

**CONSULTANT SERVICES AGREEMENT BETWEEN THE CITY OF SUNNYVALE  
AND CHANDLER ASSET MANAGEMENT, INC. FOR INVESTMENT MANAGEMENT  
SERVICES**

THIS AGREEMENT, dated \_\_\_\_\_, is by and between the CITY OF SUNNYVALE ("CITY"), a California chartered municipal corporation, and CHANDLER ASSET MANAGEMENT, INC. ("CONSULTANT"), a California corporation.

WHEREAS, CITY is in need of investment management services; and

WHEREAS, in reliance upon CONSULTANT's representations regarding its qualifications, CITY finds that CONSULTANT possesses the skill and expertise to provide the required services;

NOW, THEREFORE, THE PARTIES ENTER INTO THIS AGREEMENT.

1. Services by CONSULTANT

CONSULTANT shall provide services in accordance with Exhibit "A" entitled "Detailed Scope of Work". All exhibits, including all associated attachments, are attached hereto and incorporated herein by reference. CONSULTANT shall determine the method, details and means of performing the services.

2. Time for Performance

The term of this Agreement shall be two (2) years from the execution date, unless otherwise terminated in accordance with Section 17 below. CONSULTANT shall deliver the agreed upon services to CITY as specified in Exhibit "A". Extensions of time may be granted by the City Manager as a written amendment in accordance with Section 18 below.

3. Duties of CITY

CITY shall supply to CONSULTANT any documents or information available to CITY and required by CONSULTANT for performance of the services. Any materials provided shall be returned to CITY upon completion of the work.

4. Compensation

CITY agrees to pay CONSULTANT as full compensation for the services rendered pursuant to this Agreement, pursuant to the fee schedule applicable to a two-year agreement set forth in Exhibit "B". Total compensation shall not exceed Seven Hundred Thousand and No/100 Dollars (\$700,000.00).

CONSULTANT shall submit invoices to CITY no more frequently than monthly for services provided to date. All invoices, including detailed backup, shall be sent to City of Sunnyvale, attention Accounts Payable, P.O. Box 3707, Sunnyvale, CA 94088-3707 or [accountspayable@sunnyvale.ca.gov](mailto:accountspayable@sunnyvale.ca.gov). Payment shall be made within thirty (30) days upon receipt of an accurate, itemized invoice by CITY's Accounts Payable Unit.

5. Wage Rates

CONSULTANT shall comply with the City's the minimum wage set forth in Section 3.80.040 of the Sunnyvale Municipal Code.

6. Ownership of Documents

CITY shall have full and complete access to CONSULTANT's working papers, drawings and other documents during progress of the work. All documents of any description prepared by CONSULTANT shall become the property of the CITY at the completion of the project and upon payment in full to the CONSULTANT. CONSULTANT may retain a copy of all materials produced pursuant to this Agreement.

7. Conflict of Interest

CONSULTANT shall avoid all conflicts of interest, or appearance of conflict, in performing the services and agrees to immediately notify CITY of any facts that may give rise to a conflict of interest. CONSULTANT is aware of the prohibition that no officer of CITY shall have any interest, direct or indirect, in this Agreement or in the proceeds thereof. During the term of this Agreement, CONSULTANT shall not accept employment or an obligation which is inconsistent or incompatible with CONSULTANT'S obligations under this Agreement.

CONSULTANT'S duties and services under this agreement shall not include preparing or assisting the CITY with any portion of CITY'S preparation of a request for proposals, request for qualifications, or any other solicitation regarding a subsequent or additional contract with the CITY. The CITY shall at all times retain responsibility for public contracting, including with respect to any subsequent phase of this project. CONSULTANT participation in the planning, discussions, or drawing of project plans or specifications shall be limited to conceptual, preliminary, or initial plans or specifications. CONSULTANT shall cooperate with CITY to ensure that all bidders for a subsequent contract on any subsequent phase of this project have access to the same information, including all conceptual, preliminary, or initial plans or specifications prepared by contractor pursuant to this agreement.

Pursuant to CITY's Conflict of Interest Code, Council Policy 7.3.7, CITY has determined that, depending on the position, certain individuals performing services under this Agreement may be required to file a Statement of Economic Interest (Form 700), which can be found at [www.fppc.ca.gov](http://www.fppc.ca.gov). If applicable, to facilitate electronic submittal of Form 700, CONSULTANT shall send the following information to [cityclerk@sunnyvale.ca.gov](mailto:cityclerk@sunnyvale.ca.gov): 1) first and last name(s) of CONSULTANT's employee(s); 2) email address(es) of CONSULTANT's employee(s); 3) date when CONSULTANT's employee(s) will begin work under this contract; and 4) (if known) date when CONSULTANT's employee(s) will cease work under this contract.

Government Code Section 91013 provides that any person who files a statement after its deadline shall be liable in the amount of \$10 per day, up to a maximum of \$100, in addition to any administrative penalty (up to the statutory maximum, currently \$5,000) imposed by the Fair Political Practices Commission (FPPC). If any of CONSULTANT's

employee(s) is required to submit Form 700, and CITY does not receive CONSULTANT's Form 700, then CITY is required to refer this matter to the FPPC or other appropriate enforcement agency.

8. Confidential Information

CONSULTANT shall maintain in confidence and at no time use, except to the extent required to perform its obligations hereunder, any and all proprietary or confidential information of CITY of which CONSULTANT may become aware in the performance of its services.

9. Compliance with Laws

- A. CONSULTANT shall not discriminate against, or engage in the harassment of, any City employee or volunteer or any employee of CONSULTANT or applicant for employment because of an individual's race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, veteran or military status, or any other protected characteristic in violation of federal or state law. This prohibition shall apply to all of CONSULTANT's employment practices and to all of CONSULTANT's activities as a provider of services to the City.
- B. CONSULTANT shall comply with all federal, state and city laws, statutes, ordinances, rules and regulations and the orders and decrees of any courts or administrative bodies or tribunals in any manner affecting the performance of the Agreement.

10. Independent Contractor

CONSULTANT is acting as an independent contractor in furnishing the services or materials and performing the work required by this Agreement and is not an agent, servant or employee of CITY. Nothing in this Agreement shall be interpreted or construed as creating or establishing the relationship of employer and employee between CITY and CONSULTANT. CONSULTANT is responsible for paying all required state and federal taxes.

11. Hold Harmless/Indemnification

To the fullest extent permitted by law, CONSULTANT shall hold harmless, defend at its own expense, and indemnify the City and its officers, officials, employees, agents, and volunteers, against any and all liability, claims, losses, damages, or expenses, including reasonable attorney's fees, arising from all acts or omissions of CONSULTANT or its officers, agents, or employees in rendering services under this Agreement; excluding, however, such liability, claims, losses, damages, or expenses arising from the City's sole negligence or willful acts. The defense and indemnification obligations of this agreement are undertaken in addition to, and shall not in any way be limited by, the insurance obligations contained in this agreement. CONSULTANT's responsibility for such defense and indemnity obligations shall survive the termination or completion of this agreement.

12. Insurance

The City requires that CONSULTANT maintain insurance requirements on the Pacific Insurance Network System (PINS). CONSULTANT shall procure and maintain, at its own expense, during the life of this Agreement, policies of insurance as specified in Exhibit "C" attached and incorporated herein by reference, and shall provide all certificates and endorsements as specified in Exhibit "C" through PINS for approval by the City Risk Manager prior to CONSULTANT (or subcontractor) commencing any work under this Agreement.

13. CITY Representative

Inderdeep Dhillon, Finance Manager, as the City Manager's authorized representative, shall represent CITY in all matters pertaining to the services to be rendered under this Agreement ("CITY representative"). All requirements of CITY pertaining to the services and materials to be rendered under this Agreement shall be coordinated through the CITY representative.

14. CONSULTANT Representative

Carlos Oblites, Senior Vice President and Portfolio Strategist, shall represent CONSULTANT in all matters pertaining to the services and materials to be rendered under this Agreement ("CONSULTANT representative"). All requirements of CONSULTANT pertaining to the services or materials to be rendered under this Agreement shall be coordinated through the CONSULTANT representative.

15. Notices

All notices required by this Agreement, other than invoices for payment which shall be sent directly to Accounts Payable, shall be in writing, and sent by first class with postage prepaid, or sent by commercial courier, to address below.

Nothing in this provision shall be construed to prohibit communication by more expedient means, such as by email, to accomplish timely communication. Each party may change the address by written notice in accordance with this paragraph. Notices delivered personally shall be deemed communicated as of actual receipt; mailed notices shall be deemed communicated as of three business days after mailing.

To CITY: Inderdeep Dhillon, Finance Manager  
Finance Department  
CITY OF SUNNYVALE  
P. O. Box 3707  
Sunnyvale, CA 94088-3707

To CONSULTANT: Carlos Oblites, Senior Vice President  
Chandler Asset Management Inc.  
9255 Towne Centre Drive Suite 600  
San Diego, CA 92121

16. Assignment

Neither party shall assign or sublet any portion of this Agreement without the prior written consent of the other party.

17. Termination

- A. If CONSULTANT defaults in the performance of this Agreement, or materially breaches any of its provisions, CITY at its option may terminate this Agreement by giving written notice to CONSULTANT. In the event of such termination, CONSULTANT shall be compensated in proportion to the percentage of satisfactory services performed or materials furnished (in relation to the total which would have been performed or furnished) through the date of receipt of notification from CITY to terminate. CONSULTANT shall present CITY with any work product completed at that point in time.
- B. Without limitation to such rights or remedies as CITY shall otherwise have by law, CITY also shall have the right to terminate this Agreement for any reason upon ten (10) days' written notice to CONSULTANT. In the event of such termination, CONSULTANT shall be compensated in proportion to the percentage of services performed or materials furnished (in relation to the total which would have been performed or furnished) through the date of receipt of notification from CITY to terminate. CONSULTANT shall present CITY with any work product completed at that point in time.
- C. If CITY fails to pay CONSULTANT, CONSULTANT at its option may terminate this Agreement if the failure is not remedied by CITY within (30) days after written notification of failure to pay.

18. Entire Agreement; Amendment

This writing constitutes the entire agreement between the parties relating to the services to be performed or materials to be furnished hereunder. No modification of this Agreement shall be effective unless and until such modification is evidenced in writing as an amendment to this Agreement signed by all parties. If the amendment is signed electronically, the digital signatures must comply with the requirements of California Government Code Section 16.5.

19. Governing Law, Jurisdiction and Venue

This Agreement shall be governed by and construed in accordance with the laws of the State of California, excluding its conflict of law principles. Proper venue for legal actions will be exclusively vested in a state court in the County of Santa Clara. The parties agree that subject matter and personal jurisdiction are proper in state court in the County of Santa Clara, and waive all venue objections.

20. Miscellaneous

Time shall be of the essence in this Agreement. Failure on the part of either party to enforce any provision of this Agreement shall not be construed as a waiver of the right to compel enforcement of such provision or any other provision.

21. Additional Requirements

Additional requirements are hereby agreed to in accordance with Exhibit "D".

IN WITNESS WHEREOF, the parties have executed this Agreement.

CITY OF SUNNYVALE ("CITY")

CHANDLER ASSET MANAGEMENT  
INC. ("CONSULTANT")

By \_\_\_\_\_  
City Manager

By \_\_\_\_\_  
\_\_\_\_\_  
Name and Title

ATTEST:

By \_\_\_\_\_  
City Clerk

By \_\_\_\_\_  
\_\_\_\_\_  
Name and Title

APPROVED AS TO FORM:

By \_\_\_\_\_  
City Attorney

**Exhibit A**

**Exhibit A**  
**Detailed Scope of Work**

1. Provide full-time, investment management services in accordance with the City's Investment Policy.
2. Assist with reviewing and recommending any appropriate amendments to the City's Investment Policy at the outset of the contract term, and assist with the annual review and update of the Investment Policy.
3. Assist the City with developing an appropriate cash flow model to minimize balances held in highly liquid but low interest accounts.
4. Assist the City with maturity analysis.
5. Perform analysis and review investments for compliance to the City's goal of social and environmental responsibility, including, but not limited to the exclusion of investments that directly or indirectly support the production or drilling of fossil fuels.
6. Work with the City's third party custodian (currently Union Bank) for safekeeping of securities and provide any services required to execute and settle investment trades.
7. Establish and recommend appropriate investment benchmarks.
8. Provide detailed monthly reports of investment portfolio activity, performance, holdings monthly, type, maturity, broker, duration, and benchmark comparable. Provide monthly and quarterly reports to Council as required by the Investment Policy and annual portfolio performance reports based on the City's Investment Policy, quarterly period close and fiscal year.
9. Be available to Finance Department staff in a timely manner by telephone or email and meet with and provide information to Finance Department staff upon request, and if requested, to other interested parties such as the Investment Committee, City Council and/or City Manager.
10. Provide assurance of portfolio compliance with all federal and State of California laws as well as ordinances, resolutions, and policies of the City relating to the investment of public funds.
11. Annually perform due diligence reviews of the broker/dealers, custodian bank, and financial institutions utilized by the City and provide supporting documentation to the City.

12. The selected firm will not act as a custodian of assets in the account or have possession of any such assets.
13. The selected firm will act as a fiduciary agent to the City, serving as an independent advisor to represent the best interests of the City.
14. Demonstrate independence from any financial institution or securities brokerage firm, or fully disclose any such relationships relevant to qualified investments for public sector entities.





## Exhibit B Compensation

June 30, 2023

Mr. Timothy Kirby, Director of Finance  
City of Sunnyvale  
456 W. Olive Ave.  
Sunnyvale, CA 94086

Dear Tim:

Thank you for meeting with us to discuss the progress on the City's investment program. Per our discussion, we understand the City plans to extend our agreement to provide investment advisory and management services for an additional two years. We are grateful for your trust in our firm and for the opportunity to continue to serve the City.

In gratitude for this opportunity and in consideration of the growth of assets the City has tasked us with managing, we propose to change the City's investment management fee in order to provide additional savings to the City. For the two-year agreement extension the City is considering, we offer the following fee schedule:

<b>Assets under Management</b>	<b>Investment Management Fee</b>
First \$200 Million	0.06 of 1% (6 basis points)
Next \$150 Million	0.04 of 1% (4 basis points)
Assets over \$350 Million	0.03 of 1% (3 basis points)

As an example, for an investment program of \$850 million, under the proposed fee schedule, the investment management fee will amount to \$330,000 annually, which equates to a reduction of \$15,000 per year from the current fee schedule (and a new annual effective fee of 3.88 basis points) This represents a fee reduction of 4.4% on the current portfolio size. As a reminder, we do not charge for any balances in LAIF.

As a result of economies of scale, and shorter-term service costs that may be avoided with longer-term agreements, we are able to offer greater savings to the City than those listed above, *if the City were to consider extending the agreement for an additional five years rather than two years:*

For a five-year agreement extension, we offer the following fee schedule:

<b>Assets under Management</b>	<b>Investment Management Fee</b>
First \$150 Million	0.06 of 1% (6 basis points)
Next \$100 Million	0.04 of 1% (4 basis points)
Assets over \$250 Million	0.03 of 1% (3 basis points)



For the same size of \$850 million, under this proposed fee schedule associated with the longer-term engagement, the investment management fee will amount to \$310,000 annually, which equates to a reduction of \$35,000 per year from the current fee schedule (and a new annual effective fee of 3.65 basis points) This represents a fee reduction of 10.1% on the current portfolio size.

Both these fee schedule options are market competitive and will result in significant savings for the City.

Tim, we sincerely appreciate our relationship with you and the City's finance team, the City Council, and with the City of Sunnyvale. Thank you very much for the confidence you have in our firm, and respectfully hope you will consider our offer.

Sincerely,

A handwritten signature in purple ink, appearing to read 'NDragoo'.

Nicole Dragoo, Esq.  
Chief Executive Officer  
Chandler Asset Management

Agreed:

DocuSigned by:  
A handwritten signature in purple ink, appearing to read 'Tim Kirby'.  
A38867B67C1D420...  
Timothy Kirby  
Director of Finance  
City of Sunnyvale

## Exhibit C INSURANCE REQUIREMENTS

Consultant shall procure and maintain for the duration of the Agreement insurance against claims for injuries to persons or damages to property which may arise from or in connection with the performance of the work by the Consultant, their agents, representatives, or employees.

Minimum Scope and Limits of Insurance. Consultant shall maintain limits not less than:

1. **Commercial General Liability:** coverage written on an occurrence basis with limits not less than \$1,000,000 per occurrence and \$2,000,000 aggregate for bodily injury, personal injury and property damage. ISO Occurrence Form shall be at least as broad as CG 0001.
2. **Automobile Liability:** coverage with a combined single limit of not less than \$1,000,000 per occurrence applying to all owned, non-owned, or hired vehicles used in conjunction with this Agreement for bodily injury and property damage. ISO Form shall be at least as broad as CA 0001.
3. **Workers' Compensation:** Statutory Limits and **Employer's Liability:** \$1,000,000 per accident for bodily injury or disease.

Industry Specific Coverages. If checked below, the following insurance is also required:

- ☒ **Professional Liability / Errors and Omissions Liability** coverage with limits not less than \$2,000,000 per occurrence or claim.
- ☐ **Valuable Papers and Electronic Data Processing** with limits not less than \$10,000 each.
- ☐ **Cyber & Tech Liability** coverage with limits not less than of \$1,000,000 per occurrence or claim.
- ☐ **Crime coverage** with limits not less than \$500,000 to include third party premises endorsement.

Deductibles, Self-Insured Retentions and Other Coverages:

Any deductibles or self-insured retentions must be declared and reviewed by the City of Sunnyvale, Risk Manager. The Consultant shall guarantee payment of any losses and related investigations, claim administration and defense expenses within the deductible or self-insured retention.

The aforementioned insurance requirements can be met through any combination of self-insured, primary and excess/umbrella policies that fulfill the stipulated coverage as cited above.

Other Insurance Provisions:

1. During the term of the Agreement, the City of Sunnyvale, its officers, officials, employees, agents, and volunteers are to be covered as an additional insured in the Consultant's commercial general liability policy (and if industry specific coverage is checked above, valuable papers, electronic data processing, and cyber liability policies) with respect to liability arising out of activities performed by or on behalf of the Consultant; products and completed operations of the Consultant; premises owned, occupied or used by the Consultant. The coverage shall contain no special limitations on the scope of protection afforded to the City of Sunnyvale, its officers, officials, employees, agents, or volunteers.

Additional Insured Endorsement for ongoing operations at least as broad as ISO CG 20 10 Scheduled, or automatic CG 20 38

2. During the term of the Agreement, the Consultant's Workers' Compensation policy shall be endorsed with a waiver of subrogation in favor of the City of Sunnyvale.
3. For all Architects, Engineers and Design Professionals - If Industry Specific Coverage box is check above **and** if the Consultant's Professional Liability/Errors and Omissions coverage is written on a claims made basis:
  - a. The Retroactive Date must be shown and must be before the date of the Agreement or the beginning of contract work.
  - b. Insurance must be maintained and evidence of insurance must be provided *for at least three (3) years after completion of the contract of work.*
  - c. If coverage is canceled or non-renewed, and not *replaced with another claims-made policy form with a Retroactive Date* prior to the Agreement effective date, the Consultant must purchase "extended reporting" coverage for a minimum of *three (3) years after completion of contract work.*
4. For any claims related to this agreement, the Consultant's insurance shall be primary. Any insurance or self-insurance maintained by the City of Sunnyvale, its officers, officials, employees, agents and volunteers shall be excess of the Consultant's insurance and shall not contribute with it and shall be at least as broad as ISO CG 20 01 04 13.
5. Any failure to comply with reporting or other provisions of the policies including breaches of warranties shall not affect coverage provided to the City of Sunnyvale, its officers, officials, employees, agents or volunteers.
6. The Consultant's insurance shall apply separately to each insured against whom claim is made or suit is brought, except with respect to the limits of the insurer's liability.
7. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be suspended, voided, cancelled by either party, reduced in coverage or in limits except after thirty (30) days' prior written notice by certified mail, return receipt requested, has been given to the City of Sunnyvale.
8. Any umbrella or excess Insurance Liability policies shall be true "following form" of the underlying policy coverage, terms, conditions, and provisions and shall meet all of the insurance requirements stated in this document, including the additional insured, SIR, and primary and non-contributory insurance requirements for the benefit of City (if agreed to in a written contract or agreement) until all coverage carried by or available to the Consultant's primary and excess liability policies are exhausted and before the City's own Insurance or self-insurance shall be called upon to contribute to a loss.
9. The policy limits of coverage shall be made available to the full limits of the policy. The minimum limits stated above shall not serve to reduce the Consultant's policy limits of coverage. Therefore, the requirements for coverage and limits shall be (1) the minimum coverage and limits specified in this agreement, or (2) the broader coverage and maximum limits of coverage of any insurance policy or proceeds available to the named insured, whichever is greater.

Acceptability of Insurers:

Insurance is to be placed with insurers with a current A.M. Best's rating of no less than A: VII, and who are admitted and authorized to do business and in good standing in California unless otherwise acceptable to the City of Sunnyvale's Risk Manager.

Verification of Coverage:

City utilizes PINSAdvantage.com (PINS) to track and verify all insurance related documents. City is no longer accepting Certificates of Insurance by mail and requires the use of PINS. City will email the Consultant requesting proof of insurance for this Contract through the PINS platform ([no-reply@pinsadvantage.com](mailto:no-reply@pinsadvantage.com)), which include instructions on how to upload insurance documents electronically. Consultant shall furnish the City with an electronic Certificate of Insurance effecting the coverage required. The certificates are to be signed by a person authorized by that insurer to bind coverage on its behalf and name City of Sunnyvale, Attn: Risk Management, 456 W. Olive Ave, Sunnyvale, CA 94088 as the certificate holder. All certificates are to be received and approved by the City Risk Manager prior to commencement of work.

The Consultant shall provide certificate(s) evidencing renewals of all insurance required herein prior to the expiration date of any such insurance. Consultant shall submit insurance certificates reflecting the policy renewals through PINS. The City reserves the right to require complete, certified copies of all required insurance policies, at any time.

Subcontractors

Consultant shall require all sub-contractors to procure and maintain insurance policies subject to these requirements. Failure of Consultant to verify existence of subcontractor's insurance shall not relieve Consultant from any claim arising from subcontractors work on behalf of Consultant.

Exhibit D  
Additional Requirements

1. Authority of Chandler. Chandler is hereby granted full discretion to invest and reinvest all assets under its management in any type of security it deems appropriate, subject to the instructions given or guidelines set by Representative.
2. Electronic Delivery. From time to time, Chandler may be required to deliver certain documents to Client such as account information, notices and required disclosures. Client hereby consents to Chandler's use of electronic means, such as email, to make such delivery. This delivery may include notification of the availability of such document(s) on a website, and Client agrees that such notification will constitute "delivery". Client further agrees to provide Chandler with Client's email address(s) and to keep this information current at all times by promptly notifying Chandler of any change in email address(s).

Client email address(s):

Inderdeep Dhillon [IDhillon@sunnyvale.ca.gov](mailto:IDhillon@sunnyvale.ca.gov)

Tim Kirby [TKirby@sunnyvale.ca.gov](mailto:TKirby@sunnyvale.ca.gov)

3. Proxy Voting. Chandler will vote proxies on behalf of Client unless otherwise instructed. Chandler has adopted and implemented written policies and procedures and will provide Client with a description of the proxy voting procedures upon request. Chandler will provide information regarding how Clients' proxies were voted upon request. To request proxy policies or other information, please contact us by mail at the address provided, by calling 800-317-4747 or by emailing your request to [info@chandlerasset.com](mailto:info@chandlerasset.com).
4. Custody of Securities and Funds. Chandler shall not have custody or possession of the funds or securities that Client has placed under its management. Client shall appoint a custodian to take and have possession of its assets. Client recognizes the importance of comparing statements received from the appointed custodian to statements received from Chandler. Client recognizes that the fees expressed above do not include fees Client will incur for custodial services.
5. Valuation. Chandler will value securities held in portfolios managed by Chandler no less than monthly. Securities or investments in the portfolio will be valued in a manner determined in good faith by Chandler to reflect fair market value.
6. Investment Advice. Client recognizes that the opinions, recommendations and actions of Chandler will be based on information deemed by it to be reliable, but not guaranteed to or by it. Provided that Chandler acts in good faith, Client agrees that Chandler will not in any way be liable for any error in judgment or for any act or omission, except as may otherwise be provided for under the Federal Securities laws or other applicable laws.

7. Payment of Commissions. Chandler may place buy and sell orders with or through such brokers or dealers as it may select. It is the policy and practice of Chandler to strive for the best price and execution and for commission and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities and Exchange Act. Nevertheless, it is understood that Chandler may pay a commission on transactions in excess of the amount another broker or dealer may charge, and that Chandler makes no warranty or representation regarding commissions paid on transactions hereunder.
8. Confidential Relationship. The terms and conditions of this Agreement, and all information and advice furnished by either party to the other shall be treated as confidential and shall not be disclosed to third parties except (i) as required by law, rule, or regulation, (ii) as requested by a regulatory authority, (iii) for disclosures by either party of information that has become public by means other than wrongful conduct by such party or its officers, employees, or other personnel, (iv) for disclosures by either party to its legal counsel, accountants, or other professional advisers, (v) as necessary for Chandler to carry out its responsibilities hereunder, or (vi) as otherwise expressly agreed by the parties.
9. Standard of Care. It is agreed that the sole standard of care imposed upon Adviser by this Agreement is to act with the care, skill, prudent, and diligence under the circumstances then prevailing that a prudent investment expert acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a no case be, or be interpreted to be, less stringent or less restrictive than any investment standard or standards, now in effect or included by amendment effective in the future, prescribed for investments by (State) law. While the Adviser will make a good faith effort to require brokers and dealers selected to effect Account transactions to perform their obligations, the Adviser shall not be responsible for any loss incurred because of any act or omission of any broker, dealer or custodian for the Account. The Adviser shall not act as a principal in sales and/or purchase of assets, unless the Adviser shall have received prior written approval from an Authorized Person for each such transaction. In maintaining its records, the Adviser does not assume responsibility for the accuracy of information furnished to Client by any other party. However, the Adviser shall cooperate with (entity) and the Custodian to reconcile the Account each month.
10. Investment Objectives and Restrictions. Client has specified in Schedule A the investment restrictions and limitations which govern the Account. It will be the Client's responsibility to inform the Adviser in writing of any changes or modifications in the investment objectives of the Account as well as any additional investment restrictions and limitations applicable thereto and to give the Adviser prompt written notice if Client deems any investment made for the Account to be in violation of such objectives or restrictions and limitations. The Adviser agrees to communicate its investment strategy for the Account and any changes thereto, in writing, to the Client, and, if necessary, to meet with the Client to review the Account's investment activity or to advise of changes in the Adviser's investment strategy.
11. Services to Other Clients. It is understood that the Adviser performs investment management services for other clients. The Client agrees that the Adviser may direct and take action with respect to any activity of its clients which may differ from

the direction or the timing or nature of action taken with respect to the Account so long as it is the Adviser's policy, to the extent practical, to allocate investment opportunities to the Account over a reasonable period of time on a fair and equitable basis relative to other clients. It is understood that the Advisor shall not have any obligations to purchase or sell for the Account any security which the Advisor, its principles, affiliates or employees may purchase or sell or Advisor's good faith opinion such transaction or investment appears unsuitable, impractical or undesirable of the Account.

12. Rescission. The Client acknowledges receipt of Form ADV Part II which accompanies this Agreement. The Adviser acknowledges that, notwithstanding the foregoing Paragraphs hereof, the Client shall have a unilateral right to rescind this Agreement without penalty by giving written notice of rescission to the Adviser in accordance with this Agreement in such a manner that the notice shall have been received by the Adviser within five (5) business days next following the execution of this Agreement. For purposes of this Paragraph, the term "business days" shall mean Monday through Friday, excluding holidays. In the event the Client rescinds this Agreement in accordance with this Paragraph neither party shall have any obligation or liability to the other. Client further acknowledges receipt of Chandler's Privacy Policy, as required by Regulation S-P.