD PARTIES.

The Manager shall be free to render services to others, similar to those rendered under this Agreement or of a different nature except as, and to the extent that, such services may conflict with the services to be rendered or the duties to be performed hereunder. Manager may, to the extent practical and in accord with its policy and Client's Directions, allocate investment opportunities to the Account over a period of time on a fair and equitable basis relative to other clients. The Manager shall have no obligations to recommend the purchases or sale for the Account of any security which the Manager, its directors, officers, employees or agents may purchases or sell for their own accounts or for the account of any other client, if in the Manager's opinion such transaction appears unsuitable, impractical or undesirable for the Account.

7. EFFECTIVE DATE, DURATION, ASSIGNMENT, AND TERMINATION.

(a) The effective date of this Agreement shall be _____. The Agreement will continue in full force and effect for three years from the effective date. The Agreement expires under these terms without any notice by the parties, absent one-year extension of the Agreement, agreed to and signed by both parties. At the sole option of the Client, this Agreement may be extended twice by one-year extensions, by mutual agreement of the parties. However, if Manager desires a one-year renewal, Manager must provide written notice (60) sixty days prior to the expiration of the three-year agreement, indicating Manager's desire for a one-year renewal. No option to renew or extend is automatic. No option to renew or extend limits the Client's ability to terminate the Agreement on thirty days written notice without cause.

(b) This Agreement may not be assigned by either party without the prior written consent of the other party hereto.

(c) Termination of the Agreement by cancellation must be with notice. Such notice shall be in writing and specify the effective date of the termination. The Client may cancel this agreement for any reason without cause upon thirty (30) days written notice, except that if either party fails to fulfil its obligations under the Agreement in a proper and timely manner, or otherwise violates the terms of this agreement, the other party shall have the right to terminate this Agreement, if the default has not been cured after a ten (10) day written notice has been provided.

If termination shall be without cause, the Client shall pay the Manager all compensation earned to the date of termination. If termination shall be for

breach of this agreement by Manager, the Client shall pay manager all compensation earned prior to the date of termination minus any damages and costs incurred by the Client as a result of the breach. The Investment Manager must provide the Client a minimum of (60) sixty calendar days written notice of intent to cancel the agreement**.** If this Agreement is terminated, all documents, data, studies, surveys, maps, models, photographs, reports or other materials prepared by the Manager under this Agreement shall become the property of the City. Such materials must be provided to the City in an electronic format compatible with the Client's Finance Office standard.

Not withstanding the above, the Manager shall not be relieved of liability to the Client for damages sustained by the Client as a result of any breach by the Manager. The Client may, in any event, withhold payments due to the Manager for the purpose of setoff until such time as the exact amount of damages due to the Client has been determined. The rights or remedies provided for herein shall not limit the Client, in case of any default by the Manager, from asserting any other right or remedy allowed by law, equity, or statute.

8. AMENDMENTS TO AGREEMENT.

No amendment to this Agreement shall be effective until approved in writing by both parties hereto.

9. INCLUSION OF DIRECTIONS.

The following Directions documents are attached hereto and are expressly made part of this Agreement as if fully set forth herein and attached in Exhibit B:

Client Directions and City of Minneapolis Investment Guide, Revised 2004.

10. COMPLIANCE REQUIREMENTS & NON-DISCRIMINATION; LIVING WAGE

During the term of this Agreement, the Manager will not discriminate against any of its employees or applicants for employment because of race, color, creed, religion, ancestry, sex, national origin, affectional preference, disability, age, marital status, status with regard to public assistance, or status as a veteran. Such prohibition against discrimination shall include, but is not limited to, decisions and actions of the Manager regarding hiring, promotion, demotion, transfer, recruitment, layoff, termination, rates of pay or other forms of compensation, or selection for training.

During the term of this Agreement, the Manager agrees to post in conspicuous places, available to its employees and applicants for employment, notices to be provided by the City, setting forth the above-stated non-discrimination clause. In addition, in all solicitations or advertisements for applicants, the Manager will state that all qualified applicants will receive consideration for employment without regard to race, color, creed, religion, ancestry, sex, national origin, affectional preference, disability, age, marital status, status with regard to public assistance, or status as a veteran. During the term of this Agreement, the Manager agrees to comply in all other aspects with the requirements of the Americans with Disabilities Act, the Minnesota Human Rights Act, Title VII, and Minneapolis Code of Ordinances, Chapter 139.

In the event of questions from the Manager concerning these requirements, the City agrees to promptly supply all necessary clarifications. In the event of the Manager's non-compliance with the non-discrimination clauses of this Agreement, the Agreement may be partially or totally terminated or suspended. In addition to other remedies provided by law, the Manager may be declared ineligible by the Minneapolis City Council from any further participation in City contracts.

The Manager agrees that all manager employees will be paid a living wage as defined and required by the Client's Request for Proposal.

11. INSURANCE & BONDING

The Manager shall secure and maintain the following insurance:

a. Workers' Compensation insurance that meets the statutory obligations with Coverage B – Employer's Liability limits of at least $100,000 for each employee.

b. Commercial General Liability insurance with limits of at least $1,000,000 general aggregate, $1,000,000 products – completed operations, $1,000,000 personal and advertising injury, $1,000,000 each occurrence, $50,000 fire damage, and $5,000 medical expense for any one person. The policy shall be on an "occurrence" basis, shall include contractual liability coverage and the City shall be named an additional insured.

c. Commercial Automobile Liability insurance covering all owned, non-owned and hired automobiles with limits of at least $500,000 per accident.

d. Professional Liability insurance providing coverage for the claims that arise from the errors of the Manager or its consultants, omissions of the Manager or its consultants, failure to render a professional service by the Manager or its consultants, or the negligent rendering of the professional service by the Manager to its consultants in the amount of $10,000,000 each occurrence and $10,000,000 annual aggregate. The insurance policy must provide the stated protection for two years after completion of the work.

Acceptance of the bonding and insurance by the Client shall not relieve, limit, or decrease the liability of the Manager. Any policy deductibles or retention shall be the responsibility of the Manager. The Manager shall control any special or unusual hazards and be responsible for any damages that result from those hazards. The Client does not represent that the insurance requirements are sufficient to protect the Manager's interests or provide adequate coverage.

The Manager shall provide evidence of bonding and insurance coverage within ten (10) days of executing this Agreement, and annually thereafter.

12. PERFORMANCE MONITORING

The Client's Contract Manager will monitor the performance of the Manager against goals and performance standards required herein. Substandard performance as determined by the Client's Contract Manager will constitute non-compliance with this

Agreement. If action to correct such substandard performance is not taken by the Manager within a reasonable period of time after being notified by the Client, the Client may terminate this Agreement.

13. INDEPENDENT CONTRACTOR

Nothing contained in this Agreement is intended to, or shall be construed in any manner, as creating or establishing the relationship of employer/employee between the Parties. The Manager agrees that it is an independent contractor with respect to the services to be performed under this Agreement. Because the Manager is an independent contractor, the Client shall be exempt from payment of all Reemployment Compensation, FICA, retirement, life, and/or medical insurance, Workers' Compensation insurance or other benefits normally offered to employees of the Client. The Manager agrees that none of its employees will accrue any employment rights normally accrued by Client City employees, including tenure, seniority, or civil service protection.

14. HOLD HARMLESS

The Manager agrees to defend, indemnify and hold harmless the City, its officers and employees, from any liabilities, claims, damages, costs, judgments, and expenses, including attorney's fees, resulting directly or indirectly from the negligent acts or omissions or the willful misconduct of the Manager, its agents, employees or subcontractors, in the performance of the services pursuant to this Agreement; provided that the Manager shall not be obligated to defend, indemnify or hold harmless the City, its officers and employees, from any such liabilities, claims, damages, costs, judgments, and expenses which were directly caused by the negligence or willful misconduct of the City; provided however, that nothing in this agreement shall constitute a waiver or limitation of any rights, remedies or immunities that the City may have under applicable federal or state law.

15. ACCOUNTING STANDARDS

The Manager agrees to maintain the necessary source documentation and enforce sufficient internal controls as dictated by normally accepted accounting practices to properly account for all elements of the Manager's invoices submitted to the City for approval and payment.

16. RECORDS RETENTION

The Manager shall retain all records pertinent to this Agreement for a period of three years after the term of the Agreement has ended, or longer to the extent required under the Investment Advisers Act of 1940 or other applicable law.. Records for non-expendable property acquired with funds under this Master Agreement shall be retained for three years after final disposition of such property. Records for any displaced person must be kept for three years after receiving final payment.

17. DATA PRACTICES

The Manager agrees to abide by the Minnesota Government Data Practices Act, Minnesota Statutes, Chapter 13 with respect to all information created or collected pursuant to this Master Agreement. The Contractor agrees to comply with the

Minnesota Government Data Practices Act and all applicable state and federal laws relating to data privacy or confidentiality. The Manager must immediately report to the Client any requests from third parties for information relating to this agreement. The Client agrees to respond to inquiries from the Manager concerning data requests. The Manager agrees to promptly supply data within the request to the Client, for the Client's response to the request. The Manager agrees to hold the Client, its officers, and employees harmless from any claims resulting from any Manager's unlawful disclosure, unlawful failure to disclose, or unlawful use of the data under state and federal laws. This section applies to data practices and freedom of information requests under applicable law.

18. INSPECTIONS

All Manager records with respect to any matters covered by this Agreement shall be made available to the Client or its designees at any time during normal business hours, as often as the Client deems necessary, to audit, examine, copy, or make excerpts or transcripts of all relevant data.

19. AFFIRMATIVE ACTION

The Manager agrees to provide the City's Civil Rights Department with a written affirmative action plan for approval before entering into any contract or subcontract which is in excess of $50,000 or if the combination of a (the) proposed contract(s) and current contract(s) exceeds $50,000 in any calendar year.

The Manager agrees to comply with all affirmative action laws, directives and regulations of the federal, state, and local governing bodies or agencies thereof, specifically including Minneapolis Code of Ordinances, Section 139.50.

20. BILLBOARD ADVERTISING

Pursuant to Section 109.470 of the Minneapolis Code of Ordinances, the Parties agree that Client City funds and City derived funds shall not be used to pay for billboard advertising as part of a City project or city supported undertaking.

21. EQUAL BENEFITS ORDINANCE

Minneapolis Code of Ordinances, Section 18.200, relating to equal benefits for domestic partners, applies to the Manager. The Manager shall provide the Client Contract Manager with evidence of the Manager's compliance with M.C.O. § 18.200 within ten (10) days of executing this Agreement.

22. CODE OF ETHICS; CONFLICT OF INTEREST

The Manager agrees to be bound by the City's Code of Ethics, Minneapolis Code of Ordinances, Chapter 15. The Manager certifies that to the best of its knowledge all Client City employees and officers participating in this Agreement have also complied with this Ordinance. The Parties agree that any violations of the Code of Ethics constitute grounds for the Client to void this Agreement. All questions relative to this section shall be immediately referred to the Client's Contract Manager. The Manager certifies that to the best of its knowledge no City employee has any interest in the business of the Manager or with this Agreement and no person associated with the

Manager has any interest that would conflict in any manner with the Manager's performance of this Agreement.

During the term of this Agreement, the Manager agrees to divulge to the Client all actual or potential conflicts of interest within the meaning of the City's Code of Ordinances and applicable investment management principles or ethics codes. The Client acknowledges receipt of Part II of the Manager's Form ADV. It the Manager did not deliver Part II of the Manager's Form ADV to the Client at least 48 hours prior to the Client entering into this agreement, the Client may terminate this agreement without penalty within five business days after entering into this agreement. The Manager shall at least once a year offer in writing to deliver to the Client a current copy of Part II of its Form ADV.

23. NOTICES.

Any notice under this Agreement shall be in writing, and shall be duly given when deposited by first-class mail, postage prepaid, addressed to the other party at the address as set forth below or when personally delivered to the other party. A party may, by written notice, designate a different address for such party to receive notice.

To Manager: _____

Name: _____

Title: _____

Address: _____

Attn: _____

To Client, City of Minneapolis:

Michael Nguyen, Director of Treasury
Room 323M, City Hall
350 South 5th Street
Minneapolis, Minnesota 55415-1379

24. APPLICABLE LAW, VENUE.

This Agreement and the rights of the parties hereunder shall be governed by and interpreted in accordance with the laws of the State of Minnesota to the extent not preempted by federal law. The appropriate venue and jurisdiction for any litigation, which may arise under this Agreement, will be in and under those courts located within the County of Hennepin, State of Minnesota, regardless of the place of business, residence, or incorporation of the Manager or Affiliate.

IN WITNESS WHEREOF, the Client and the Manager have caused this Agreement to be executed by their duly authorized officers as of the day and year first above written.

Manager:

Print name:_____

By: _____

It's _____

By:_____

It's_____

Client: City of Minneapolis

By:_____
Its: FINANCE OFFICER

Approved by:

_____
Department Head Responsible for Contract Monitoring

Approved as to Form:

_____
Assistant City Attorney

EXHIBIT A

to the
INVESTMENT MANAGEMENT AGREEMENT

Dated _____, 2004 (the " Agreement")

between
_____ (the "Manager")

and City of Minneapolis (the "Client")

This Exhibit A to the Agreement sets forth the investment objectives, policies, directions and restrictions (the "Directions"), subject to which Directions and the other terms and conditions set forth in the Agreement, the manager shall manage the Client's assets. All investments must be made in accordance with Minnesota Statutes 118A.04 governing the investment of public funds.

Objectives

Subject to the considerations outlined below, the Client's overall Investment Policy shall seek to:

(1) safeguard principal;
(2) ensure liquidity; and
(3) maximize yield.

Eligible Securities

Any of the following fixed income securities may be used to invest Client funds:

(a) governmental bonds, notes, bills, mortgages (excluding high-risk mortgage-backed securities), and other securities, which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress.

High-risk mortgage-backed securities, as defined by Minnesota Statutes 118A.04, are interest-only or principal-only mortgage-backed securities; and any mortgage derivative security that:
(1) has an expected average life greater than ten years;
(2) has an expected average life that:
(i) will extend by more than four years as the result of an immediate and sustained parallel shift in the yield curve of plus 300 basis points; or
(ii) will shorten by more than six years as the result of an immediate and sustained parallel shift in the yield curve of minus 300 basis points; or

(3) will have an estimated change in price of more than 17 percent as the result of an immediate and sustained parallel shift in the yield curve of plus or minus 300 basis points.

(b) any security which is a general obligation of any state or local government with taxing powers which is rated "A" or better by a national bond rating service.

(c) any security which is a revenue obligation of any state or local government with taxing powers which is rated "AA" or better by a national bond rating service.

(d) a general obligation of the Minnesota housing finance agency which is a moral obligation of the state of Minnesota and is rated "A" or better by a national bond rating agency.

(e) commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less.

(f) time deposits that are fully insured by the Federal Deposit Insurance Corporation or bankers acceptances of United States banks

Duration Exposure

The average weighted duration of portfolio security holdings is expected to range within ± 15% of the benchmark. If economic or strategic reasoning justifies duration outside the normal range, the action must be pre-approved by the Director of Treasury.

Marketability

All holdings will be of sufficient size and held in issues that are traded actively enough to facilitate transactions at minimum cost and accurate market valuation.

Performance Measurement

Total portfolio return will be reported at the end of each calendar quarter, and will be judged against the market as measured by the Merrill Lynch 1-3 Treasury Year Index.

Reporting

Formal management reporting will include:

(1) a monthly accounting statement showing portfolio income, holdings and transactions;

(2) a quarterly total return computation; and

(3) a quarterly market outlook and investment strategy.

Review and Modification of Guidelines

These Guidelines will be reviewed at least annually and revised or confirmed as appropriate.

Any changes deemed necessary by the Client will be fully discussed and agreed upon by the Client and the Manager before taking effect. Any such changes will then be incorporated in writing into the Guidelines.

EXHIBIT B

to the
INVESTMENT MANAGEMENT AGREEMENT

Dated _____, 200_ (the " Agreement")

Between
_____ (the "Manager")

and City of Minneapolis (the "Client")

This Exhibit B to the Agreement sets forth the times, manner, amounts and formulae governing the compensation to be paid by the Client to the Manager in payment for all services rendered by the Manager under the Agreement and for all costs incurred by the Manager in connection with the rendering of services under the Agreement.

(a) Quarterly Base Fee

Shall be calculated at the end of each quarter and shall be equal to .025% per quarter (.10% per annum) of the average monthly value of the net assets in the account during the calendar quarter. Calculated in accordance with portfolio pricing and performance calculation procedures as set forth in term's c. and d.

(b) Annual Performance Fee

Shall be calculated following the close of each calendar year and shall be equal to a certain percentage (as set forth below) of the average monthly value of the net assets in the Account during the calendar year. Calculated in accordance with portfolio pricing and performance calculation procedures as set forth in items c. and d. Provided that the investment performance of the Account during the relevant calendar year, calculated in accordance with the provisions of item d. below ("Account Performance"), exceeds the performance during the same calendar year of the Merrill Lynch 1-3 Treasury Year Index, as calculated and provided by the publisher of said index.

i. .05% of the Average Account Value if the Account Performance exceeds the Benchmark Performance between .16% to .25%;

ii. .10% of the Average Account Value if the Account Performance exceeds the Benchmark Performance by more than .26 % to .50%.

iii. .15% of the Average Account Value if the Account Performance exceeds the Benchmark Performance by more than .51% to 1.00%;

iv. .20% of the Average Account Value if the Account Performance exceeds the Benchmark Performance by more than 1.00%.

(c) Portfolio Pricing

The securities in the Account will be priced monthly by the Custodian. The Custodian, Manager, and Client may review the prices for reasonableness. The Custodian, in its discretion, may adjust any such prices that the Custodian determines to more accurately reflect the fair market value of the applicable security or securities.

(d) Performance Calculations

Account performance will be calculated utilizing data supplied by the Custodian.

(e) Further that total compensation (including the Quarterly Base Fees and the Annual Performance Fee) during any calendar year shall not exceed .30% of the Average Account Value during such calendar year.

(f) In the event that the Account is opened or closed during a calendar quarter, the investment management fee shall be prorated for that portion of the quarter during which the Account was open.