

**AGREEMENT FOR ATTORNEY SERVICES BETWEEN
THE BOARD OF ADMINISTRATION
FOR THE FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM
AND
REED SMITH LLP**

THIS AGREEMENT is made and entered into this 1ST day of July, 2020, by and between the BOARD OF ADMINISTRATION FOR THE FEDERATED CITY EMPLOYEES' RETIREMENT SYSTEM (hereinafter "BOARD") and REED SMITH LLP, a Delaware limited liability partnership (hereinafter "ATTORNEY").

THE PARTIES HEREBY AGREE AS FOLLOWS:

SECTION 1. SCOPE OF SERVICES.

ATTORNEY shall perform those services specified in detail in EXHIBIT A, entitled "SCOPE OF SERVICES", which is attached hereto and incorporated herein. The clients for this engagement are the BOARD and the Federated City Employees' Retirement System ("SYSTEM") and not the City of San José ("City"). This AGREEMENT is not intended to nor shall be construed to create an attorney-client relationship between ATTORNEY and City.

SECTION 2. TERM OF AGREEMENT.

Subject to the provisions of SECTION 11, the term of this AGREEMENT shall be from July 1, 2020 through and including June 30, 2025, or until the maximum compensation as set forth herein is exhausted, whichever first occurs.

SECTION 3. SCHEDULE OF PERFORMANCE.

The services of ATTORNEY are to be completed according to the schedule set out in EXHIBIT B, entitled "SCHEDULE OF PERFORMANCE", which is attached hereto and incorporated herein. Time is of the essence in this AGREEMENT.

SECTION 4. COMPENSATION.

The compensation to be paid to ATTORNEY, including both payment for professional services and reimbursable expenses, shall not exceed ONE MILLION DOLLARS (\$1,000,000.00). The rate and schedule of payment is set out in EXHIBIT C, entitled "COMPENSATION," which is attached hereto and incorporated herein.

SECTION 5. METHOD OF PAYMENT.

Each month, ATTORNEY shall furnish to the Secretary of the BOARD at the address for notice set out in SECTION 23, a statement of the work performed for compensation during the preceding month. Such statement shall also include a detailed record of the month's actual reimbursable expenditures.

SECTION 6. INDEPENDENT CONTRACTOR.

It is understood and agreed that ATTORNEY, in the performance of the work and services agreed to be performed by ATTORNEY, shall act as and be an independent contractor and not an agent or employee of BOARD or SYSTEM; and as an independent contractor, ATTORNEY shall obtain no rights to retirement benefits or other benefits which accrue to City's employees, and ATTORNEY hereby expressly waives any claim it may have to any such rights.

SECTION 7. ASSIGNABILITY.

The parties agree that the expertise and experience of ATTORNEY are material considerations for this AGREEMENT. ATTORNEY shall not assign or transfer any interest in this AGREEMENT nor the performance of any of ATTORNEY's obligations hereunder, without the prior written consent of BOARD, and any attempt by ATTORNEY to so assign this AGREEMENT or any rights, duties or obligations arising hereunder shall be void and of no effect.

SECTION 8. INDEMNIFICATION.

ATTORNEY shall defend, indemnify and hold harmless SYSTEM, BOARD, its officers, employees and agents against any claim, loss or liability arising out of or resulting in any way from work performed under this AGREEMENT due to the wrongful acts or omissions of ATTORNEY's officers, employees or agents. The acceptance of said services and duties by SYSTEM or BOARD shall not operate as a waiver of such right of indemnification. Likewise, BOARD and SYSTEM shall indemnify and hold harmless ATTORNEY, its officers, employees and agents against any claim, loss or liability arising out of or resulting in any way from the wrongful acts or omissions of the BOARD and SYSTEM's members, trustees, officers, employees or agents.

SECTION 9. INSURANCE REQUIREMENTS.

ATTORNEY agrees to have and maintain the policies set forth in EXHIBIT D, entitled “INSURANCE,” which is attached hereto and incorporated herein. These requirements are subject to amendment or waiver if so approved in writing by the BOARD. ATTORNEY has provided the Secretary of the BOARD with a copy of certificates of insurance prior to execution of this AGREEMENT and ATTORNEY agrees that copies of all required policies, binders and endorsements must be made available for inspection before payment can be made for services performed under this AGREEMENT.

SECTION 10. NONDISCRIMINATION.

ATTORNEY shall not discriminate, in any way, against any person on the basis of race, sex, color, age, religion, sexual orientation, actual or perceived gender identity, disability, ethnicity, or national origin, in connection with or related to the performance of this AGREEMENT.

SECTION 11. TERMINATION.

- A. The BOARD shall have the right to terminate this AGREEMENT, without cause, by giving not less than seven (7) days' written notice of termination.
- B. If ATTORNEY fails to perform any of its material obligations under this AGREEMENT, in addition to all other remedies provided by law, the BOARD may terminate this AGREEMENT immediately upon written notice.
- C. ATTORNEY shall have the right to terminate this AGREEMENT, with or without cause by giving reasonable notice of termination, subject to Rule 3-700, California Rules of Professional Conduct.
- D. In the event of termination, ATTORNEY shall deliver to the Secretary of the BOARD copies of all reports, documents, and other work performed by ATTORNEY under this AGREEMENT, unless already in BOARD or SYSTEM's possession, and upon receipt thereof, SYSTEM shall pay ATTORNEY for services performed and reimbursable expenses incurred to the date of termination.

- E. In the event of termination, neither the SYSTEM nor BOARD shall be liable for any claims of increased overhead or claims of lost anticipated profits by ATTORNEY.

SECTION 12. GOVERNING LAW.

BOARD, SYSTEM and ATTORNEY agree that the law governing this AGREEMENT shall be that of the State of California.

SECTION 13. COMPLIANCE WITH LAWS.

ATTORNEY shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local governments. Without limiting the generality of the preceding sentence, ATTORNEY shall comply with the provisions of City's Business Tax Ordinance in Chapter 4.76 of the San José Municipal Code.

SECTION 14. CITY ENVIRONMENTAL POLICY COMPLIANCE.

- A. ATTORNEY agrees that, in the performance of this Agreement, ATTORNEY shall perform its obligations under the agreement in conformance with City Council Policy 4-6, Environmentally Preferable Procurement Policy. A description for environmentally preferable procurement and the Policy can be found on the City's website at the following link: <http://www.sanjoseca.gov/esd/natural-energy-resources/epp.htm>.

Environmental procurement policies and activities related to the completion of work will include wherever practicable, but are not limited to:

1. Use of recycled and/or recyclable products in daily operations (i.e. 30, 50, 100% PCW paper, chlorine process free; triclosan free hand cleaner, etc.)
2. Use of Energy Star Compliant equipment.
3. Vehicles and vehicle operations (i.e. Alternative Fuel, Hybrid, etc.)
4. Internal waste reduction and reuse protocol(s).

5. Water and resource conservation activities within facilities, including bans on individual serving bottled water and the use of compostable food service products, etc.
- B. ATTORNEY agrees that in the performance of this AGREEMENT, ATTORNEY shall adhere to the following provisions of City Council Policy 1-19:
1. It is the policy of the City that City's funds should not be used for the purchase of single-serving bottled water.
 2. The following circumstances shall constitute exceptions to City Council Policy 1-19:
 - a. Public safety emergencies, investigations and extended deployments or activation of the Office of Emergency Services.
 - b. High risk of cross-contamination with non-potable water.
 - c. Situations where there are no reasonable alternatives to bottled water, such as large public events and when large quantities of water may need to be distributed for health and safety reasons.
 3. ATTORNEY acknowledges and agrees that an invoice seeking reimbursement from BOARD or SYSTEM for the cost of single-serving bottled water under the exception referenced above in Subsection 2 (c) must be accompanied by a waiver form signed by an authorized signatory for the BOARD.

SECTION 15. CONFIDENTIAL INFORMATION.

All data, documents, discussions or other information developed or received by or for ATTORNEY in performance of this AGREEMENT are confidential and not to be disclosed to any person except as authorized by the BOARD or the Secretary to the BOARD or as required by law.

SECTION 16. OWNERSHIP OF MATERIALS.

All reports, documents or other materials developed or discovered by ATTORNEY or any other person engaged directly or indirectly by ATTORNEY to perform the services required hereunder shall be and remain the property of the BOARD without restriction or limitation upon the BOARD's use.

SECTION 17. WAIVER.

ATTORNEY agrees that waiver by the BOARD of any breach or violation of any term or condition of this AGREEMENT shall not be deemed to be a waiver of any other term or condition contained herein or a waiver of any subsequent breach or violation of the same or any other term or condition. The acceptance by the BOARD of the performance of any work or services by ATTORNEY shall not be deemed to be a waiver of any term or condition of this AGREEMENT.

SECTION 18. ATTORNEY'S BOOKS AND RECORDS.

- A. ATTORNEY shall maintain any and all ledgers, books of account, invoices, vouchers, cancelled checks, and other records or documents evidencing or relating to charges for services, or expenditures and disbursements charged to BOARD for a minimum period of three (3) years, or for any longer period required by law, from the date of final payment to ATTORNEY pursuant to this AGREEMENT.
- B. ATTORNEY shall maintain all documents and records which demonstrate performance under this AGREEMENT for a minimum period of three (3) years, or for any longer period required by law, from the date of termination or completion of this AGREEMENT.
- C. Any records or documents required to be maintained pursuant to this AGREEMENT shall be made available for inspection or audit at no cost to BOARD, at any time during regular business hours, upon written request by the Secretary of the BOARD or a designated representative of the BOARD. Copies of such documents shall be provided to the BOARD for inspection at the BOARD office when it is practical to do so. Otherwise, unless an alternative is mutually agreed upon, the records shall be available at

ATTORNEY's address indicated for receipt of notices in this AGREEMENT.

ATTORNEY acknowledges that under certain circumstances specified in California Government Code Section 8546.7, this AGREEMENT (if it involves an expenditure of \$10,000 or more of public funds) may be subject to examination and audit by the Auditor of the State of California pursuant to California Government Code Section 8546.7.

- D. Where BOARD has reason to believe that such records or documents may be lost or discarded due to dissolution, disbandment or termination of ATTORNEY's business, BOARD may, by written request by any of the above-named officers, require that custody of the records be given to BOARD and that the records and documents be maintained at the offices of the SYSTEM. Access to such records and documents shall be granted to any party authorized by ATTORNEY, ATTORNEY's representatives, or ATTORNEY's successor-in-interest.

SECTION 19. CONFLICT OF INTEREST.

ATTORNEY shall avoid all conflict of interest or appearance of conflict of interest in performance of this AGREEMENT. ATTORNEY's employees assigned to perform services as specified in EXHIBIT A of this AGREEMENT ("ATTORNEY's Assigned Employees") shall file Assuming Office Disclosure Statements of Economic Interests (Form 700) as specified in EXHIBIT E, entitled "DISCLOSURE STATEMENT", which is attached hereto and incorporated herein. Such statement shall be filed within thirty (30) days of the date of this AGREEMENT and annually thereafter by the first of April. Upon termination of this AGREEMENT, ATTORNEY shall file a Leaving Office Disclosure Statement of Economic Interest.

SECTION 20. GIFTS.

- A. ATTORNEY is familiar with BOARD's prohibition against the acceptance of any gift, which prohibition is found in Chapter 12.08 of the San Jose Municipal Code.
- B. ATTORNEY agrees not to offer any BOARD member, officer or designated employee any gift prohibited by said Chapter.

C. The offer or giving of any gift prohibited by Chapter 12.08 shall constitute a material breach of this AGREEMENT by ATTORNEY. In addition to any other remedies BOARD may have in law or equity, BOARD may terminate this AGREEMENT for such breach as provided in SECTION 11 of this AGREEMENT.

SECTION 21. DISQUALIFICATION OF FORMER EMPLOYEES.

ATTORNEY is familiar with the provisions relating to the disqualification of former officers and employees of BOARD in matters which are connected with former duties or official responsibilities as set forth in Chapter 12.10 of the San Jose Municipal Code (“Revolving Door Ordinance”). ATTORNEY shall not utilize either directly or indirectly any officer, employee, or agent of ATTORNEY to perform services under this AGREEMENT, if in the performance of such services, the officer, employee, or agent would be in violation of the Revolving Door Ordinance.

SECTION 22. SPECIAL PROVISIONS.

Special provisions, if any, to this AGREEMENT are specified in EXHIBIT F, entitled, “SPECIAL PROVISIONS”, which is attached hereto and incorporated herein.

SECTION 23. NOTICES.

All notices and other communications required or permitted to be given under this AGREEMENT shall be in writing and shall be personally served or mailed, postage prepaid and return receipt requested, addressed to the respective parties as follows:

To BOARD and SYSTEM:

Secretary of the Board of Administration
Federated City Employees’ Retirement System
1737 North First Street, Suite 600
San José, CA. 95112

To ATTORNEY:

Reed Smith LLP
Attn: Harvey L. Leiderman
101 Second Street
Suite 1800
San Francisco, CA 94105

Notice shall be deemed effective on the date personally delivered, received by electronic mail or, if mailed, three (3) days after deposit in the mail.

SECTION 24. VENUE.

In the event that suit shall be brought by either party to this contract, the parties agree that venue shall be exclusively vested in the state courts of the County of Santa Clara, or if federal jurisdiction is appropriate, exclusively in the United States District Court, Northern District of California, San Jose, California.

SECTION 25. INTERPRETATION, PRIOR AGREEMENTS AND AMENDMENTS.

This AGREEMENT, including all Exhibits attached hereto, represents the entire understanding of the parties as to those matters contained herein. In the event that the terms specified in any of the Exhibits attached hereto conflict with any of the terms specified in the body of this AGREEMENT, the terms specified in the body of this AGREEMENT shall control. No prior oral or written understanding shall be of any force or effect with respect to those matters covered hereunder. This AGREEMENT may be modified only by a written amendment duly executed by all parties signatory to this AGREEMENT.

WITNESS THE EXECUTION HEREOF on the day and year first hereinabove written.

“BOARD” and “SYSTEM”

“ATTORNEY”

BOARD OF ADMINISTRATION FOR THE
FEDERATED CITY EMPLOYEES’
RETIREMENT SYSTEM

REED SMITH LLP, a Delaware limited
liability partnership

By Roberto L. Peña

By Harvey L. Leiderman

ROBERTO L. PEÑA

Name: HARVEY L. LEIDERMAN

BOARD Secretary

Title: Partner

EXHIBIT A
SCOPE OF SERVICES

ATTORNEY shall provide the following legal services to the Federated City Employees' Retirement System ("SYSTEM") and its Board of Administration ("BOARD"):

I. General and Fiduciary Counsel Legal Advisory and Litigation Services.

ATTORNEY shall provide the following services:

- A. At the request and under the direction of BOARD or Secretary to the BOARD (i) Review agendas and BOARD packets, attend all meetings and select committee meetings; provide verbal and written legal advice to BOARD and Department of Retirement Services staff on all legal issues affecting the SYSTEM and coordinate legal service provided by all other outside counsel retained by the BOARD; (ii) review all resolutions; prepare or review disability denial resolutions; review and prepare consultant and miscellaneous contracts; (iii) present legal opinions concerning benefits and investment transactions; (iv) assist in a variety of corporate governance matters, including legal research, analysis, advice, and counsel with respect to corporate and securities laws in connection with corporate governance initiatives; (v) provide legal opinions on fiduciary duties; (vi) assist in the communication of concerns involving pension fund issues to trustees, staff, consultants, advisors and other parties, including testifying before or responding to elected or appointed officials in the legislative and executive branches of the government; and represent the BOARD and SYSTEM in litigation.
- B. Representation of BOARD and SYSTEM in litigation matters as requested by BOARD. Such litigation representation shall include pretrial discovery; preparation of pleadings; appearances at discovery proceedings, law and motion hearings, hearings on orders to show cause, trials, where applicable, administrative hearings; legal research and preparation for hearings; assistance to BOARD in settlement evaluations and negotiations, and obtain approval from the BOARD before making or accepting any settlement offer.

2. Investment Legal Advisory and Litigation Services:

At the request of the BOARD or the Secretary to the BOARD, ATTORNEY shall provide legal services in accordance with this AGREEMENT in connection with the Board's investment portfolio. Such services shall include, but are not limited to:

- A.. Negotiation and drafting of agreements for investment management services including but not limited to reviewing all investment documents, preparing a matrix summarizing the results of such review, consulting with Secretary of BOARD on the results of such review, requesting and reviewing additional information, preparing and negotiating a side letter for the benefit of SYSTEM, negotiating any changes to underlying investment documents and assisting with subscription documents.

- B Representation of SYSTEM in litigation matters, in connection with the portfolio investments. Such litigation representation shall include pretrial discovery; preparation of pleadings; appearances at discovery proceedings, law and motion hearings, hearings on orders to show cause, trials, where applicable, administrative hearings; legal research and preparation for hearings; assistance to BOARD in settlement evaluations and negotiations, and obtain approval from the Board before making or accepting any settlement offer. This representation shall not include representing BOARD or SYSTEM in any proceeding in which their interests are represented in a putative or certified plaintiff's case.

3. Tax Legal Advisory and Litigation Services:

At the request of the BOARD or the Secretary to the BOARD, ATTORNEY shall provide legal services in accordance with this AGREEMENT in connection with the Board's federal tax issues. Such services shall include, but are not limited to:

At the request and under the direction of BOARD or Secretary to the BOARD (i) Provide advice on compliance with federal tax laws and regulations; (ii) advise BOARD on all changes and proposed changes in federal e-tax laws and regulations that may affect the SYSTEM, Health Care Trust or Plan; and (iii)

represent the BOARD and/or SYSTEM in tax litigation. ATTORNEY shall coordinate with the attorney or firm selected to provide General Counsel Legal Advisory and Litigation Services.

EXHIBIT B

SCHEDULE OF PERFORMANCE

Except as may be approved by the BOARD Secretary, the Attorney Representative designated in Exhibit F, or such substitute as may be approved by the BOARD and BOARD Secretary, shall attend at least eleven (11) regularly scheduled monthly BOARD meetings per year and one of the individuals named in Revised Exhibit C, or such substitute as may be approved by the BOARD Secretary, shall attend or participate by conference call in eleven (11) regularly scheduled monthly agenda review meetings per year. As of the date of execution of this AGREEMENT, the regularly scheduled monthly BOARD meetings are held on the first Thursday of each month, beginning at 8:30 a.m., except that no meeting is held in July; and a regularly scheduled monthly agenda review meeting is held nine (9) days before each regularly scheduled BOARD meeting. It is understood that the meeting schedule may change during the term of this AGREEMENT. ATTORNEY shall also provide appropriate representation for BOARD and SYSTEM at non-regularly scheduled BOARD meetings, upon reasonable advance request from the BOARD or BOARD Secretary. All other services shall be performed on an ongoing basis at the request of BOARD or BOARD Secretary. The estimated time for completion is June 30, 2025.

EXHIBIT C
COMPENSATION

A. The SYSTEM agrees to compensate ATTORNEY for professional services and expenses incurred in connection with BOARD agenda review, preparation and partner attendance at up to eleven (11) BOARD meeting(s) per year and provision of up to ten (10) hours per month legal services, the amount of TEN THOUSAND THREE HUNDRED FIFTY DOLLARS (\$10,350.00) per month, commencing July 1, 2020 for FY 20-21. The fixed fee amount will increase on July 1 of each fiscal year thereafter by 3% per annum through FY 24-25.

The ten (10) hours per month of legal services included in the above referenced monthly fee may include any or all of the following:

1. Any hours over five (5) hours in attendance at the regular monthly BOARD meeting;
2. Attendance at any extra Board, Committee or other meetings in addition to the regular monthly BOARD meeting;
3. Preparation of special presentations requested by the BOARD;
4. Any other work aside from general meeting preparation and agenda review;
5. Travel time to meetings, calculated at the rate of ½ the regular hourly rate.

B. For all professional services performed in accordance with the terms and conditions of this AGREEMENT in excess of those covered by A. above, the SYSTEM agrees to compensate ATTORNEY at the hourly rates listed below, commencing July 1, 2020 for FY 20-21. The hourly rates will increase each fiscal year thereafter by 3% per annum through FY 24-25. Services include travel time, to be charged at ½ the regular hourly rates.

Partner	\$675
Counsel	620
Associate	565

C. For all professional services performed in accordance with the terms and conditions of this AGREEMENT in excess of those covered by A. above, the SYSTEM shall reimburse ATTORNEY for actual out-of-pocket costs and expenses reasonably incurred in connection with providing to SYSTEM the services, including, but not limited to, the following:

Costs & Expenses	
Service	Charge
Outgoing Faxes	<i>From a fax machine:</i> \$1/p U.S./£1/p UK <i>From a desktop:</i> Long distance charges
Copy/Scan/Print	<i>Black/White:</i> 15¢/p U.S./£0.25/p UK <i>Color:</i> \$1/p U.S./£1/p UK
Telephone	Actual long distance charges on Firm systems and on Firm or other calling cards
Courier/Overnight Services	Actual charges incurred
Postage	Actual charges incurred
Electronic Research	Actual charges incurred
In-House Video Conferencing	Actual cost of call plus \$15 (£25)/hr for technical support
Third Party Conference Calls	Actual invoiced cost
Technology Support	Hourly rate for technician time plus all direct costs
Overtime	Actual charge incurred when overtime is warranted
Third Party Services such as: transcripts, title searches, title insurance, filing and recordation fees and taxes, and other transaction-related disbursements, such as expert witnesses and consultants and investigators.	Items over \$1,000 are typically sent directly to client for payment. Otherwise, costs for such services are billed to clients at actual invoiced cost.
Data Hosting	Actual charges incurred

D. The maximum amount of compensation to be paid to ATTORNEY under this AGREEMENT, including both payment for professional services and reimbursable expenses, shall not exceed ONE MILLION DOLLARS (\$1,000,000.00). Any hours worked for which payment would result in a total exceeding the maximum amount of compensation set forth herein shall be at no cost to SYSTEM or BOARD. ATTORNEY may cease providing services that would cause the maximum amount of compensation to be exceeded.

EXHIBIT D
INSURANCE

ATTORNEY, at ATTORNEY's sole cost and expense, shall procure and maintain for the duration of this AGREEMENT insurance against claims for injuries to persons or damages to property which may arise from, or in connection with, the performance of the services hereunder by ATTORNEY, its agents, representatives, employees or subcontractors.

A. Minimum Scope of Insurance

Coverage shall be at least as broad as:

1. The coverage provided by Insurance Services Office Commercial General Liability coverage ("occurrence") Form Number CG 0001; and
2. The coverage provided by Insurance Services Office Form Number CA 0001 covering Automobile Liability. Coverage shall be included for all owned, non-owned and hired automobiles; and
3. Workers' Compensation insurance as required by the California Labor Code and Employers Liability insurance; and
4. Professional Liability Errors & Omissions for all professional services.

There shall be no endorsement reducing the scope of coverage required above unless approved by the BOARD Secretary..

B. Minimum Limits of Insurance

ATTORNEY shall maintain limits no less than:

1. Commercial General Liability: \$1,000,000 per occurrence for bodily injury, personal injury and property damage. If Commercial Liability Insurance or other form with a general aggregate limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit; and
2. Automobile Liability: \$1,000,000 combined single limit per accident for bodily injury and property damage; and
3. Workers' Compensation and Employers Liability: Workers' Compensation limits as required by the California Labor Code and Employers Liability limits of \$1,000,000 per accident; and
4. Professional Liability Errors & Omissions \$10,000,000 per occurrence/ aggregate limit.

C. Deductibles and Self-Insured Retentions

Any deductibles or self-insured retentions must be declared to, and approved by the Secretary to the BOARD. If there is any increase in any deductible or self insured retention after approval by THE Secretary to the BOARD, notice shall be given to the Secretary, and at the option of the BOARD, this AGREEMENT may be terminated if the insurer does not reduce or eliminate such deductibles or self-insured retentions as respects the SYSTEM, its officers, employees, agents and contractors or ATTORNEY does not procure a bond guaranteeing payment of losses and related investigations, claim administration and defense expenses in an amount specified by the BOARD.

D. Other Insurance Provisions

The policies are to contain, or be endorsed to contain, the following provisions:

1. Commercial General Liability and Automobile Liability Coverages
 - a. ATTORNEY's insurance coverage shall be primary insurance as respects SYSTEM, its officers, employees, agents and contractors. Any insurance or self-insurance maintained by the SYSTEM, its officers, employees, agents or contractors shall be excess of ATTORNEY's insurance and shall not contribute with it.
 - b. Any failure to comply with reporting provisions of the policies by ATTORNEY shall not affect coverage provided the SYSTEM, its officers, employees, agents, or contractors.
 - c. Coverage shall state that ATTORNEY'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.
 - d. Coverage shall contain a waiver of subrogation in favor of the SYSTEM, its officers, employees, agents and contractors.
2. Commercial General Liability

The SYSTEM, its officers, employees, agents and contractors are to be covered as additional insureds as respects: Liability arising out of activities performed by or on behalf of, ATTORNEY; products and completed operations of ATTORNEY; premises owned, leased or used by ATTORNEY; and automobiles owned, leased, hired or borrowed by ATTORNEY. The coverage shall contain no special limitations on the scope of protection afforded to the SYSTEM, its officers, employees, agents and contractors.

3. Workers' Compensation and Employers' Liability

Coverage shall contain waiver of subrogation in favor of the SYSTEM, its officers, employees, agents and contractors.

4. All Coverages

Each insurance policy required by this AGREEMENT shall be endorsed to state that coverage shall not be suspended, voided, cancelled, or reduced in limits except after thirty (30) days' prior written notice has been given to CITY, except that ten (10) days' prior written notice shall apply in the event of cancellation for nonpayment of premium.

E. Acceptability of Insurers

Insurance is to be placed with insurers acceptable to the Secretary to the BOARD. Notice shall be given to the Secretary of any change in carrier and at the option of BOARD, this Agreement may be terminated if the change in carrier is not acceptable to the Secretary.

F. Verification of Coverage

ATTORNEY shall furnish the SYSTEM with certificates of insurance, including the additional insured endorsements required by this AGREEMENT, and other original endorsements, binders and riders affecting coverage required by this AGREEMENT, to the extent that such endorsements binders and riders do not identify ATTORNEY's other client(s) by name. The required certificates and endorsements for each insurance policy are to be signed by a person authorized by that insurer to bind coverage on its behalf. To the extent that other original endorsements, binders and riders affecting coverage required by this AGREEMENT identify ATTORNEY's other client(s) by name, ATTORNEY agrees to provide original endorsements, binders and riders affecting coverages to CITY's risk manager for inspection.

G. Subcontractors

ATTORNEY shall include all subcontractors as insureds under its policies or shall obtain separate certificates and endorsements for each subcontractor.

EXHIBIT E

DISCLOSURE STATEMENT

ATTORNEY Assigned Employees, as designated below, shall file with a disclosure statement (Statement of Economic Interests -- Form 700) which includes disclosure of the following:

1. Schedule A - 1 -- Investments.
2. Schedule A - 2 -- Investments, Income and Assets of Business Entitles/Trusts.
3. Schedule B -- Interests in Real Property.
4. Schedule C -- Income and Business Positions.
5. Schedule D -- Income - Loans.
6. Schedule E -- Income - Gifts.
7. Schedule F -- Income - Gifts; Travel Payments, Advances and Reimbursements.

ATTORNEY Assigned Employees are: Harvey L. Leiderman and Jennifer G. Kregel.

Reportable investments, real property interests, income and business positions are limited to persons, business entitles, or other sources related or connected with any investment in, or under consideration for acquisition or disposition from, the BOARD's investment portfolio, the BOARD's investment advisors, and other service providers

and vendors to the BOARD disclosed to ATTORNEY . Any of the above-listed interests shall be disclosed by ATTORNEY Assigned employees.

The disclosure statements shall be filed with the City Clerk, City of San José, 200 East Santa Clara Street, 2nd Floor Wing, San José, CA 95112.

EXHIBIT F

SPECIAL PROVISIONS

- A. ATTORNEY's representative for this AGREEMENT will be Harvey Leiderman (Attorney Representative.) Attorney Representative will be responsible for ATTORNEY's day-to-day activities under this Agreement; and, except as otherwise agreed on by BOARD or the Secretary to BOARD, Attorney Representative or his designee shall attend all regularly scheduled BOARD meetings. Attorney Representative will be ATTORNEY's representative with respect to the administration of this Agreement and Attorney Representative will, on a regular basis, interface with and report to the Secretary of the BOARD so as to keep such individuals fully apprised and up to date on the status of the ATTORNEY services being performed.
- B. Attorney Representative may only be replaced with prior written approval of the BOARD, except in the event that an individual is being replaced due to the termination of all of such individual's affiliations with ATTORNEY, its Affiliates and Associates. ATTORNEY will promptly notify the SYSTEM any decision on its part to replace the Attorney Representative, or any notice by the Attorney Representative of his or her intention to terminate his or her relationship with the ATTORNEY, and of any request by Attorney Representative that he or she be replaced.
- C. Attorney Representative is fully authorized to act on behalf of and to receive communications on the part of ATTORNEY.
- D. Promptly upon request by the BOARD, ATTORNEY will remove any of ATTORNEY's personnel who are determined by the BOARD or City Attorney not to be effectively carrying out the responsibilities of this Agreement from any further responsibility for performing duties under this Agreement. Notwithstanding the above, ATTORNEY will at all times have complete responsibility and authority with respect to the supervision and direction of its personnel.

- E. During the term of this AGREEMENT, no attorney employee of ATTORNEY shall represent persons with interest adverse to the BOARD or SYSTEM in any matter involving the BOARD or SYSTEM, without the consent of BOARD.

- F. It shall not be a conflict of interest for attorney employees of ATTORNEY to represent persons who may have interest adverse to the BOARD or SYSTEM, in matters wholly unrelated to the BOARD or SYSTEM, provided that ATTORNEY has provided advance written notice of such representation to the Secretary of BOARD and the Secretary of BOARD has not objected in writing to such representation on conflict of interest grounds within fourteen (14) days following the provision of such notice. By way of illustration, attorney employees of ATTORNEY may represent an investment manager that happens to be performing services for SYSTEM, in matters not substantially related to the interest of SYSTEM unless the Secretary of BOARD timely objected in writing to such representation on conflict of interest grounds.

- G. It shall not be a conflict of interest for attorney employees of ATTORNEY to represent persons who may have interests adverse to CITY, provided that the individual attorneys assigned to perform services under this AGREEMENT are subject to a formal, internal ethical wall established by ATTORNEY preventing them from communicating with attorneys handling such adverse matter and vice versa.

- H. It is the intent of the Parties that Section 8, Indemnification, not result in any loss or limit of insurance coverage that would otherwise be available in the event of a professional error or omission or willful or negligent act by Reed Smith. The intent of Section 8 is that Reed Smith shall not be relieved of any obligation or liability to the SYSTEM or BOARD by virtue of the fact that a claim for professional negligence made by the SYSTEM or BOARD is within Reed Smith's self-insured retentions or is not covered by Reed Smith's insurance.