

## COLLECTIVE FUND CUSTODY AGREEMENT

This Collective Fund Custody Agreement is made as of this 28<sup>th</sup> day of May, 2003, between **CITY OF CLEARWATER (Florida) EMPLOYEES' PENSION FUND** and Northern Trust Investments, Inc. ("NTI"), an Illinois trust company.

### 1. Appointment

The Investment Fiduciary hereby appoints NTI as custodian to maintain in the name of the Trust a custody account for the purpose of facilitating investment in one or more collective funds maintained by NTI as collective fund trustee under the Plan and Declaration of Trust of the Northern Trust Global Investments Collective Fund Investment Trust for Employee Benefit Plans and the Declaration of Trust of the Northern Trust Global Investments-Quantitative Management Collective Funds Trust, as amended from time to time (each, a "Declaration", collectively, the "Declarations"), or any collective fund maintained by any of NTI's affiliates ("Fund"). A copy of each Declaration is attached as Exhibit A.

### 2. Collective Fund Investments

(a) NTI shall, as soon as practicable, invest the assets transferred to it from the Trust pursuant to separate written instruction from the Investment Fiduciary in one or more of the Funds identified on Exhibit B ("Designated Funds") in such amount or proportion as directed.

(b) If it is not practicable for NTI to immediately invest any cash received by it as directed, then NTI shall invest such cash in The Northern Trust Company Short-Term Investment Fund until investment in the Designated Fund is practicable. The Northern Trust Company Short-Term Investment Fund is a collective fund maintained by The Northern Trust Company as trustee.

(c) The Investment Fiduciary may change the Designated Funds from time-to-time by filing a new Exhibit B with NTI, provided that the timing of any such change must be in accordance with Fund rules.

(d) NTI shall have no responsibility or accountability for Trust assets until they are received by it.

(e) In the event of termination of this Agreement, Federal law precludes continued participation by the Trust Fund in any Designated Fund. Accordingly, NTI must withdraw the value of the Trust Fund's investment from all Designated Funds on the next valuation date (as defined in the Declarations) immediately following the date of termination. Pursuant to the terms of the Declarations, NTI in its capacity as collective fund trustee retains and will exercise discretion, based solely on its own judgment, to pay over the value on such valuation date of the Trust Fund's investment in the Funds in cash, in-kind, or in any combination thereof to such entity as the Investment Fiduciary directs. Written notice of termination by either party is irrevocable. Following the valuation date after termination, participation in the

Funds may continue only upon execution of a new agreement by the Investment Fiduciary and NTI or its affiliate.

3. Collective Fund Withdrawals

NTI shall make withdrawals from the Fund and shall distribute or invest assets so withdrawn pursuant to written direction of the Investment Fiduciary. The Investment Fiduciary understands that the collective fund trustee may require that part or all of any withdrawal from the Fund be made in-kind.

4. Representation and Warranties by Investment Fiduciary

The Investment Fiduciary represents and warrants to NTI as follows:

(a) The Investment Fiduciary is authorized to execute this Agreement under the terms of the Trust and applicable plans:

(b) The Trust is a retirement pension, profit sharing or stock bonus trust or collective trust fund composed of assets which are exempt from federal income taxation under Section 501 of the Internal Revenue Code of 1986, as amended ("Code"), by reason of qualifying under Section 401(a) of the Code or is a governmental plan within the meaning of Section 414(d) of the Code:

(c) The agreement or legislation creating the Trust ("Trust Agreement") authorizes investment in collective funds and provides that any declaration pursuant to which the Fund is maintained is incorporated by reference in the Trust Agreement and shall prevail over any contrary provisions of the Trust Agreement or this Agreement; and

(d) Investment of Trust assets in the Fund pursuant to this Agreement is in accordance with applicable law and the terms of the applicable plan and Trust Agreement.

The Investment Fiduciary further warrants that the foregoing representations shall be deemed to be continuing so long as the trust participates in the Fund and that the Investment Fiduciary shall notify NTI in writing before or immediately upon the occurrence of any event which causes a change to the representations and warranties made hereunder.

5. Representation and Warranties by NTI

NTI represents and warrants to the Investment Fiduciary as follows:

(a) NTI has full power and authority to execute, deliver and perform this Agreement and has taken all necessary and proper action to authorize the execution and delivery of this Agreement; and

(b) NTI will perform its obligations hereunder in accordance with the terms of this Agreement; and

- (c) NTI acknowledges that, in its capacity as collective fund trustee, it is a fiduciary with respect to Trust assets invested in any Fund maintained under the Declarations.

NTI further warrants that the foregoing representations shall be deemed to be continuing so long as the Trust participates in the Fund and that NTI shall notify the Investment Fiduciary in writing before or immediately upon the occurrence of any event which causes a change to the representations and warranties made hereunder.

#### 6. Statements and Reports

NTI shall deliver to the Investment Fiduciary the following statements and reports:

- (a) Monthly statements of the Trust account showing all investments, receipts, disbursements and other transactions as of the close of business on the last business day of each month, with copies of such statements and reports delivered to the trustee of the Trust;
- (b) Such periodic Fund statements as may be required under the Declaration governing the Fund; and
- (c) Such additional reports or statements as may be agreed from time to time by the Investment Fiduciary and NTI.

#### 7. Securities Lending

Pursuant to the terms of the Declarations, certain of the Funds may lend securities ("Lending Funds"). Any such securities lending will be in accordance with Department of Labor Prohibited Transaction Class Exemptions 81-6 and 82-63. NTI's affiliate, The Northern Trust Company, has been appointed to serve as securities lending agent for the Lending Funds, with responsibility for administering the securities lending program. As compensation for such services, the Investment Fiduciary authorizes the payment by any Lending Fund in which Trust assets are invested of a monthly fee equal to 40% of the securities lending revenue earned by such Lending Fund (such revenue to be calculated net of rebates paid to the borrowers of securities and other expenses. If the Investment Fiduciary subsequently notifies NTI that it no longer desires Trust assets to be included in the securities lending program, NTI will cause such Trust assets to be redeemed from any Funds that lend securities within thirty (30) days following its receipt of such notice.

#### 8. Compensation and Reimbursement

NTI shall be reimbursed for all extraordinary and non-recurring expenses incurred in the custody and protection of the account, including legal and accounting fees, and shall receive such reasonable compensation for its services as may be agreed by the parties in writing from time to time. The initial fees are set forth in Exhibit C to this Agreement.

#### 9. Limitation on Custodian's Liability

NTI shall be entitled to rely upon any direction, notice or other communication or document it receives from the Investment Fiduciary pursuant to this Agreement and shall have no responsibility for any loss to the account that may result from acting in accordance with the terms of this Agreement.

10. Governing Law

The terms and provisions of this Agreement shall be construed and governed in accordance with the laws of the State of Florida, to the extent that such laws are not preempted by the laws of the United States of America. The invalidity of any part of this Agreement shall not affect the remaining parts thereof.

.11 Notices

Notices or other communications relating to this Agreement shall be sent as follows:

(a) If to NTI:

Northern Trust Investments, Inc.  
Attention: Michael L. Lucas  
181 West Madison Street  
Chicago, IL 60603

(b) If to the Investment Fiduciary:

Mr. Steve Moskun, Cash and Investment Manager  
City of Clearwater  
Finance Department  
Municipal Services Building, 3rd Floor (East End)  
100 S. Myrtle Ave.  
Clearwater, FL 33756  
Tel: 727.562.4532  
E-mail: smoskun@clearwater-fl.com

12. Entire Agreement

This Agreement, together with the Declarations, embodies the entire agreement between the parties and supersedes any and all prior commitments, agreements, representations and understandings, whether written or oral, relating to the subject matter hereof and may not be contradicted or varied by evidence of prior, contemporaneous, or subsequent oral agreements or discussions of the parties hereto.

13. Amendment

The provisions of this Agreement may be amended or waived only by an instrument in writing signed by the parties hereto.

14. Termination

Each of the parties hereto may terminate this Agreement by giving to the other party thirty (30) days written notice of such termination.

15. Assignment

Neither the Investment Fiduciary nor NTI may assign this Agreement without the prior written consent of the other, except that NTI may assign its rights and delegate its duties hereunder to any corporation or entity which directly or indirectly is controlled by, or is under common control with, NTI. Any entity which shall by merger, consolidation, purchase or otherwise, succeed to substantially all the trust business of NTI shall, upon such succession and without any appointment or other action by the Investment Fiduciary, be and become successor custodian hereunder, upon notification to the Investment Fiduciary.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first written above.

Approved to Form and Content:

**CITY OF CLEARWATER EMPLOYEES' PENSION FUND**

By \_\_\_\_\_

Brian J. Augst, Chairperson

Attest: \_\_\_\_\_

Cynthia E. Goudet, City Clerk

**NORTHERN TRUST INVESTMENTS, INC.**

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

Its: Vice President

**EXHIBIT B**

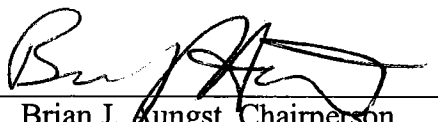
**DESIGNATED COLLECTIVE FUNDS**

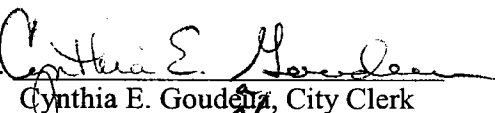
Margaret Simmons, Director of Finance; Jay Ravins, Assistant Finance Director; and Steve Moskun, Cash and Investment Manager on behalf of the **CITY OF CLEARWATER (Florida) EMPLOYEES' PENSION FUND** hereby designates the following collective funds for investment by the Trust from time-to-time in such proportions or amounts as the Investment Fiduciary shall direct in writing:

**NTGI-QM Collective Daily Lehman Brothers Aggregate Index Fund-Lending**

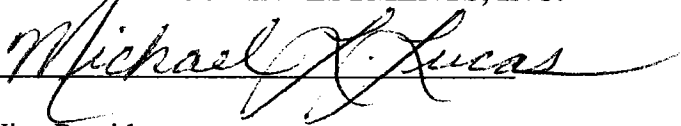
Approved to Form and Content:

**CITY OF CLEARWATER EMPLOYEES' PENSION FUND**

By   
Brian J. Jungst, Chairperson

Attest:   
Cynthia E. Goudreau, City Clerk

**NORTHERN TRUST INVESTMENTS, INC.**

By:   
Its: Vice President

**EXHIBIT C**

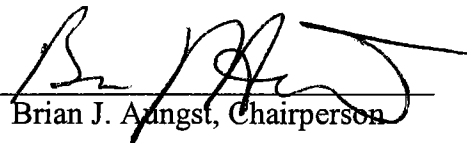
**FEES**

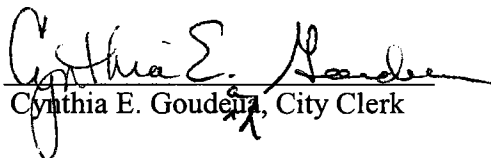
First \$100 MM:	Six (6) Basis Points
Balance:	One (1) Basis Point

Approved to Form and Content:


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**CITY OF CLEARWATER EMPLOYEES' PENSION FUND**

By   
Brian J. Aungst, Chairperson

Attest:   
Cynthia E. Goudreau, City Clerk

**NORTHERN TRUST INVESTMENTS, INC.**

By:   
Its: Vice President

Year-end for Trust: July 31

"Name of Plan Sponsor", "Employer Identification Number" and "three-digit plan number" as reported on Form 5500 and Form 5500-C/R at 1a, 1 b and 5c or on Form 5500EZ at 1a, 1b and 2c:

Plan Sponsor: City of Clearwater (Florida) Employees' Pension Fund

Employer Identification Number: \_\_\_\_\_

Three-digit plan number    \_\_\_\_\_

Taxpayer ID Number for this trust: 59-6000289

Frequency for Account Statements:    ☒ Monthly  
  ☐ Quarterly  
  ☐ Semi-Annual  
  ☐ Annual

Statement to be mailed to: (limited to two (2) recipients)

Steve Moskun, Cash and Investment Manager

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Investment Manager's Fees to be:    ☐ Deducted from Account  
  ☒ **Six (6) Basis Points** ] Invoiced to  
  Steve Moskun, Cash and Investment Manager

The following are specimen signatures of persons from whom the Investment Manager may accept written direction with regard to this Account:

\_\_\_\_\_  
\_\_\_\_\_