



Investment Research & Advisory Group, Inc.  
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September 9, 2021

City of Dalton  
c/o Greg Batts  
300 W Waugh St  
Dalton, GA 30720

Re: Engagement for Advisory Services

Dear Mr. Batts:

The purpose of this engagement letter (this “Agreement”) is to set forth the terms pursuant to which Investment Research & Advisory Group, Inc. (“IRA Group”) will provide advisory services to the City of Dalton Mayor and Council (the “Committee”) for, and in regard to, the City of Dalton 401(a) and 457(b) defined contribution retirement plans (the “Plans”) which are sponsored and maintained by the City of Dalton (the “Plan Sponsor”).

- 1. Services.** During the Term of this Agreement (as described below), IRA Group will provide to the Committee the services described on Schedule A to this Agreement (the “Services”).
- 2. Fees.** In consideration for providing the Services, the Committee will pay to IRA Group the fees and other amounts described on Schedule B to this Agreement (the “Fees”).
- 3. Committee Status.** The Committee retains the authority to make all investment decisions under that Plan.
- 4. Registered Investment Advisor Status.** IRA Group’s provision to the Committee of investment advisory services requires that IRA Group at all times be registered as an investment adviser pursuant to the U.S. Investment Advisers Act of 1940, as amended (a “Registered Investment Advisor”). IRA Group hereby warrants that it is, and at all times during the term of this Agreement (as described below) will be, a Registered Investment Advisor. IRA Group has provided the Committee with a written copy of its Form ADV, Part 2 on file with the Securities and Exchange Commission (“SEC”), and will provide the Committee with any and all updates to its Form ADV, Part 2 promptly after such updates are filed with the SEC.
- 5. Term.** The term of this Agreement (the “Term”) will commence upon approval by the Committee. This Agreement will continue until terminated by either party by providing the other with 30 days’ written notice. Notwithstanding the foregoing:
  - (a) If at any time during the term of this Agreement IRA Group ceases to maintain its status as a Registered Investment Advisor, it will immediately notify the Committee of this cessation, and this Agreement will terminate immediately.
  - (b) If either party breaches the terms of this Agreement in a material manner and the breach either (i) cannot be cured with reasonable effort, or (ii) is not cured within 10 days after the non-breaching party provides written notice of such breach to the other party, the non-breaching party may terminate this Agreement immediately upon written notice to the other party.
- 6. Fee Disclosures.** At the reasonable request of the Committee, IRA Group agrees to provide the actual amount of fees paid by the Committee to IRA Group during any specified period.

7. **Additional Terms.** Additional terms and conditions of this Agreement are set forth on Schedule C to this Agreement. In addition, the parties agree that any unresolved dispute under this Agreement be resolved by mediation as provided in the “Dispute Resolution Provisions” set forth on Schedule D to this Agreement. If resolution cannot be reached, the parties agree that either may proceed with filing a lawsuit.
8. **Entire Agreement.** This Agreement (including any Schedules attached hereto and related securities disclosures) represents the entire understanding of the parties and supersedes all prior written or oral agreements with respect to the subject matter of this Agreement.
9. **Controlling Law.** The laws of the State of Georgia will govern this Agreement. The parties agree that jurisdiction and venue shall be in the Superior Court of Whitfield County, Georgia.

By signing one original and returning it to my attention, the Committee acknowledges (i) its agreement with the terms of this Agreement, including but not limited to the Committee’s retention of IRA Group to provide the Services and the Committee’s approval of the Fees; and (ii) its receipt of IRA Group’s Form ADV, Part 2A.

Sincerely,

Douglas B. Leeson  
Principal

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Reviewed and accepted by the Committee on this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

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\_\_\_\_\_  
Mayor, City of Dalton

**SCHEDULE A**  
**DESCRIPTION OF SERVICES**

**Core Services**

**(a) Committee Charter**

IRA Group will assist the Committee with the development and adoption of a formal Committee Charter detailing the roles, responsibilities and fiduciary obligations of the designated Committee members. IRA Group will provide fiduciary training, as needed.

**(b) Investment Policy**

IRA Group will provide an Investment Policy draft for review and adoption by the Committee. This will include a review of the current Investment Policy and preparation of all components of the new policy, including: Statement of Purpose, Statement of Definition and Function, Statement of Policies and Restrictions, investment manager/fund selection and performance standards, investment evaluation and review criteria, and communication responsibilities.

**(c) Investment Performance Monitoring and Advice**

IRA Group will prepare an initial investment analysis and recommendation and provide ongoing investment performance monitoring services. These services will include quarterly investment manager/fund performance reviews detailing calendar year total returns, annualized total returns, comparative performance versus benchmark indices and similar investment managers/funds, fund rankings, risk/return analysis, subjective fund information and ad hoc reports as requested. IRA Group will advise the Committee on recommended changes to the investment offerings as appropriate. IRA Group will also analyze and benchmark the fees of the investment funds at least once per year and will advise the Committee in regard to the prudence of these expenses. Additionally, IRA Group will advise the Committee on recommended changes to the investment offerings on a regular basis. IRA Group will meet with the Committee to review and discuss the above analysis and other plan administrative issues as requested. If the Committee decides to replace one or more funds, IRA Group will perform a search for a replacement fund and provide to the Committee alternative recommendations for each fund.

**(d) Model Portfolios**

As requested, IRA Group will prepare risk-based and/or retirement year model portfolios using the individual funds available through the plan. This service is contingent upon the record keeper's ability to maintain portfolios on its platform.

**(e) Benchmarking and Request for Information**

IRA Group will benchmark the fees charged by the administrative service providers for the Plan(s), advising the Committee in regard to whether the fees remain reasonable. In addition, at such times as the Committee may request, IRA Group (i) will perform a formal Request for Information ("RFI") to review the competitive reasonableness of the fees and services performed by the administrative service providers for the Plan(s), (ii) will report the results to the Committee and make recommendations regarding those fees, and (iii) if requested by the Committee, will negotiate with the administrative service providers for them to provide lower, market-competitive fees.

**(f) General Consulting**

IRA Group will assist with plan design, legislative compliance, administrative service and fee negotiations, and coordination of internal and external administrative functions. IRA Group will lead and/or participate in administrative projects as requested, and will assist in overseeing the work of the administrative services provider.

**(g) Meeting Minutes**

IRA Group will prepare minutes of all Committee meetings for which it is a participant and submit them to the Committee for review and approval. IRA Group will maintain copies of all such meeting minutes.

**(h) Online Fiduciary Center**

Although it will not fulfill all of your recordkeeping requirements, IRA Group will provide the Committee with

access to its online Fiduciary Center, which archives historical plan-related information including plan documents, Committee Charter, Investment Policies, performance reports, meeting minutes and analytical reports.

**(i) Employee Education**

If needed, IRA Group will conduct up to four days of group meetings with employees annually. These meetings will encompass an educational overview of investment risk and return, portfolio management principles, asset allocation, rebalancing, and assistance with risk tolerance evaluation and portfolio construction. Additionally, IRA Group will be available to conduct individual, one-on-one meetings with interested employees on these topics. Group meetings are subject to a maximum of four per day. One-on-one meetings with plan participants are subject to a maximum of 10 meetings per day and are required to occur on the same days as group meetings. IRA Group will assist in creating and reviewing written participant communications as a part of its core service offering. IRA Group will also partner with the administrative service provider in creating an employee education strategy and overseeing implementation of that strategy.

**(j) Evaluation of Asset Mapping**

Upon selection of a new vendor, IRA Group will coordinate the analysis and presentation of asset mapping for any necessary investment option changes.

**Supplemental Services****(a) Employee Education**

If needed, IRA Group will conduct additional group meetings in excess of the four days annually with employees (as described under Core Services). These meetings will encompass an educational overview of investment risk and return, portfolio management principles, asset allocation, rebalancing, and assistance with risk tolerance evaluation and portfolio construction. Additionally, IRA Group will be available to conduct individual, one-on-one meetings with interested employees on these topics. Group meetings are subject to a maximum of four per day. One-on-one meetings with plan participants are subject to a maximum of 10 meetings per day and are required to occur on the same days as group meetings.

**(b) Vendor Search**

As requested, IRA Group will conduct a market search for a new recordkeeper and administrative service provider. This formal search process will include the development of a formal Request for Proposal and preparation of a comprehensive analysis of up to five separate providers suitable to your Plan's size and complexity. The evaluation will focus on the capabilities of the vendors in the applicable disciplines of recordkeeping, administration, investment management, fees, employee communications and market presence. The search project includes the organizing and conducting of the vendor finals presentations. The Committee, not IRA Group, has the authority and discretion to select any new vendors. Additionally, IRA Group will manage the transition process associated with the plan conversion and, as is helpful, with the development of written employee notification and communications.

**SCHEDULE B**  
**FEES**

**Core Services (Described on Schedule A)**

|   |   |
|---|---|
| City of Dalton 401(a) and 457(b) Retirement Plans | \$30,000 per annum ( <i>\$15,000 credit 1<sup>st</sup> year</i> ) |
|   | First Year: \$15,000  |
|   | Thereafter: \$30,000  |

**Supplemental Services (Described on Schedule A)**

|   |                 |
|---|-----------------|
| Employee meeting days in excess of four days annually | \$1,500 per day |
|---|-----------------|

All applicable Fees described above on this Schedule B will be billed in arrears on a calendar quarter basis. For any partial calendar quarters during which the Services are provided, the applicable Fees will be prorated based on a daily proration.

In addition, the Committee will provide reimbursement for IRA Group's out-of-pocket expenses (at cost) incurred, which are outside of normal operational costs associated with providing the Services. Such expenses include, but are not limited to, reasonable costs for air travel, rental car, hotel accommodations, and meals. For those expenses to be eligible for reimbursement, IRA Group must obtain prior approval from the Committee for all such expenses incurred outside of normal operational costs.

While it is not anticipated that these fees will change in the immediate future, IRA Group reserves the right to amend the fees quoted for these specific services after October 1, 2024. IRA Group must provide at least 90 days' written notice of any proposed fee increase, and any such change to the fee structure must be approved by the Committee in writing prior to billing by IRA Group. Payment for all invoiced services is due within 30 days of receipt.

**SCHEDULE C**  
**ADDITIONAL TERMS AND CONDITIONS**

- 1. Representations of the Company.** The Committee will keep IRA Group informed on a timely basis of the identity of all Committee members. Upon request, the Committee will provide IRA Group with the Plan and trust documents, the Plans Internal Revenue Service determination letter (if applicable), and such other documentation that IRA Group may reasonably request in connection with its obligations under this Agreement. In addition, the Committee will provide IRA Group with any amendments to such documentation that affects IRA Group's obligations, responsibilities or liabilities under this Agreement.
- 2. Severability.** If any provision of this Agreement is held to be invalid or unenforceable, such invalidity or unenforceability will not affect any other provision, and this Agreement will be construed and enforced as if such provision has not been included.
- 3. Delivery of Notices and Other Documents.** All reporting by IRA Group will be delivered in paper (hard copy) form, unless the Committee provides notice to IRA Group that such reporting may be delivered electronically to the email addresses provided by the Committee. All written notices referenced in this Agreement will be provided in paper (hard copy) form addressed to the Director of Human Resources (if to the Committee) and to Doug Leeson (if to IRA Group) at their respective offices; and will be deemed delivered upon receipt when sent via first class US mail, receipt certified or via hand or overnight delivery. Alternatively, all such notices may be delivered electronically to the email addresses provided by the receiving party and will be deemed delivered when sent, as long as such notices are also sent via first class US mail.
- 4. Confidentiality.** In performing the services under this agreement, IRA Group may be granted access and/or be exposed to confidential information of The City of Dalton, the Committee and/or the Plans, including, without limitation, trade secrets and information pertaining to business operations and strategies, customers, pricing, marketing, finances, sourcing, personnel, payroll, or operations of the Company, its affiliates or their suppliers or customers, in each case whether spoken, written, printed, electronic or in any other form or medium (collectively, the "Confidential Information"). "Confidential Information" also will include any materials that IRA Group develops in connection with performing the Services. IRA Group agrees to treat all Confidential Information as strictly confidential, not to disclose Confidential Information or permit it to be disclosed, in whole or part, to any third party without the prior written consent of the Committee in each instance, and not to use any Confidential Information for any purpose except as required in the performance of the services; provided, however, disclosure of Confidential Information will be permitted to the extent required by law or the order of any court or pursuant to any request or requirement of any governmental or regulatory authority, bank examiner or statutory auditor, or as may be required by the Georgia Open Records Act. If IRA Group notifies the Committee in advance of making any such disclosure IRA Group will notify the Committee immediately in the event it becomes aware of any loss or disclosure of any Confidential Information. IRA Group agrees that its obligations under it will survive the term or any termination of this agreement.

**SCHEDULE D**  
**DISPUTE RESOLUTION PROVISIONS**

**DISPUTE RESOLUTION**

- 1. Informal Resolution.** In the event of any dispute arising out of or relating to this Agreement, the parties agree to first attempt to resolve that dispute by good faith discussions between designated representatives of the parties.
- 2. Mediation.** In the event that any dispute arising out of or relating to this Agreement cannot be resolved through the good faith discussions of the parties' representatives, the parties agree to try in good faith to settle the dispute voluntarily with the aid of an impartial mediator who will attempt to facilitate negotiations. A dispute will be submitted to mediation by written notice to the other party. The mediator will be selected by agreement by the parties. If the parties cannot agree on a mediator, a mediator will be designated by the American Arbitration Association at the request of a party. The mediation will be treated as a settlement discussion and therefore will be confidential. Any applicable statute of limitations will be tolled during the pendency of the mediation. Each party will bear its own costs in the mediation. The fees and expenses of the mediator will be shared equally by the parties.