

Via Email

December 4, 2012

Mr. Ryk Tierney
Account Executive
Warehouse Employees Union Local No. 730 Pension Fund
911 Ridgebrook Road
Sparks, Maryland 21152-9451

Dear Ryk:

This letter represents our proposed fees for the year 2013, pursuant to Section 2 of the Consulting Agreement between Cheiron and the Warehouse Employees Union Local No. 730 Pension Fund dated January 1, 2006.

A) Retainer – We propose that the annual fee for 2013 retainer services be increased from \$17,856 (\$4,464 per quarter) to \$18,000 (\$4,500 per quarter). The retainer fee covers the following annual valuation services:

- All aspects of producing the annual valuation report
- Update of the basic **P-scan** model
- One meeting with the Trustees to present the valuation and the updated model/projections
- One additional Board of Trustees meeting
- Provide information required by the auditor to complete annual filings
- Produce Schedule MB and attachments
- Update any Plan factors used for benefit calculations/lump sums, etc.
- Informal discussions with Trustees or Fund professionals not exceeding ½ hour each

B) Non-Retainer – With respect to special consulting projects, Cheiron's billing rates during calendar year 2013 will range between \$85 and \$460 per hour.

Any other requested services may be performed either on a fixed fee basis negotiated in advance or based on hourly billing rates.

Out-of-pocket travel expenses will be charged separately but travel time will not be compensable. We will not bill for expenses for meetings in the Washington, DC metropolitan area.



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If you are agreeable to the above fee structure, please sign below and return a copy for our files.

We look forward to working with you and the Trustees during 2013.

Sincerely,
Cheiron



Peter R. Hardcastle, FSA, EA
Principal Consulting Actuary

Accepted and Agreed To:
