

July __, 2013

James M. Fleming, Chairman
MWRA Employees' Retirement Board
2 Griffin Way
Chelsea, MA 02150

Dear Mr. Fleming:

This side letter agreement acknowledges the Massachusetts laws and regulations relating to the investment of public pension funds as they pertain to the investment of the funds of the MWRA Employees' Retirement System by the MWRA Employee's Retirement Board, (the "Investor") in XYZ Strategy.

The Investor and XYZ Manager (the "Manager") on behalf of the Strategy, hereby agree to the following:

1. Proscribed Investments

- (a) The Investor has advised the Strategy and the Manager that under Massachusetts General Laws Chapter 32, §§ 23(2)(g)(ii) and (iii), no funds of the MWRA Employees' Retirement System can be invested in any bank or financial institution which directly or through any subsidiary has outstanding loans to any individual corporation engaged in the manufacture, distribution or sale of firearms, munitions, including rubber or plastic bullets, tear gas, armored vehicles, or military aircraft for use or development in any activity in South Africa, and no investment of funds shall be made in the stocks, securities or other obligations of any company so engaged; provided, however, that the funds invested in banks, financial institutions or any companies doing business in South Africa, excluding the aforementioned, must be companies which have adopted the platform of guiding principles for investing in South Africa set forth at General Laws Chapter 32, § 23(5) so long as such use is consistent with sound investment policy, and provided further, however, that no funds are to be invested in any bank or financial institution which directly or through any subsidiary has outstanding loans to any individual corporation engaged in the manufacture, distribution or sale of firearms, munitions, including rubber or plastic bullets, tear gas, armored vehicles, or military aircraft for use or development in any activity in Northern Ireland, and no funds shall be invested in the stocks, securities or other obligations of any company so engaged.

- (b) The Investor has advised the Strategy and the Manager that pursuant to Chapter 119 of the Acts of 1997, no funds of the MWRA Employees' Retirement System can be invested in the stocks, securities or other obligations of any company which derives more than fifteen (15%) percent of its revenues from the sale of tobacco products.
- (c) The Investor has advised the Strategy and the Manager that it is subject to the general superintendence of the Massachusetts Public Employee Retirement Administration Commission ("PERAC"). If PERAC at any time advises the Investor that any investment by the Strategy would result in a violation of Massachusetts law, the Investor shall have the right to redeem its investment.

2. Applicable Law

This Supplementary Agreement, the Investment Regulations promulgated by PERAC (840 Code of Massachusetts Regulations 1.00 *et seq.*, hereinafter "840 CMR.") and the rights and obligations of the parties hereunder, shall be governed by and interpreted, construed and enforced in accordance with the domestic substantive laws of the Commonwealth of Massachusetts without giving any effect to the choice or conflicts of law provision or rule that would cause the application of the domestic substantive laws of any other jurisdiction. The Strategy and the Manager hereby declare its intention to comply with all pertinent and applicable regulations contained in 840 CMR.

3. Fiduciary Acknowledgment

The Strategy and Manager hereby represent and warrant to, and agree that they are fiduciaries with respect to the funds which are invested on behalf of the Investor, and will discharge their duties to the Investor, with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims and investment policies.

4. Indemnification

The Strategy and Manager acknowledge that Massachusetts law prohibits the Investor from indemnifying the Strategy or Manager under any circumstances. Notwithstanding, in the context of an Investorship, PERAC has allowed modification of the prohibition. Accordingly, the Investor hereby agrees to indemnify, to the fullest extent permitted by law, the Strategy and Manager, within the meaning of Section 15 of the Securities Act of 1933, as amended, against any and all losses, claims, damages expenses and liabilities, including, but not limited to, any reasonable investigation, or reasonable legal or other reasonable expenses incurred in connection with (i) any false representation or warranty made by the Investor, or breach or failure by the Investor to comply with any covenant or agreement made by the Investor, in the LLC documents or in any other document furnished by the Investor to any of the foregoing in connection with this transaction or (ii) any action for securities law violations instituted by the Investor which is finally resolved by judgment against the Investor. The Investor also agrees to indemnify the

LLC, to the fullest extent permitted by law for any and all costs, fees, and expenses resulting from the Investor's assertion of lack of proper authorization to enter into this Agreement or perform the obligations hereof because such Investor is acting as agent, representative or nominee for a subscriber.

5. Regulatory Compliance

(a) The Strategy and Manager agree to annually inform the Investor and PERAC of any arrangements, oral or in writing, for compensation or other benefit received or expected to be received by the Strategy and General Partner, or a related person, from others in connection with the Strategy and Manager's services to the Investor or any other Investor investing in the Strategy.

(b) The Strategy and Manager agree to annually disclose to the Investor and PERAC the compensation, in whatever form, paid or expected to be paid, directly or indirectly, by the Strategy and Manager or a related person to others in relation to the Strategy and Manager's services to the Investor or any other Investor investing in the Strategy.

(c) The Strategy and Manager agree to annually disclose to the Investor and PERAC any conflict of interest of the Strategy and Manager that could reasonably be expected to impair the Strategy and Manager's ability to render unbiased and objective services to the Investor.

6. Response to Request for Proposal

The Investor has elected to invest in the Strategy as a result of the competitive selection process required by G.L. c. 32, § 23B. The Strategy and Manager's written response to the Investor's Request for Proposal is incorporated into and made a part of this side letter agreement.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date first set forth above.

Manager on Behalf of the Strategy:

XYZ Manager

By: _____

Name:

Investor:

MWRA Employees' Retirement Board

By: _____

Name: James M. Fleming, Chairman

Title: Chairman