

MEMORANDUM

June 3, 2012

TO: Blake Thomas

FROM: David Levine

RE: NC Supplemental Retirement Plans - Legal Counsel Fee Estimates/Proposals

This memorandum details the flat rate fee estimates/proposals we discussed over the last several months. The flat fee proposals contained in this memo are subject to formal approval of our Executive Committee. If you have any questions or comments, please let me know.

A. Fiduciary Training for Staff and Board Members

Activity: We would prepare and conduct a day of training in Raleigh, NC comprised of two sessions. The first session (*i.e.*, a morning session), to be led by Ian Lanoff would be focused on public plan governance and fiduciary duties, including best practices (*i.e.*, key documents and processes to have), "hot topic" issues, and key issues for defined contribution plan fiduciaries. This session would be "Board focused" but designed for both the Board and staff.¹ The second session (*i.e.*, an afternoon session), would be led by me and Alex Ryan to discuss defined contribution plan administrative issues, vendor process issues, and investment manager process and diligence. We understand that future periodic training would also be considered.

¹ As we discussed, at your and the Board's discretion, we understand that members of other Boards might also be invited.

Cost: We would prepare for and provide this training for a flat rate of \$9,250 (which includes all prep-time, travel, and presentation time for all three of us).

B. Attendance at Quarterly Investment and Subcommittee and Board Meetings

Activity: We would attend the Investment Subcommittee and Board meetings (for a combined total of 8 meetings per year). We would expect that at least one Groom attorney would be in attendance and others could be available on the phone as appropriate. We understand that the meetings are approximately 3 hours in length and that there will be pre-meeting calls in the 3-4 hour range per meeting.

Cost: As requested, we have prepared three cost iterations as set forth below. The cost projections are on a per meeting basis. In each case, we would propose to charge reasonable travel costs for one attorney but any additional attorneys, if any, traveling would have their travel cost carried by the firm.

- *No Minutes.* Groom attorneys would not complete minutes for meetings. We would propose a flat rate of \$5,750.
- *Review of Minutes.* Groom attorneys would not prepare but would review meeting minutes. We would propose a flat rate of \$6,750.
- *Drafting of Minutes.* Groom attorneys would record, prepare and review meeting minutes with staff. We would propose a flat rate of \$8,500.

In addition, for each three meetings attended, we would waive the fees for attending the fourth meeting in the series. We would propose jointly reevaluating this fee structure after a twelve month period.