

**AMENDMENT NUMBER TWO
TO INVESTMENT MANAGEMENT AGREEMENT
WITH
CHANDLER ASSET MANAGEMENT, INC.**

This Amendment Number Two ("Amendment") is made and entered into this 12th day of July, 2017 ("Effective Date"), by and between the CITY OF COSTA MESA, a municipal corporation ("City"), and CHANDLER ASSET MANAGEMENT, INC., a California corporation ("Consultant").

WHEREAS, on June 18, 2013, City Council approved an agreement with Consultant for investment management services for a three (3) year term, with an option to extend the term in one (1) year periods for a minimum of two (2) fiscal years; and

WHEREAS, City and Consultant entered into an Investment Management Agreement on July 12, 2013 (the "Agreement"); and

WHEREAS, Section 1 of the Agreement provides for an initial term of three (3) years, with the option to extend the term for two (2) additional one (1) year periods; and

WHEREAS, on July 12, 2016, City and Consultant extended the term of the Agreement through July 12, 2017; and

WHEREAS, City and Consultant now desire to extend the term for one additional (1) year, through July 11, 2018.

NOW, THEREFORE, for valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. The term of the Agreement shall be extended through July 11, 2018.
2. All terms not defined herein shall have the same meaning and use as set forth in the Agreement.
3. All other terms, conditions, and provisions of the Agreement not in conflict with this Amendment shall remain in full force and effect.

[Signatures appear on following page.]

IN WITNESS WHEREOF, the parties hereto have caused this Amendment to be executed by and through their respective authorized officers, as of the date first written above.

CITY OF COSTA MESA

Thomas R. Hatch
City Manager

Date: 10/9/17

CONSULTANT

Mal Toj
Signature

Date: 10/3/17

Nicole Drago, COO/CCO
Name and Title

ATTEST:

Brenda Green 10/12/17
City Clerk



APPROVED AS TO FORM:

[Signature]
City Attorney

Date: 10/06/17

APPROVED AS TO INSURANCE:

[Signature]
Risk Management

Date: 10/5/17

APPROVED AS TO CONTENT:

[Signature]
Project Manager

Date: 10/5/17

DEPARTMENTAL APPROVAL

Stephen Duvent
Interim Finance Director

Date: 10-5-17

APPROVED AS TO PURCHASING:

NJ

Stephen Duvvuri
Interim Finance Director

Date: 10.5.17