



INVESTMENT
MANAGERS

MANAGEMENT AGREEMENT

C. S. McKee, L. P.
One Gateway Center
Pittsburgh, Pennsylvania 15222
(412) 566-1234

CITY OF GREENSBURG
Police Pension Fund
416 South Main Street
Greensburg, PA 15601
(724) 838-4324

The undersigned (Client) hereby employs C. S. McKee, L. P. (McKee) as Investment Advisor for the above (Account) on the following terms and conditions:

1. **Authority.** McKee will have discretionary power and authority to supervise and direct the Account investments (subject to written limitations imposed by Client) including buy, sell, exchange, convert or otherwise trade in any bonds or other fixed income securities, stocks and liquid reserves.
2. **Services.** McKee agrees to supervise and manage with respect to Account investments in accordance with the written Investment Plan's objectives, policies, and guidelines. McKee will render computerized reports showing the status of the Account on a quarterly basis.
3. **Confidential Relationship.** All related information and advice furnished by either party shall be treated as confidential and shall not be disclosed to third parties except as required by law.
4. **Service to Other Clients.** McKee performs investment advisory services for various clients. McKee may give advice and take action with respect to any of its other clients which may differ from advice given or the timing or nature of action taken with respect to the Account. McKee's policy is to allocate investment opportunities to the Account over a period of time on a fair and equitable basis relative to other clients. It is understood that McKee shall not have any obligation to purchase or sell, or to recommend for purchase or sale, for the Account any securities which McKee, its principals, affiliates or employees may purchase or sell for its own or their own accounts or for the account of any other client if, in the opinion of McKee, such transaction or investment appears unsuitable, impractical or undesirable for the Account.
5. **"Inside" Information.** McKee shall have no obligation to seek any material non-public ("inside") information about any issuer of securities, or to purchase, sell or recommend the securities of any issuer on the basis of any such information as may come into its possession.
6. **Proxy Policy.** The objective of our proxy voting process is to enhance shareholder value and thereby maximize the long-term investment performance of our clients' portfolios.

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7. **Fees.** McKee's compensation for its services under this Agreement shall be calculated and paid in accordance with the agreed upon Fee Schedule (see attached Schedule A), which may be amended by McKee upon thirty (30) days' notice. In computing the market value for any investment of the Account, each security listed on any national securities exchange shall be valued at the last quoted sale price on the valuation date. Any other security or asset shall be valued in a manner determined in good faith by McKee to reflect its fair market value. McKee's annual compensation shall be determined as above and shall not include any compensation based on a share of capital gains of the Client's fund or any portion thereof.
8. **Payment of Fee.** The fee is payable at the end of each calendar quarter for the next three month period. Each quarter's fee charge is based upon the most recent market value report.
9. **Investment Objectives and Restrictions.** It will be the Client's responsibility to advise McKee of the investment objectives for the Account and of any modifications, as well as any specific investment restrictions, and to give McKee prompt, written notice if any investments recommended or made for the Account are in violation of such objectives or restrictions.
10. **Termination/Assignment.** During the first five (5) days, this agreement can be terminated by either party giving to the other written notice of such termination without the client incurring any fee charge. Thereafter, this agreement may be terminated at any time by either party giving to the other written notice of such termination. No assignment, as that term is defined in the Investment Advisors Act of 1940, of this Agreement shall be made by McKee without written consent of the undersigned.
11. **Transactions.** McKee may execute transactions through brokers who furnish custodial services, appropriate commission discounts, statistical research or other information or services which enhance McKee's ability to manage clients' accounts.
12. **Retirement Board/Trustees/Corporation.** The Client represents and confirms that the employment of McKee is authorized by the governing documents relating to the Account and that the terms hereof do not violate any obligation by which the Client is bound. As a Retirement Board, Trust, Corporation or other legal owner of the managed assets, (a) this Agreement has been duly authorized by appropriate action and when executed and delivered will be binding upon the Client in accordance with its terms, and (b) the Client will deliver to McKee evidence of authority as required, including a certified resolution or other documentation.
13. **Notices.** Unless otherwise specified herein, all notices, instructions and advice with respect to security transactions or any other matters contemplated by this Agreement shall be deemed duly given when received in writing by either party.

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14. **Representations and Warranties.** McKee represents and warrants to the Client that it is registered as an investment advisor under the Investment Advisors Act of 1940. McKee acknowledges that, with respect to Account assets, it is a fiduciary within the meaning of the Employee Retirement Income Security Act of 1974, (the "Act"). McKee will furnish to the client from time to time such evidence as the client may reasonably request that it meets the requirements of an "investment manager" as defined in Section 3 (38) of the Act or any successor provision thereto.
15. **Form ADV-Part II.** Under Rule 204-3 of the Investment Advisors Act of 1940, a client (new or existing) entering into a contract with an investment advisor must be furnished with, and acknowledge receipt of, Form ADV-Part II. This document is attached hereto and your acknowledgment of its receipt is recognized upon the endorsement of this Agreement.

**CITY OF GREENSBURG
Police Pension Fund**

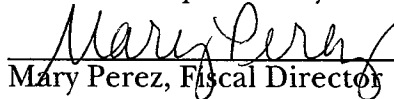
By:



Thomas E. Sphon, City Manager

10-16-02

Date




Mary Perez, Fiscal Director

10-16-02

Date

C. S. McKee, L.P.



Eugene M. Natali, President

10/15/02

Date

SCHEDULE A



FEE SCHEDULE

City of Greensburg Police Pension Fund

BALANCED FUND – PUBLIC FUNDS

0.75% on the first \$5 million

0.40% on the next \$10 million

0.25% on any amounts thereafter