

City and Borough of Sitka, Alaska  
PERMANENT FUND INVESTMENT MANAGER CONTRACT

**CITY AND BOROUGH OF SITKA**

**PROFESSIONAL SERVICES AGREEMENT**

**Date: May 18, 2015**

THIS AGREEMENT made effective on the above-written date between CITY AND BOROUGH OF SITKA hereinafter "City" and ALASKA PERMANENT CAPITAL MANAGEMENT, hereinafter "Investment Manager."

1. Service of Investment Manager

- (a) This agreement is for professional services to the City. The Investment Manager shall perform the professional services described in RFP - Permanent Fund Investment Manager, which is incorporated by reference and made a part hereof. The Manager shall act as the City's fiduciary, responsible for providing investment services to the City and Borough of Sitka for such funds as may be designated by the City. The Manager will manage and invest the Fund's assets in compliance with the City's investment policies. Investment policies will be adhered to without exception. The performance of the Manager will be measured against such benchmarks designated by the Sitka Investment Advisory Committee.
- (b) The Investment Manager shall at the Investment Manager's own expense furnish to the City a copy of all information requested by the City for review of the Investment Manager's services while in progress.
- (c) The City shall provide the Investment Manager access in a timely manner, to such records, personnel, and other items necessary for the Investment Manager to perform the services under this contract.

2. Compensation

The City shall compensate the Investment Manager for its services in the amounts and in the manner set forth below. Annual fees will be billed and paid monthly based on month-end market value (determined by custodian). Any rebates, commissions, bonus or other compensation paid to Manager by third parties related to management of this account shall be identified and remitted monthly for deposit in the Fund.

Portfolio Market Value (PMV)		Multiply	Basis Points	Equals	Management Fee
PMV up to	\$ 10,000,000	X	25	=	\$ 25,000
PMV on the next	\$ 10,000,000	X	20	=	\$ 20,000
PMV on the next	\$ Thereafter	X	10	=	\$ 3,067
<b>Total Management Fee</b>					<b>\$ 48,067</b>

3. General Provisions

- (a) Independent Contractor. The Investment Manager is an independent contractor. It is neither an employee, partner nor joint venture with the City.
- (b) No Assignment. The Investment Manager may neither assign this agreement or any rights thereunder nor delegate any of its duties without first obtaining the written consent of the City.
- (c) Insurance. The Investment Manager shall procure and maintain insurance coverage in such amounts, with such deductible and for such period of time as set forth in the RFP-Permanent Fund Investment Manager. The Investment Manager shall provide to the City, upon request, certificates indicating such insurance is in effect. The insurance shall be in effect upon the date of execution of this agreement and shall be effective through the term of this agreement.
- (d) Indemnity. To the fullest extent permitted by law, the Investment Manager shall indemnify, defend and hold harmless the City and its employees from and against all claims, damages, losses and expenses, including but not limited to attorneys' fees, caused in whole or in part by any negligent act or omission of the Investment Manager, any subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts they may be liable, regardless of whether or not it is caused in part by a party indemnified hereunder. The Investment Manager will not be liable to the City, its agents or employees from any damages due to failure of the City, its assets or employees to give the Investment Manager directions, instructions or information. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith and therefore nothing herein shall in any way constitute a waiver or limitation of any rights which the undersigned may have under federal securities laws.
- (e) Ownership of Documents. All work products prepared by the Investment Manager in fulfilling its duties under this agreement shall be and remain the property of the City and the City shall have the right to use such products for any purpose without any further claim on the part of the Investment Manager for additional compensation. In the event that the City uses the Investment Manager's work products for other than this project, the City hereby agrees to

hold the Investment Manager harmless from any claims arising therefrom. The Investment Manager may retain a copy of any work product prepared by the Investment Manager in fulfilling its duties under this agreement for the Investment Manager's records.

- (f) Inspection. The City may, at reasonable times, inspect the Manager's facilities and activities that are related to the performance of this contract, and audit the Manager's services to determine whether they conform to the Manager's contract requirements.
- (g) Termination. The City may terminate this agreement in whole or in part whenever the City determines that such termination is in its best interest. Such termination shall be effected by personal delivery or by sending to the Investment Manager by certified mail notice of termination specifying the extent to which performance of work under this agreement is terminated. In the event of any termination, the Investment Manager shall be paid for services rendered to the date of termination.
- (h) Law and Venue. This agreement shall be governed by the laws of the State of Alaska. Venue for any legal proceeding relating to this contract shall be Sitka, Alaska.
- (i) Term. This agreement is for a five year term and shall commence on June 1, 2015, and shall end on June 1, 2020, and may be terminated at will by either party with a 30 day notice.
- (j) Notice. Unless otherwise provided herein, any notices or other communications required or permitted by this agreement to be delivered to the City or the Investment Manager shall be in writing and shall be considered delivered when personally delivered to the party to whom it is addressed, or in lieu of such personal delivery, when deposited in the United States mail, first-class, postage prepaid, addressed to the City or the Investment Manager at the address set forth below:

**City and Borough of Sitka  
Attn: John P. (Jay) Sweeney III  
Chief Financial and Administrative Officer  
100 Lincoln Street  
Sitka, Alaska 99835**

**Alaska Permanent Capital Management  
Evan Rose  
Chief Executive Officer  
900 W 5<sup>th</sup> Avenue  
Anchorage, AK 99501**

- (k) Entire Agreement. This agreement constitutes the entire agreement between the City and the Investment Manager. It supersedes all prior oral and written

understandings and agreements. It may be amended, supplemented, modified or canceled only by a duly executed written instrument. It shall bind the City and the Investment Manager, its successors, executors, administrators, assigns and legal representatives.

- (l) Benefits. Nothing contained in this agreement shall be construed to give any rights or benefits hereunder to anyone other than to the City and to the Investment Manager.
- (m) Consultants. The City reserves the right to enter into separate agreements directly with any Investment Manager for any services.

**City and Borough of Sitka**  
100 Lincoln Street  
Sitka, Alaska 99835

By:   
Mark Gorman, Municipal Administrator

Date: May 11 2015

**Alaska Permanent Capital Management**  
900 W 5<sup>th</sup> Avenue  
Anchorage, AK 99501

By:   
Evan Rose, Chief Executive Officer

Date: 5/27/15

ATTEST:

  
Sara Peterson, CMC, Municipal Clerk

Date: 5-19-15

APPROVED AS TO FORM:

  
Robin Koutchak, Municipal Attorney

Date: 5/19/15