ADMINISTRATIVE SUPPORT SERVICE AGREEMENT

AGREEMENT made this 15th day of December, 2022, between the **VLCT Property and Casualty Intermunicipal Fund (PACIF), Inc.**, a non-profit corporation, duly organized and validly existing under the laws of the State of Vermont and having a principal place of business in Montpelier, Vermont (hereinafter referred to as the **"Trust"**), and the Vermont League of Cities and Towns, an unincorporated association, duly organized and validly existing under the laws of the State of Vermont and having a principal office in Montpelier, Vermont (hereinafter referred to as the **"League"**):

RECITALS:

1. The Trust has determined that the need exists to acquire and provide certain administrative, financial, investment, and management services to the Trust and for the benefit of political subdivisions which participate in the Trust;
2. The Trust finds it will be a more efficient use of the Trust's resources and will provide for more economical operation of the Trust to contract for the aforementioned services as opposed to providing said services itself.
3. The Trust has found that the League is qualified by reasons of ability and experience to provide said services for the Trust; and
4. The League is authorized by its Board of Directors to enter into a contract and stands available to provide said services to the Trust:

AGREEMENT:

NOW, THEREFORE, in consideration of the mutual covenants and conditions contained in this Agreement, the Trust and the League hereby agree as follows:

1. Services. The following services shall be rendered by the League under this Agreement:

A. Preparation of an annual budget for the Trust, including sums for consultant and contractual services, which budget shall be presented to and acted upon by the Trust each year.

B. Procurement of and maintenance of any insurance deemed necessary and prudent by the League to facilitate the operation of the programs of the Trust.

C. Provide marketing of the benefits and programs and other services provided by the Trust to those persons and entities eligible to participate in such program.

D. Preparation, dissemination, and filing of all memoranda, notices, minutes, reports, correspondence, or other materials pertinent and necessary to the conduct of the affairs of the Trust.

E. Preparation and presentation of quarterly financial reporting as well as other relevant or requested, or required financial analyses and regulatory compliance reporting.

F. Arrangements of all meetings, conferences, seminars, and other convocations necessary or desirable to the conduct of the affairs of the Trust.

G. Maintenance of an office for the conduct of the affairs of the Trust and provision of equipment and supplies, including secure IT infrastructure, mailing, photocopying, telephone, reproduction, and other office support services normally utilized in the course of business. Said office support services shall be provided through utilization of the League's office equipment but shall not include office furniture, filing equipment, and ancillary equipment owned directly by the Trust.

H. Provision of all supervisory, professional technical, staff support, and financial management services not otherwise contracted for by the Trust and necessary to the conduct of the affairs of the Trust, including but not limited to:

1. Computations, rendering, and collection of bills to participants.

2. Collection, deposit, investment, and disbursement of all funds.

3. Receipt and process of and responses to, if required, all correspondence and other inquiries directed to the Trust.

4. Provision, on behalf of the Trust and in cooperation with others, of information about the Trust to members, potential members, and other interested parties.

5. Review and analysis of and response to, if authorized by the Trust, any Federal or State legislative or administrative proposals affecting the Trust, its members, or its purpose.

6. Provision of liaison with and oversight and evaluation of all other contractors and consultants performing services for the Trust.

7. Assistance to the Trust in the identification and retention of any contractual or consultant services necessary to the conduct of the Trust.

8. Assistance to the Trust in the establishment and maintenance of effective relationships with regulatory agencies, including compliance with rules and regulations of those agencies.

9. Conduct of any research required for the continued efficient operation of the Trust or directed by the Trust in any subject area in which its members have an interest.

10. Arrangement and conduct of any training or informational activities sponsored by the Trust.

11. Periodic and timely reporting on all financial transactions undertaken on behalf of the Trust in a format mutually agreeable to the Trust and the League.

12. Preparation and filing of all returns and information required to be filed with any governmental agency.

13. Assistance to the Trust in recommending and retaining attorneys to act as the Trust's legal counsel in defending legal claims made against members of the Trust with respect to which insurance is provided by the Trust, and acting as a liaison with such legal counsel on behalf of the Trust.

I. Otherwise, during the term of the Agreement, to be principally responsible for overall management and supervision of all of the activities of the programs maintained by the Trust, including long-range planning, implementation, and maintenance.

J. The League shall have power of attorney to accept service of process on behalf of the Trust, and to act for and bind the Trust and its members in all transactions relating to or arising out of the operations of the Trust within the constraints and provisions of its by-laws.

2. **Bond/Insurance; Indemnification.** As part of the Fee paid by the Trust to the League pursuant to this Agreement, the League hereby agrees to obtain and pay for insurance sufficient in scope and limits to insure the fidelity of its employees who process financial transactions on behalf of the Trust, if required by the Trust, in such sums as may be designated by the Trust. Additionally, insurance purchased by the League shall be sufficient in scope and limits to indemnify and hold the Trust harmless for losses and defense costs arising out of negligence on the part of League staff in administering the provisions of this Agreement. The League shall also carry and maintain in full force at all times the following insurance coverage and limits:

- General liability with limits of at least $2,000,000 per occurrence;
- Auto liability covering all Owned & Hired and Non-Owned vehicles, with limits of at least $2,000,000 per occurrence;
- Crime insurance in the amount of $1,750,000 per claim;
- Directors and Officers (D&O) and Errors and Omissions (E&O) with limits of $3,000,000 per claim;
- Professional liability with limits of at least $2,000,000 per occurrence;
- Statutory workers' compensation and employers' liability coverage with limits of at least $1,000,000 per occurrence

Evidence of coverage showing the proper coverage and limits are in place shall be provided to the Trust upon request. The League and Trust Administrator will evaluate insurance coverage limits annually to ensure that they meet the requirements necessary to properly cover exposures.

3. **Ownership and Confidentiality of Data.** All data recorded and provided under the provisions of this Agreement shall be jointly owned by the League and the Trust and will be made available to the Trust in a mutually agreed upon format should this agreement be terminated. During the term of this Agreement and after its expiration or termination, the League shall not disclose to any third party any confidential information without the prior written consent of the Trust, unless such information is subject to Vermont's Public Records Act.

4. **Conflict of Interest.** The League and its staff shall comply with the VLCT PACIF Code of Conduct policy and management will complete and sign conflict of interest disclosure statements annually as required to be in compliance with regulatory guidelines.

5. **Assignability.** This agreement may not be assigned to another provider without at least a 90 day advanced notice to the Trust and the Trust must be notified of any changes in staffing.

6. **Non-Compete.** Both parties agree that during the duration of this Agreement including any extensions or renewals, and for an additional period of two years thereafter, neither party will engage in any activity that directly competes with the mission of the other. Nor shall the Trust solicit employees or other agents of the League to leave their employment to engage in a business venture with the Trust. Nor shall the Trust employ a former employee of the League for a period of nine months after any termination of employment without obtaining the prior written consent of the League.

7. **Fees.** The cost of services provided under this Agreement shall be mutually agreed upon by the Trust and the League and shall be affixed to this Agreement as an addendum. The contracted costs shall be paid to the League by the Trust quarterly, within the first ten days of each quarter, unless some other acceptable provision is mutually agreed upon.

8. **Breach.** If a breach of this Agreement is alleged by either party, the following procedures shall be used to resolve said alleged breach:

A. The alleging party shall present the facts of the alleged breach, in writing, to the other party. Within twenty (20) days of receipt of this written presentation, the parties or their representatives shall meet to discuss and mutually resolve said allegations.

B. If the parties fail to meet as specified above or fail to mutually resolve said allegations, within ten (10) days of such meeting, either party may demand arbitration and the other party hereby consents to arbitration and the arbitrator's award shall be binding on both parties. Arbitration is hereby consented to as the exclusive remedy of the parties to all disputes arising from the Agreement.

C. If arbitration is demanded, the parties may mutually agree upon an arbitrator, or failing agreement within ten (10) days of a demand for arbitration, shall call upon the American Arbitration Association for appointment of a single arbitrator under the rules of the American

Arbitration Association. The costs of arbitration shall be borne equally by the Trust and the League except that attorneys' fees shall be paid by the respective parties.

D. The arbitrator's award shall not alter or amend the terms of this Agreement or other agreements executed by the Trust or the League.

9. **Duration.** This Agreement shall continue in effect until mutually rescinded or until rescinded by a vote of the governing body of the Trust or League, in which case the rescinding party shall give one hundred twenty (120) days written notice to the other party before the date said rescission shall be effective. This Agreement shall continue until the effective date of rescission.

10. **Effective Date.** This Agreement shall be executed for the Trust by its President and for the League by its Executive Director and shall take effect on January 1, 2023.

IN WITNESS WHEREOF, the parties have by their duly authorized representatives caused this Agreement to be executed the date first written above.

VERMONT LEAGUE OF CITIES

By: _____
Ted Brady
Executive Director
Duly Authorized

VLCT PACIF, INC.

By: Carl Rogers
Carl Rogers
President
Duly Authorized

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