

Exhibit C – Exceptions to Terms and Conditions

Gabriel Roeder Smith & Company Agreement - Exceptions relating to the Terms and Conditions

Addition to S.13 re Public Records:

j) The City understands, acknowledges and agrees that (i) GRS is providing services which cannot be performed by the City and (ii) subject to Chapter 119, Florida Statutes, internal work papers, proprietary information, source code, and software may not be public records.

Addition to S.20 Termination for Convenience:

GRS may also cancel the contract with 30 days written notice to the City for any of the following reasons: 1) the City, the Board, or one or more plan participants or beneficiaries, or the State has filed a lawsuit against GRS in a matter related to the City, its participants, or its beneficiaries, 2) a member of the City's Pension Board or Staff has been found guilty of criminal or civil breach of fiduciary responsibility or other severe wrongdoing with respect to the City or GRS, or 3) a member of the City or Staff demands that GRS take actions deemed by GRS Management to be unethical or illegal. GRS may otherwise cancel the contract upon giving 90 days written notice to the City.

Revision to S.25 Indemnification/Liability, section a:

a. GRS agrees to indemnify the City for the actual amount of all direct losses the City suffers due to gross negligence, error, or willful misconduct on the part of GRS in performing the services hereunder in an amount not to exceed \$1,000,000. In the event of disputes, both parties to this contract agree to waive their right to a jury trial and that any claims or dispute arising out of this agreement, will be submitted to mandatory binding arbitration before an arbitrator in good standing with the American Arbitration Association. The City must notify GRS of any lawsuit, complaint, or other situation for which indemnification may be sought within six (6) months of the date the City is notified of the matter. The City agrees to indemnify, defend and hold harmless GRS for third party claims to the extent that such third party claims would cause the aggregate damages to exceed \$1,000,000 and the claims are found to result from the sole negligence of the City, its governing body, or its employees. This indemnification shall not be construed to be an indemnification for the acts or omissions of third parties, independent contractors or third party agents of the City. This indemnification shall not be construed as a waiver of the City's sovereign immunity, and shall be interpreted as limited to only such traditional liabilities for which the City could be liable under the common law interpreting the limited waiver of sovereign immunity. Any claims against the City must comply with the procedures found in §768.28, Florida Statutes. In order to comply with the requirements of §129.06, Florida Statutes, and Article VII, section 10 of the Florida Constitution, the value of this indemnification is limited to the lesser of the amount payable by either party under the substantive provisions of this Agreement, or the limitations of §768.28, Florida Statutes. In addition, this indemnification shall be construed to limit recovery by the indemnified party against the City to only those damages caused by City's sole negligence, and specifically not include any attorney's fees or costs associated therewith. Furthermore, the City shall indemnify GRS against third party derivative lawsuits, to the extent that such lawsuits result in a judgment payable to the City. In no event will GRS be liable to the City for any indirect, incidental, special, consequential, exemplary or reliance damages (including, without limitation, lost business opportunities or lost sales or profits) arising out of GRS' services to the City, regardless of whether GRS is advised of the likelihood of such damages.

Additional Section Requested... Third Party Dealings:

Except as may be required by law or legal process, GRS will not provide information related to the City to third parties except with the permission of, and under the specific direction of, the City. By giving such direction and permission, the City agrees to indemnify, defend, and hold harmless GRS, or to require such third party to indemnify GRS, with respect to any such third party's use of GRS work products. GRS shall not review any third party work product except under the specific written direction of the City to do so, and only for reasonable compensation. Such review if undertaken shall be limited to those areas in which GRS has expertise, and shall specifically exclude conclusions related to income tax, investment matters, and legal matters.