

**AMENDMENT TO
INDEMNIFICATION AGREEMENT
BETWEEN
THE CITY OF MILWAUKEE
AND
THE EMPLOYEES' RETIREMENT SYSTEM**

THIS AMENDMENT to the indemnification agreement between the City of Milwaukee (the "Indemnitor") and the Employees' Retirement System of the City of Milwaukee (the "Indemnitee") is made and entered into by and between the Indemnitor and the Indemnitee.

WHEREAS, the Indemnitor and the Indemnitee entered into an Indemnification Agreement dated March 16, 2006 for a period commencing on April 1, 2006 and expiring on March 31, 2011; and

WHEREAS, The parties are desirous of amending said agreement to extend the expiration of the agreement for five additional years;

NOW, THEREFORE, In consideration of the mutual covenants hereinafter stated, the parties do hereby agree to amend the agreement as follows:

1. The parties agree that indemnity under this Indemnification Agreement shall be extended until March 31, 2016.
2. This change constitutes the entire amendment to the agreement between the parties. All other covenants, provisions, terms and conditions of said agreement shall remain in force unless further amended by mutual agreement of the parties.

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to Indemnification Agreement the day and year first above written.

IN THE PRESENCE OF:

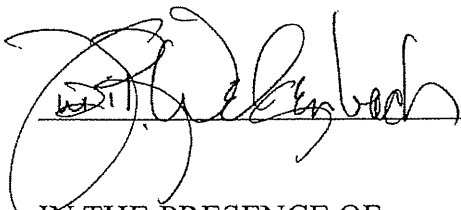
CITY OF MILWAUKEE

A. Peterson

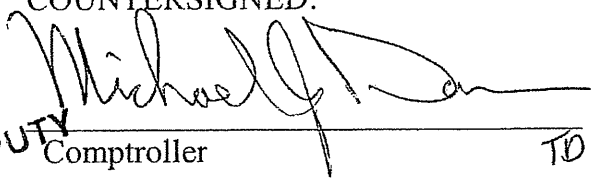
Tom Barrett
Mayor

Marcin Hartner

Ronald Olson
City Clerk


IN THE PRESENCE OF:



COUNTERSIGNED:

DEPUTY Comptroller TO

ANNUITY AND PENSION BOARD
OF THE EMPLOYES' RETIREMENT
SYSTEM OF THE CITY OF
MILWAUKEE


Chairman

THIS AMENDMENT TO INDEMNIFICATION
AGREEMENT WAS PREPARED BY
THE OFFICE OF THE CITY ATTORNEY
1054-2010-2124:162201

INDEMNIFICATION AGREEMENT
BETWEEN
THE CITY OF MILWAUKEE
AND
THE EMPLOYEES' RETIREMENT SYSTEM

Indemnification Agreement made this 16th day of March, 2006, by and between the City of Milwaukee, a municipal corporation organized and existing under the laws of the State of Wisconsin (hereinafter referred to as "Indemnitor") and the Employees' Retirement System of the City of Milwaukee, a body corporate and politic organized and existing under the laws of the State of Wisconsin and the ordinances of the City of Milwaukee (hereinafter referred to as "Indemnitee"), the principal offices of both parties being located in City Hall, 200 East Wells Street, Milwaukee, Wisconsin 53202. The term "Indemnitee" as used herein includes each individual member of the Annuity and Pension Board and each employee of the ERS while acting in his or her official capacity.

I.

RECITALS

A. Under § 36-09-6 of the Milwaukee City Charter, the Retirement System is known as the ERS of the City of Milwaukee and by such name all of its business is transacted. The ERS has all of the powers and privileges of a corporation as enumerated in Wis. Stat. chs. 180 and 182, including the power to contract.

B. Under § 36-15 of the Milwaukee City Charter, 1971 compilation as amended, the Indemnitee is vested with the general administration and responsibility for

the proper operation of the ERS and for making effective the provisions of the Employees' Retirement Act, ch. 36, Milwaukee City Charter

C. Under § 36-09 of the Milwaukee City Charter, 1971 compilation as amended, the funds of the ERS constitute a special trust fund to be held in a reserve as provided in the Employees' Retirement Act for payment of benefits; and the Indemnitee is trustee of such funds.

D. The members of the Annuity and Pension Board and each employee of the ERS individually and collectively are interested in obtaining insurance for any and all liability they may have to those having a beneficial interest in the ERS by virtue of their responsibilities under law, and the Indemnitor hereby covenants and agrees in lieu of the purchase of additional insurance to indemnify the ERS or members of the Annuity and Pension Board and each employee of the ERS individually and collectively in accordance with the terms of this Indemnification Agreement.

For the reasons cited above and in consideration of the mutual promises contained herein, the Indemnitor and the Indemnitee agree as follows:

II.

INDEMNITY AGREEMENT

Indemnitor shall indemnify and hold harmless each individual member of the Pension Board and each individual employee of the ERS (individually and collectively referred to herein as "Indemnitee") against all liabilities, losses, costs and expenses, including reasonable attorneys' fees, arising from a breach of, or failure to perform, any duty resulting solely from Indemnitee's status as a member of the Pension Board or an

employee of the ERS or in connection with Indemnitee's management or administration, at any time, of the ERS or any trust funds held under the ERS.

III.

OBLIGATION OF INDEMNITOR TO DEFEND CLAIMS

Indemnitor agrees to defend any claims brought or actions filed against Indemnitee with respect to the subject of the indemnity contained herein, whether such claims are rightfully or wrongfully brought or filed provided, however, that Indemnitor shall not be obligated to defend any claim or action filed against Indemnitee where a defense is provided pursuant to the Indemnitee's insurance policy, or where the City Attorney is precluded from providing representation because of a conflict of interest, or otherwise advises the board to retain outside counsel.

IV.

NOTICE TO INDEMNITOR

Indemnitee shall give written notice to Indemnitor of any claims made against Indemnitee on the obligations indemnified against as soon as practical after having received knowledge thereof and shall promptly forward to Indemnitor any and all demands, notices, summons, or other process received by Indemnitee.

V.

DURATION

Indemnity under this Indemnification Agreement shall commence on the 1st day of April, 2006 and extend until March 31, 2011.

VI.

TERMINATION

Either party shall have the right to terminate this Indemnification Agreement upon thirty (30) days' written notice. Termination shall not relieve the Indemnitor from liability assumed hereunder prior to such termination.

VII.

LIMITATION OF LIABILITY

Indemnitor's liability to Indemnitee under this Indemnification Agreement shall not extend to any claims, costs or judgments arising out of, either directly or indirectly:

A. Any wrongful act which is, or alleged to be, an assault and/or battery, libel, slander, defamation or malicious interference with or damage to reputation; willful or reckless violation of any statute, or any conduct which is dishonest, willful, malicious, fraudulent or otherwise intended to cause damage or injury to person or property. However, notwithstanding the foregoing the Indemnitee shall be protected under the terms of this Agreement as to any claims upon which suit may be brought against them by reason of any alleged dishonesty on the part of the Indemnitee unless a judgment or other final adjudication thereof adverse to such Indemnitee shall establish that acts of active deliberate dishonesty committed by such Indemnitee was material to the cause of action so adjudicated.

B. The Indemnitee gaining in fact any personal profit or advantage to which such Indemnitee was not legally entitled or for the return by the Indemnitee of any

remuneration paid in fact to them if such remuneration shall be held by the courts to have been illegal.

C. Liability of others assumed by the Indemnitee under any contract or agreement, either oral or written, except in accordance with the Employees' Retirement Act.

D. Any assertions, allegations, causes of action or demands whatsoever by or on behalf of an Indemnitee under this Indemnification Agreement against another Indemnitee hereunder provided that this exclusion shall not apply to claims by employees of the ERS against the members of the Annuity and Pension Board.

E. Any act or omission which is in direct conflict with contemporaneous legal advice of the Office of the City Attorney or, if a conflict of interest precludes the City Attorney from giving legal advice, in direct conflict with the advice of outside counsel; provided that this exception shall not apply to any Indemnitee who shall vote in respect to such error or omission in opposition to the majority of the Annuity and Pension Board or who shall not have prior and personal knowledge of the act or omission; and provided further that this exception shall not apply in the event that the act or omission is later upheld in an action before a court of competent jurisdiction.

F. Any allegations of discrimination with respect to a violation of any municipal, state or federal civil rights law, regulation or ordinance.

G. The failure to collect contributions legally determined owed to the Indemnitee from the City or City agencies or for the return of any contributions to the City or a City agency if such amounts are or could be chargeable to the Indemnitee.

H. Any claims, costs or judgments which are paid or payable by the Indemnatee's insurance policy, or are within the ERS's self-insured retention under the insurance policy.

VIII.

SPECIAL COUNSEL

Nothing in this Indemnification Agreement shall preclude the Indemnatee from retaining special counsel, nor shall the Indemnatee be precluded from using funds specifically approved by the Common Council for paying special counsel when the use of special counsel is warranted.

IX.

INSURANCE

The Indemnatee shall purchase and maintain in effect a fiduciary liability insurance policy providing coverage in the aggregate amount of \$30,000,000 or at such other amount as may be approved by the City Attorney. The terms and conditions of the insurance policy are to be submitted annually to the City Attorney for review. In the event the Indemnatee receives a Notice of Cancellation of all or part of the insurance coverage, the Indemnatee shall notify the City Attorney in writing as soon as practical. In the event the Indemnatee fails to purchase or maintain the insurance coverage, or in the event the coverage is cancelled, this Indemnification Agreement shall remain in effect unless and until it is terminated by the Indemnitor.

In Witness Whereof, the parties hereto have executed the Indemnification Agreement the day and year first above written.

IN THE PRESENCE OF:

CITY OF MILWAUKEE

Scott Hunt

Dee Barnett

Mayor

Katherine H. Mellicia

Ronald D. Corbett

City Clerk

COUNTERSIGNED:

Deane D. March

[Signature]

Comptroller

IN THE PRESENCE OF:

ANNUITY AND PENSION BOARD
OF THE EMPLOYEES' RETIREMENT
SYSTEM OF THE CITY OF
MILWAUKEE

Deane D. March

[Signature]

Chairman

This Agreement was drafted
by the Office of the City Attorney.
1054-2005-3434:101294