

TAB 7



February 23, 2010

Palmetto Police Officers' Retirement System
Atten: Dianne Ponder
P.O. Box 1209
Palmetto, Fl 34221

Re: Relationship review

Dear Ms. Ponder:

It is important that I begin my letter with a sincere thank you to you and your fellow trustees for the opportunity to provide your pension plan with the important custodial products and services that are necessary to its' success. We hold your relationship with us in the highest regard and we remain committed to do everything possible to ensure the success of our relationship.

It has been twelve years since we became your custodial services partner. It is amazing how the world of pension fund management has changed during this time. Today, successful pension plans require their service providers to deliver additional and higher quality products and services. We at Salem Trust are proud of our commitment and performance in responding to the needs of your plan.

At least annually we review each of our client's relationship, to ensure that they are receiving the best possible custodial services. Our recent review of your relationship again indicates that the level of services being utilized is greater than what was contemplated in May 2006 when we determined your current fee arrangement.

We are now at the point where it is necessary to modify our fee arrangement. We are doing this in order for us to be fairly compensated for the current level of services required by your plan. As such, enclosed please find for your review and acceptance, an updated fee schedule which will be applied when we calculate your next custodial fee, on March 31, 2010. If after reviewing the enclosed information and you have questions, I am planning on attending your next board meeting on March 1st for the purpose of discussing this change.

Once again, thank you for your business and we look forward to our continued relationship and being apart of the success of your plan.

Sincerely,

A handwritten signature in black ink that reads 'Leta B. Chaney'.

Leta B. Chaney
Sr. Vice President

DEERFIELD BEACH TAMPA

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www.salemtrust.com



Custom Custodial Annual Service Plan \$ 5,000 Fee

Standard Services:

- **Consolidated Account**
- **3 Sub-Accounts** (additional accounts \$500.00 each)
- **Statement Format Selection**
 - Trade Date
 - Settlement Date
 - Executive Summary
- **On-line Access**
- **300 Security Trades** (additional trades \$5.00 each)
- **Internal Free Receipts and Deliveries**
- **240 Monthly Benefit Payments** (additional payments \$3.00 each)
- **12 Invoice Payments** (additional payments \$3.00 each)
- **Checks Deposited**
- **Pay Down Processing**
- **Cash Management / Sweep Services**
- **Domestic Wire Transfers**
- **Proxy Voting / Tendering**
- **Corporate Action Processing**
- **Class Action Processing**
- **Performance Measurement / Advent**
- **Quarterly Death Search**
- **Loan Distribution**
- **Loan Set Up**
- **Pennant Express Quarterly Economic Review**
- **Special Circumstance Meeting Participation**

À la carte Services:

- **Lump Sum Payment** \$15.00 each
- **Pensioner Verification Letter** \$5.00 each
- **Physical Receipt of Security** \$25.00 each
- **Research and Reporting** \$50.00 per hour
- **Global Wire Transfers** \$35.00 each
- **External Free Receipts and Deliveries** \$5.00 each
- **Commission Recapture** Based on level of service
- **Securities Lending** Based on level of service
- **Transition Management** Based on level of service

The Fees and Services

The quarterly fee will be equal to one fourth of the annual fee plus fees for additional services consumed. Fees will be calculated and payable in arrears. This fee and service arrangement is guaranteed not to increase for a period of two (2) years from the effective date.

Sweep Related Fees

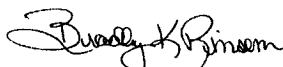
Under master service agreements with various mutual fund companies, Salem Trust Company provides a wide range of daily administrative services, on behalf of the mutual fund, and to Salem Trust clients who invest in the funds. Salem Trust is compensated for these services by the fund companies directly, in the form of shareholder servicing fees of up to twenty-five basis points on the total average balance in the funds. Fund prospectuses are available for additional details.

Salem Trust Company Service Pledge

Retaining your business by achieving the goal of client satisfaction is our ultimate measure of success. We will do so by providing you with fiduciary and custodial services that are accurate, timely and professional.

To demonstrate our commitment, we will include, as part of our agreement with you, our SALEM TRUST COMPANY SERVICE PLEDGE:

In the event we fail to fulfill our promise in any quarter, as determined solely by you in good faith, we will discount that quarter's fee.



President & CEO
January 2010

AMENDMENT
To
CUSTODY AGREEMENT

Between
CITY OF PALMETTO POLICE OFFICERS'
RETIREMENT SYSTEM
And
SALEM TRUST COMPANY

Annual Administrative Fees

Fixed annual fee of \$4,000 payable in quarterly installments (fees paid by Sawgrass Asset Management)

Securities Transactions Fees (Purchases and Sales Only)

Fee per Security Transaction = included in above Annual Administrative Fee

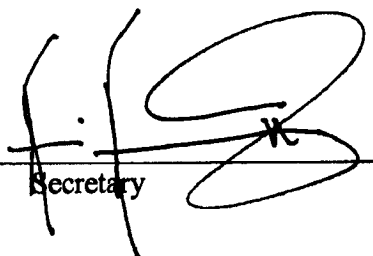
Other Fees

Recurring Periodic Payments
Lump Sum Distributions

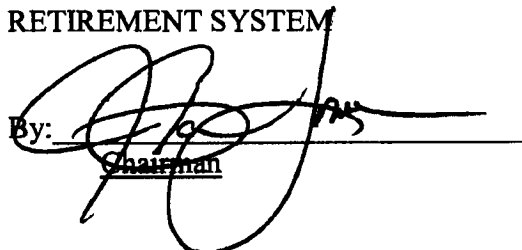
Fixed annual fee of \$1,000 payable in quarterly installments from the Pension Fund.

This fee structure is guaranteed for a period of two (2) years from July 1, 2006.

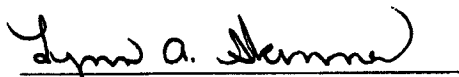
IN WITNESS WHEREOF, the parties hereto have set their hands and seals this 25th day of May, 2006.

By: 
Secretary


CITY OF PALMETTO POLICE OFFICERS'
RETIREMENT SYSTEM

By: 
Chairman

WITNESS:



SALEM TRUST COMPANY

By: 
Print Name: Leta B. Chaney
Title: Vice President & Regional Manager