Eighth District Electrical Pension Fund
2nd Quarter 2000

Investment Guidelines Dated: July 18, 1996
Private Investment Guidelines Amended April 22, 1999

Equity

Allowable Assets	Maximum Exposure	Portfolio as of 6/30/2000
• Small capitalization equities	100%	94.1%
• Cash	Minimized	5.9%

Account Restrictions*

• Maximum amount of corporate issues in the portfolio that need not be listed on a major exchange	10%	0.0%

Performance Benchmark
- 95% Russell 2000/5% T-Bills

Private Investments

Allowable Assets	Maximum Exposure	Portfolio as of 6/30/2000
• Collateralized Notes	100%	98.3%
• Cash and equivalents	100%	1.7%

Account Restrictions

• Minimum number of loans in portfolio	10	57
• Maximum percentage allowed per loan in the portfolio	10%	10.0%
• Maximum maturity of any one Collateralized Note in the portfolio (including any extensions)	5 years	In compliance
• Maximum percentage allowed with any single financial enterprise or borrower (non Sterling)	25%	14.0%
• Maximum percentage allowed with Sterling	50%	35.9%
• Portfolio shall not contain any loan which has as primary security, real estate, or any interest in real estate	N/A	In compliance

* Account restrictions dictate that equity investments in any one company shall be limited at purchase to no more than 5% of the company's total outstanding equity. Account restrictions also dictate that the maximum individual security portfolio holding cannot exceed 5% at purchase, that a corporations market capitalization must be between $50 million and $3 billion at cost and that the median capitalization for the portfolio cannot exceed $1 billion. At the time of purchase each security is monitored to ensure it meets each of these criteria.

Exhibit 4A
Page 1 of 33

INVESTMENT GUIDELINES

141-88

EIGHTH DISTRICT ELECTRICAL PENSION FUND

CAPITAL CONSULTANTS - COLLATERALIZED/INSURED NOTES

1. The primary objective of the Fund is the preservation of capital plus a return from income within a framework of reasonable risk.

2. The investment return objective for this portion of the total portfolio is to obtain an annual rate of return of Prime plus one percent.

3. The investment manager shall discharge his responsibilities with respect to the Fund in accordance with the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") as amended, and supporting regulations.

4. The collateralized/insured notes portfolio must contain at least ten (10) loans.

5. The Fund's interest in any loan in this portfolio may not, at any time, exceed 20% of the total loan amount outstanding.

6. A single loan may not exceed 10% of the total portfolio.

7. The term of any single loan may not exceed 5 years, including any extensions.

8. The investment manager may not place more than 25% of the assets under management with any single financial enterprise or firm, with the exception of Sterling Capital, which may not exceed 50%.

9. This portfolio shall not contain any loan which has as primary security, real estate, or any interest in real estate.

10. The investment manager shall issue a report at least quarterly reviewing the status of this portfolio, including cumulative interest.

11. The investment manager is expected to meet with the Board of Trustees at least once a year to review the portfolio, investment results and any suggested changes in these guidelines.

The above statement of investment guidelines is hereby found acceptable to both the investment manager and the Board of Trustees.

EIGHTH DISTRICT ELECTRICAL PENSION FUND

Rob Bedell Date 4-22-99

CAPITAL CONSULTANTS, INC.

Date 4-5-99

Exhibit 4A

Page 2 of 33

Investment Guidelines and Objectives
for a Small Capitalization Equity Manager

EIGHTH DISTRICT ELECTRICAL PENSION FUND

I. General Considerations

It is the intention of the Board of Trustees to allow the investment manager full discretion within the scope of these mutually agreed upon investment guidelines. The manager shall be responsible for reviewing these guidelines with the Trustees at least annually to assure that they remain valid and relevant. Any recommendations by the investment manager as to changes should be submitted to the Trustees in writing. And any changes proposed by the Trustees will be conveyed in writing to the investment manager.

II. Basic Premises

1. The primary investment objective of the Fund is the preservation of capital plus a return from capital appreciation and current income.

2. It is appropriate for the investment manager to seek capital appreciation from equity investments as a hedge against inflation and to diversify the portfolio.

3. All investments should be managed with the focus on total investment return. Distinctions need not be made between realized and unrealized capital gains or losses.

III. Investment Return Objectives

1. The basic investment objective for this portion of the total portfolio is to obtain a competitive rate of return on investments, net of expenses, that equal or exceeds the strategic policy index and various benchmark rates on a moving five year average.

2. Performance for this portfolio will be reviewed on a regular basis. Total rates of return on market value will be calculated, including dividend and interest income and both realized and unrealized capital gains and losses, but before investment management fees. Comparisons of such rates will be made with relevant managed portfolios of retirement plan assets and with the return on a hypothetical portfolio (policy index) invested:

   95% in the Russell 2000 Stock Index
   5% in U.S. Treasury Bills (3 month)

3. The performance of the investment manager, net of fees, is expected to equal or exceed this hypothetical portfolio over rolling five year periods. Additionally, the manager is expected to outperform the median performance of managers of the same or substantially the same style, gross of fees, over rolling five year periods.

Exhibit 4A
Page 3 of 33

IV. Limitations and Requirements

1. The investment manager shall discharge his responsibilities with respect to the Fund assets in accordance with the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") as amended and supporting regulations.

2. Equity investments in any one company shall be limited at purchase to no more than 5% of the Fund assets under management and no more than 5% of the company's total outstanding equity. Equity holdings must be listed on a national stock exchange or NASDAQ, except that up to 10% of such holdings, based upon market value, need not be so listed. Companies must have a minimum capitalization of $50 million and a maximum capitalization of $3 billion, at cost. Median capitalization of the portfolio shall not exceed $1 billion.

3. There shall be no investments in the following categories without specific advance written approval of the Trustees:

   a. Securities of foreign issuers, other than Canadian entities or other issues regularly traded in U.S. markets, including American Depository Receipts (ADR's) representing foreign stocks;

   b. Securities issued by a participating employer, except to the extent allowed by ERISA;

   c. Restricted stock;

   d. Private placements;

   e. Commodities, commodity futures, stock options, or letter stocks;

   f. Fixed income securities or derivatives with the exception of allowable cash or cash equivalents;

   g. Direct equity real estate holdings, mortgages, mortgage notes or any participation in foundations or organizations of pension trusts participating in real estate investments, or any successors thereof;

   h. Short sales or margin purchases.

4. Uninvested cash balances should be kept to a minimum through the prompt investment of available funds in short-term or more permanent security holdings. Allowable cash equivalents include the following:

   a. U.S. Government securities (backed by the full faith and credit of the U.S. Government) and U.S. Agency obligations;

   b. Certificates of deposit ("CDs"), maturing within 12 months, of any domestic bank meeting the capital standards mandated by the FDIC Improvements Act of 1991;

c. Commercial paper, maturing within 9 months, of any domestic issuer, provided that such commercial paper shall be rated not less than A-1 by Standard & Poors or Prime 1 by Moody's;

d. Tri-party repurchase agreements secured by U.S. Government or U.S. Agency obligations;

e. High grade banker's acceptances. ("High grade" is defined as rated BBB or better by Standard & Poors for long-term (more than one year) banker's acceptances and at least A-2/P-2 for short term banker's acceptances);

f. Commingled accounts offered by banks or mutual funds that are designed for cash management strategies.

5. If in any calendar quarter, the turnover of equity investments exceeds 50% of the equity market value, the investment manager will promptly submit to the Board of Trustees a detailed explanation of the trading activity. (For this purpose, turnover, shall be calculated as the ratio of the proceeds of equity sales to the market value of equities at the start of the quarter).

V. Communications and Reporting

1. The investment manager shall issue a quarterly report for the Portfolio reviewing the progress, investment strategy and actions of the firm on behalf of the Fund. In addition, the report shall show the aggregate commissions paid per broker, including the number of shares and the commission paid per share. The investment manager is authorized to place purchase and sales orders for the Fund to obtain the best execution for the Fund. Best execution is defined as the best combination of price and commission and not necessarily the lowest commission cost. The Trustees have implemented a commission recapture program which should be utilized, subject to the above provisions. Commission costs will be reviewed periodically and are expected on average to be in the range of 5 - 7¢ per share.

2. The investment manager is expected to meet with the Trustees to review the portfolio and to discuss investment results in the context of these goals, objectives and policies at least once a year. At all times, however, the investment manager is encouraged to have open communication with the Trustees on all significant matters pertaining to investment policies and the management of the Fund's assets.

3. The Trustees have retained an independent firm to exercise the ownership rights pertaining to their investments such as voting proxies. Therefore the investment manager is not responsible for voting proxies.

4. Whenever the investment manager believes that any particular guideline or objective should be changed or deleted, it is the responsibility of the manager to initiate communication with the Trustees.

* * * *

The above statement of investment guidelines and objectives are hereby found acceptable to both the investment manager and the Board of Trustees.

Board of Trustees

EIGHTH DISTRICT ELECTRICAL PENSION FUND

By: _____ Date: 11-18-99

_____

CAPITAL CONSULTANTS

By: _____ Date: 10-29-99

_____

Revised: August 1999

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Exhibit 4A
Page 16 of 33

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INVESTMENT GUIDELINES

EIGHTH DISTRICT ELECTRICAL PENSION FUND

CAPITAL CONSULTANTS - COLLATERALIZED/INSURED NOTES

1. The primary objective of the Fund is the preservation of capital plus a return from income within a framework of reasonable risk.

2. The investment return objective for this portion of the total portfolio is to obtain an annual rate of return of Prime plus one percent.

3. The investment manager shall discharge his responsibilities with respect to the Fund in accordance with the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") as amended, and supporting regulations.

4. The collateralized/insured notes portfolio must contain at least ten (10) loans.

5. The Fund's interest in any loan in this portfolio may not, at any time, exceed 20% of the total loan amount outstanding.

6. A single loan may not exceed 10% of the total portfolio.

7. The term of any single loan may not exceed 5 years, including any extensions.

8. The investment manager may not place more than 25% of the assets under management with any single financial enterprise or firm, with the exception of Sterling Capital, which may not exceed 50%.

9. This portfolio shall not contain any loan which has as primary security, real estate, or any interest in real estate.

10. The investment manager shall issue a report at least quarterly reviewing the status of this portfolio, including cumulative interest.

11. The investment manager is expected to meet with the Board of Trustees at least once a year to review the portfolio, investment results and any suggested changes in these guidelines.

The above statement of investment guidelines is hereby found acceptable to both the investment manager and the Board of Trustees.

EIGHTH DISTRICT ELECTRICAL PENSION FUND

Robert Bedell Date 4-22-99

CAPITAL CONSULTANTS, INC.

Date 4-5-99

Exhibit 4A

Page 7 of 33

Capital Consultants, Inc.

INVESTMENT GUIDELINES

EIGHTH DISTRICT ELECTRICAL
PENSION TRUST FUND

CAPITAL CONSULTANTS-COLLATERALIZED/INSURED NOTES

1. The primary objective of the Fund is the preservation of capital plus a return from income within a framework of reasonable risk.

2. The investment return objective for this portion of the total portfolio is to obtain an annual rate of return of Prime plus one percent.

3. The investment manager shall discharge his responsibilities with respect to the Fund in accordance with the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") as amended, and supporting regulations.

4. The collateralized/insured notes portfolio must contain at least ten (10) loans.

5. No loan in this portfolio may exceed 20% of the total loan amount to the borrower.

6. A single loan may not exceed 10% of the total portfolio.

7. The investment manager may not place more than 50% of the assets under management with any single financial enterprise or firm.

8. A loan secured or partially secured by real estate may not exceed $300,000.

9. The investment manager shall issue a report at least quarterly reviewing the status of this portfolio, including cumulative interest.

10. The investment manager is expected to meet with the Board of Trustees at least once a year to review the portfolio, investment results and any suggested changes in these guidelines.

The above statement of investment guidelines is hereby found acceptable to both the investment manager and the Board of Trustees.

Board of Trustees
EIGHTH DISTRICT ELECTRICAL PENSION TRUST FUND

By: James L. Peterson Date: 10/16/97

CAPITAL CONSULTANTS

By: [illegible] Date: 1-5-98

Exhibit 4A
Page 8 of 33

LAW OFFICES OF
THOMAS E. JAGGER
SUITE 127
THATCHER BUILDING
PUEBLO, COLORADO 81003
(719) 545-4412 FAX (719) 545-4301

March 6, 1997

Mr. Barclay L. Grayson
CAPITAL CONSULTANTS, INC.
Capital Center
2300 SW First Avenue
Portland, Oregon 97201

Re: Eighth District Electrical Pension Fund - Account No. 747.88

Dear Mr. Grayson:

In reply to your letter of February 24, 1997 addressed to me and received March 3, 1997 please be advised:

After reviewing Capital Consultants, Inc. product description for its Private Investment Division and its Investment Advisory Agreement ("IAA") with the Eighth District Electrical Pension Fund ("Fund") relating to the Collateralized Note Program, we are of the opinion that Capital Consultants, Inc. should not have and was not authorized to invest Fund's assets in any of the products so described except possibly Collateralized Notes/Receivable Financing.

Therefore, any modified fee structure should be limited to fees with respect to the Collateralized Note Program as described in the IAA and we request that such modification be segregated as a separate document explaining the fee increases for approval by the Board of Trustees of Fund. Until such approval, the fees will remain as set forth in the IAA. The next Trustees meeting is scheduled for April 18, 1997.

If you have any questions, please call me.

Very truly yours,

Thomas E. Jagger

/jp
xc: William Greenwood
Tim Rutledge

Exhibit 4A
Page 9 of 33

Exhibit 4A
Page 10 of 33

SEGAL ADVISORS, INC.

1201 Third Avenue
Suite 2440
Washington
-0250
FAX: 206-382-0265

717.88
747.88
740.88
722.88
723.88

May 6, 1996

Mr. Dean E. Kirkland
Capital Consultants
Capital Center
2300 SW First Avenue
Portland, OR 97201

Dear Dean:

Please be advised that the Board of Trustees of the Eighth District Electrical Pension Trust Fund took action at their meeting on April 26, 1996 to revise the guidelines under which Capital Consultants operates with the collateralized and insured notes program. The Trustees approved that you may make a single loan that would not exceed one-fifth of the total portfolio under management provided that the loan does not exceed one-fifth of the total loan to the borrower, and further provided that the portfolio will have no fewer than ten loans in the portfolio. This guideline is to apply to the insured loans as well as the cash collateral pools but not to the loans that are made to borrowers in the real estate area. That criteria will remain at $300,000 maximum loan amount.

Tom Jagger is reviewing the real estate circumstance and will contact you regarding it in the near future. If you have any questions regarding these guidelines, please don't hesitate to call.

Sincerely,

Tim C. Rutledge
Consultant

gj

cc: Tom Jagger
Bill Greenwood
Dan Imming

Investment Guidelines and Objectives
for a Small Capitalization Equity Manager

EIGHTH DISTRICT ELECTRICAL PENSION FUND

I. General Considerations

It is the intention of the Board of Trustees to allow the investment manager full discretion within the scope of these mutually agreed upon investment guidelines. The manager shall be responsible for reviewing these guidelines with the Trustees at least annually to assure that they remain valid and relevant. Any recommendations by the investment manager as to changes should be submitted to the Trustees in writing. And any changes proposed by the Trustees will be conveyed in writing to the investment manager.

II. Basic Premises

1. The primary investment objective of the Fund is the preservation of capital plus a return from capital appreciation and current income.

2. It is appropriate for the investment manager to seek capital appreciation from equity investments as a hedge against inflation and to diversify the portfolio.

3. All investments should be managed with the focus on total investment return. Distinctions need not be made between realized and unrealized capital gains or losses.

III. Investment Return Objectives

1. The investment return objective for this portion of the total portfolio is to obtain over the long term, an annual total rate of return at least 5% in excess of the annual rate of increase in the Consumer Price Index. "Long term" means over a full market cycle (three to five years).

   Performance for this portfolio will be reviewed on a regular basis. Total rates of return on market value will be calculated, including dividend and interest income and both realized and unrealized capital gains and losses, but before investment management fees. Comparisons of such rates will be made with relevant managed portfolios of retirement plan assets, the rate of increase in the CPI and with the return on a hypothetical portfolio invested:

   95% in the Russell 2000 Stock Index
   5% in U.S. Treasury Bills (3 month)

Exhibit 4A
Page 12 of 33

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The performance of the investment manager is expected to equal or exceed this hypothetical portfolio over the long term.

IV. Limitations and Requirements

1. The investment manager shall discharge his responsibilities with respect to the Fund assets in accordance with the fiduciary responsibility provisions of the Employee Retirement Income Security Act of 1974 ("ERISA") as amended and supporting regulations.

2. Equity investments in any one company shall be limited at purchase to no more than 5% of the Fund assets under management and no more than 5% of the company's total outstanding equity. Equity holdings must be listed on a national stock exchange or NASDAQ, except that up to 10% of such holdings, based upon market value, need not be so listed. Companies must have a minimum capitalization of $50 million and a maximum capitalization of $3 billion, at cost. Median capitalization of the portfolio shall not exceed $1 billion.

3. There shall be no investments in the following categories without specific advance written approval of the Trustees:

   a. Securities of foreign issuers which shall include American Depository Receipts (ADR's) representing foreign stocks;

   b. Securities issued by a participating employer, except to the extent allowed by ERISA;

   c. Private placements;

   d. Commodities, commodity futures, stock options or letter stocks;

   e. Direct equity real estate holdings, mortgages, mortgage notes or any participation in foundations or organizations of pension trusts participating in real estate investments, or any successors thereof;

   f. Short sales or margin purchases.

4. Uninvested cash balances should be kept to a minimum through the prompt investment of available funds in short-term or more permanent security holdings.

5. If in any calendar quarter, the turnover of equity investments exceeds 50% of the equity market value, the investment manager will promptly submit to the Board of Trustees a detailed explanation of the trading activity. (For this purpose, turnover, shall be calculated as the ratio of the proceeds of equity sales to the market value of equities at the start of the quarter).

V. Communications and Reporting

1. The investment manager shall issue a quarterly report for the Portfolio reviewing the progress, investment strategy and actions. In addition, the report shall show the aggregate commissions paid per broker, including the number of shares and the commission paid per share. The investment manager is authorized to place purchase and sales orders for the Fund to obtain the best execution for the Fund. Best execution is defined as the best combination of price and commission and not necessarily the lowest commission cost. Commission costs will be reviewed periodically and are expected on average to be in the range of 6 - 8¢ per share.

2. The investment manager is expected to meet with the Trustees to review the portfolio and to discuss investment results in the context of these goals, objectives and policies at least once a year. At all times, however, the investment manager is encouraged to have open communication with the Trustees on all significant matters pertaining to investment policies and the management of the Fund's assets.

3. Whenever the investment manager believes that any particular guideline or objective should be changed or deleted, it is the responsibility of the manager to initiate communication with the Trustees.

* * * *

The above statement of investment guidelines and objectives are hereby found acceptable to both the investment manager and the Board of Trustees.

Board of Trustees
EITHGH DISTRICT ELECTRICAL PENSION FUND

By: Robert Legins
James L. Peterson

Date: 7-18-96

CAPITAL CONSULTANTS

By: Gregory J. Thum

Date: July 12, 1996

Revised: July 9, 1996

Exhibit 4A
Page 15 of 33

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CAPITAL
CONSULTANTS

INVESTMENT ADVISORY AGREEMENT

The undersigned, **EIGHTH DISTRICT ELECTRICAL PENSION FUND**, hereinafter called the "Client," authorizes and instructs **CAPITAL CONSULTANTS, INC.**, hereinafter called the "Manager," to proceed with the investment management of those securities and funds placed under Manager's control and supervision by the Client now or subsequently in a custody account in the Client's name with COLORADO NATIONAL BANK or with such other custodian or successor thereto of which the Manager is notified in writing by the Client, hereinafter called the "Custodian."

The following terms shall govern the relationships between the Client and the Manager and, to the extent applicable, shall constitute authorization to the Custodian in respect to the Client's account with the Custodian and control the manner in which that account shall operate.

1. The Manager, as it deems advisable, shall cause securities to be bought and sold, and managed in accordance with Client's Investment Guidelines and Objectives, attached hereto as Exhibit "B-1" and incorporated herein by this reference, and shall cause all other functions necessary for investment management to be performed for the account.

2. The Manager shall notify the Client or the Custodian by mail of any transactions executed for the Client and the Custodian shall render monthly statements of all transactions for the account. The Manager shall, at calendar quarterly intervals, make an appraisal of the account at market value (including cash or its equivalent) and shall forward a copy thereof to the Client.

3. The entire compensation of the Manager shall be paid quarterly in advance and calculated and paid in accordance with the attached Schedule of Fees which is attached hereto as Exhibit "A," which may be amended from time to time by the Manager and the Client upon written agreement.

4. The Client shall pay the Manager's fee upon presentation of the Manager's fee bill. All brokerage commissions or expenses arising from transactions in the account shall be a charge against the Client's assets.

Capital Center
2300 SW First Avenue
Portland, Oregon 97201
(503) 241-1200
Fax (503) 241-0207

5. The Manager shall make no profit on any securities transaction executed for the account. It is acknowledged that the Manager invests monies for similar clients. The Manager shall allocate investment opportunities among all accounts having similar objectives to the extent practicable over a period of time on a fair and equitable basis. The Manager may bunch orders for the same security for the account and other accounts and may charge the account with the average price of executing all bunched orders.

6. The Manager shall issue all necessary instructions to the Custodian for the account. All instructions by the Manager to the Custodian shall be in writing and all acts performed by the Custodian upon written instructions from the Manager shall be for the account and risk of the Client to the extend such instructions of Manager are consistend with its authority hereunder. Instructions to the Custodian pertaining to acts other than those herein authorized must be approved by the Client in writing.

7. The Manager is authorized to place brokerage transactions for the account with broker/dealers who provide supplemental research and statistical materials or quotation materials to the Manager and to pay commissions which are reasonable in relation to the value of the brokerage and other services so provided viewed in terms of either that particular transaction or the Manager's overall responsibilities with respect to all accounts of the Manager. Manager will use its best efforts to obtain best execution of orders at the most favorable prices obtainable and will, at least quarterly, furnish Client with a report showing commissions paid and services received.

8. The Custodian is authorized to carry out all instructions of the Manager pertaining to purchases and sales of securities and all other functions necessary to the management of the account, including acts necessary to the carrying of securities in the name of the Custodian and acts relating to the delivery of securities or funds to the Client or to the Client's order.

9. The Custodian shall complete transactions for the account by delivering securities to any party acceptable to the Custodian against payment or against receipt to be held pending completion of the transaction, and by paying funds to any party acceptable to the Custodian against delivery of securities or against a receipt to be held pending delivery.

10. The provisions hereof, insofar as they relate to relationships between the Client and the Custodian, may be subject to a written supplementary agreement between the Client and the Custodian, no term of which, however, may be contrary to the provisions hereof.

11. The Manager represents to the Client that the Manager is registered as an investment adviser under the Investment Advisers Act of 1940 and acknowledges that the Client is an "employee benefit plan" as defined in the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and that:

(a) The Manager is a fiduciary with respect to Client's account and assumes the duties, responsibilities and obligations of such fiduciary; and
(b) The Manager is bonded for the protection of the portfolio in conformance with the applicable requirements of ERISA Section 412.

12. No assignment of this agreement shall be made by the Manager without the written consent of the Client and the Custodian.

13. This agreement shall remain in effect until terminated by thirty (30) days written notice from either party to the other, and the relationship between the Client and the Custodian may be terminated by written notice to the Custodian either from the Client or from the Manager at the direction of the Client. No such termination shall affect commitments actually made for the account by the Manager or by the Custodian prior to such notice. Upon termination of the arrangement between the Custodian and the Client, all securities and funds in the account shall be delivered to the Client or to its order.

14. The Manager shall perform its duties hereunder consistent with the prudence, diversification, and other requirements of ERISA. The Manager shall discharge its duties hereunder with respect to the Client solely in the interest of the Client and 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. The Manager shall diversify the investments of the Client under its management so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

15. The Manager shall have no duty, responsibility, or liability whatever with respect to any of the Client's property not constituting a portion of the portfolio. The Manager shall not be liable to the Client for any act of or breach of duty by the Custodian, except to the extent Manager violates its co-fiduciary duties under ERISA.

16. The Client acknowledges receipt of a copy of Capital Consultants, Inc.'s Form ADV, Part II (disclosure statement) or its informational equivalent and may terminate this agreement without penalty within five (5) business days of the agreement date.

17. Attached hereto and made a part of this agreement are Exhibit "B" (Investment Criteria and Confidentiality), and Exhibit "C" (Trading Authorization and Limited Power of Attorney).

18. All the books and records of the Manager with respect to the Client shall be open to examination, investigation, and audit during usual business hours by the Client and its agents who are duly authorized in a writing delivered to the Manager.

19. In case suit or action is instituted by any party against another, the prevailing party shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees and costs in such suit or action, including any appeal taken from a decree or judgment rendered therein.

20. This agreement may be amended only by written instrument, signed by both of the parties hereto.

21. This agreement shall be construed and interpreted in accordance with the laws of the state of Colorado.

MANAGER:

CAPITAL CONSULTANTS, INC.

By: Gregory J. Houser
Gregory J. Houser, President

DATED: July 12, 1996

CLIENT:

EIGHTH DISTRICT ELECTRICAL PENSION FUND

By: Robert Legino
Robert Legino, Chairman

By: James L. Peterson
James Peterson, Secretary

DATED: 7-18-96, 1996

747.50

CLIENT: EIGHTH DISTRICT ELECTRICAL PENSION FUND

EXHIBIT "A"

SCHEDULE OF FEES

Fees are payable in advance, and are based on the fair market value of the assets under Capital Consultants, Inc.'s management appraised as of the last business day of the prior calendar quarter as follows:

EQUITY ONLY AND BALANCED PORTFOLIO ANNUAL FEES

On the first	$ 1,000,000	1.00%
On the next	$ 2,000,000	.80 of 1.00%
On the next	$ 2,000,000	.65 of 1.00%
On the next	$ 5,000,000	.50 of 1.00%
On the next	$ 5,000,000	.40 of 1.00%
On the next	$ 5,000,000	.30 of 1.00%
All sums over	$20,000,000	.25 of 1.00%

The fee schedule is expressed in terms of annual rates. One-fourth of the pertinent rate will be billed at the beginning of each quarter. Billings are due and payable upon receipt. If this agreement terminates during a quarter, a pro rata adjustment of the fee shall be made to reduce the fee proportionately to the part of the quarter elapsed before the termination.

Private placements or other securities with respect to which there is no active trading market shall be valued at cost for purposes of computing the fee, unless the market value can be determined by an independent third party transaction or appraisal.

CLIENT: EIGHTH DISTRICT ELECTRICAL PENSION FUND

EXHIBIT "B"

INVESTMENT CRITERIA AND CONFIDENTIALITY

The Manager shall have the authority to buy, sell, and to trade in stocks in accordance with your terms and conditions for the account and risk of the undersigned and in the name or account number of the undersigned. Each issued security in which the Manager invests shall be a domestic security.

Unless the Manager obtains written authorization from the Client, the Manager shall not disclose, in any way, to any other person, firm or organization, the Client's name or identity as a customer of the Manager; and the Manager shall not disclose to any other person (whether related or not), or to any firm or organization, any information of or from the Client's account; except that the Manager may disclose information about or from the Client's account to the extent required by governmental authority, and to a person or persons designated in writing by the Client to receive the information from the Manager.

Investments shall be made in accordance with the terms of the Investment Guidelines and Objectives attached hereto and incorporated herein as "Exhibit B-1".

CLIENT: EIGHTH DISTRICT ELECTRICAL PENSION FUND

EXHIBIT "C"

TRADING AUTHORIZATION AND LIMITED POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Capital Consultants, Inc., as the undersigned's agent and attorney in fact with full power and authority for the undersigned, and in behalf of the undersigned, to buy, sell, and to trade in stocks in accordance with your terms and conditions for the account and risk of the undersigned and in the name or account number of the undersigned. The undersigned hereby agrees to indemnify and hold you harmless from, and pay you promptly upon demand for, any and all losses arising therefrom or debit balance due on transactions within the scope of the undersigned's authorization to Capital Consultants, Inc.

In all such purchases, sales, trades or transactions you are authorized to follow the instructions of Capital Consultants, Inc. in every respect concerning the undersigned's account with you; and Capital Consultants, Inc. is authorized to act for and on behalf of the undersigned in the same manner and with the same force and effect as the undersigned might or could do with respect to such purchases, sales, trades or transactions as well as with respect to all other things necessary or incidental to the furtherance or conduct of such purchases, sales, trades or transactions.

The undersigned hereby ratifies and confirms any and all transactions heretofore or hereafter made by Capital Consultants, Inc. for the account of the undersigned.

This authorization and indemnity is in addition to (and in no way limits or restricts) any rights which you may have under any other agreements or agreement between your firm and the undersigned.

This authorization and indemnity is also a continuing one and shall remain in full force and effect until revoked by the undersigned by a written notice addressed to and actually received by you, but such revocation shall not affect any liability in any way resulting from transactions initiated prior to such revocation. This authorization and indemnity shall inure to the benefit of

your present firm and of any successor firm or firms irrespective of any change or changes at any time in the personnel thereof for any cause whatsoever, and of the dates of your present firm or any successor firm.

Date: 7-18-, 1996.

CLIENT:

EIGHTH DISTRICT ELECTRICAL PENSION FUND

By: Robert Legino
Robert Legino, Chairman

By: James L. Peterson
James Peterson, Secretary

State of Colorado)
)ss:
County of Adams)

On this 18th day of July, 1996, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named Robert Legino, Chairman of the Eighth District Electrical Pension Fund, and known to me to be the identical individual who, being first duly sworn, did say that he is authorized to sign on behalf of said Pension Fund by authority of its Board of Trustees, and acknowledges this to be its voluntary act and deed.

In witness whereof I have hereunto set my and affixed my official seal the day and year last above written.

Claire B. Watson
Notary Public for Colorado
My commission expires: April 7, 1997

State of Colorado)
)ss:
County of El Paso)

On this 18th day of July, 1996, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named James Peterson, Secretary of the Eighth District Electrical Pension Fund, and known to me to be the identical individual who, being first duly sworn, did say that he is authorized to sign on behalf of said Pension Fund by authority of its Board of Trustees, and acknowledges this to be its voluntary act and deed.

In witness whereof I have hereunto set my and affixed my official seal the day and year last above written.

Teresa R. Meier
Notary Public for Colorado
My commission expires: 6/27/97

747.50

DEK
CLH
GMC
FILE 747.88
KEB
Custodian
10/13/95

APITAL
CONSULTANTS

INVESTMENT ADVISORY AGREEMENT

The undersigned, **EIGHTH DISTRICT ELECTRIC FUND**, hereinafter called the "Client," authorizes and instr **CONSULTANTS, INC.**, hereinafter called the "Manager," to p investment management of those securities and funds placed by th subsequently in a custody account with **COLORADO NATION BANK**, or with such other custodian or successor thereto of which the Manager is notified in writing by the Client, hereinafter called the "Custodian."

The following terms shall govern the relationships between the Client and the Manager and, to the extent applicable, shall constitute authorization to the Custodian in respect to the Client's account with the Custodian and control the manner in which that account shall operate.

1. The Manager, as it deems advisable, shall invest Client's account in Manager's Insured Collateralized Note Financing Program as described in Exhibit "B." Not more than One Million Dollars ($1,000,000.00) of Client's account shall be invested in any one collateralized note.

2. The Manager shall notify the Client or the Custodian by mail of any transactions executed for the Client and the Manager shall render monthly statements of all transactions for the account. The Manager shall, at calendar quarterly intervals, make an appraisal of the account at market value (including cash or its equivalent) and shall forward a copy thereof to the Client. The appraisal shall include the initial cost of each investment.

3. The entire compensation of the Manager shall be paid quarterly in advance and calculated and paid in accordance with the attached Schedule of Fees which is attached hereto as Exhibit "A," which may be amended from time to time by the Manager and the Client upon written agreement.

4. The Client shall pay the Manager's fee upon presentation of the Manager's fee bill.

5. The Manager shall make no profit on any investment transaction executed for the account. It is acknowledged that the Manager invests monies for similar clients. The Manager shall allocate investment opportunities among all accounts having similar objectives to the extent practicable over a period of time on a fair and equitable basis. The Manager may bunch orders for the same security for the account and other accounts and may charge the account with the average price of executing all bunched orders.

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Portland, Oregon 97201
(503) 241-1200
Fax (503) 241-0207

6. The Manager shall issue all necessary instructions to the Custodian for the account. All instructions by the Manager to the Custodian shall be in writing and all acts performed by the Custodian upon written instructions from the Manager shall be for the account and risk of the Client to the extent such instructions of Manager are consistent to its authority hereunder. Instructions to the Custodian pertaining to acts other than those herein authorized must be approved by the Client in writing.

7. The Custodian is authorized to carry out all instructions of the Manager pertaining to purchases and sales of investments and all other functions necessary to the management of the account.

8. The provisions hereof, insofar as they relate to relationships between the Client and the Custodian, may be subject to a written supplementary agreement between the Client and the Custodian.

9. The Manager represents to the Client that the Manager is registered as an investment adviser under the Investment Advisers Act of 1940, acknowledges the Client is an "employee benefit plan" as defined in the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and that:

(a) The Manager is a fiduciary with respect to Client's account and assumes the duties, responsibilities and obligations as such fiduciary; and

(b) The Manager is bonded for the protection of the portfolio in conformance with the applicable requirements of ERISA Section 412.

10. No assignment of this agreement shall be made by the Manager without the written consent of the Client.

11. This agreement shall remain in effect until terminated by thirty (30) days written notice from either party to the other, and the relationship between the Client and the Custodian may be terminated by written notice to the Custodian either from the Client or from the Manager at the direction of the Client. No such termination shall affect commitments actually made for the account by the Manager or by the Custodian prior to such notice. Upon termination of the arrangement between the Custodian and the Client, all securities and funds in the account shall be delivered to the Client or to its order.

12. The Manager shall perform its duties hereunder consistent with the prudence, diversification, and other requirements of ERISA. The Manager shall discharge its duties hereunder with respect to the Client solely in the interest of the Client and 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. The Manager shall diversify the investments of the Client under its management so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so.

13. The Manager shall have no duty, responsibility, or liability whatever with respect to any of the Client's property not constituting a portion of the Client's account. The Manager shall not be liable to the Client for any act of or breach of duty by the Custodian, except to the extent it violates its co-fiduciary duties under ERISA.

14. The Client acknowledges receipt of a copy of Capital Consultants, Inc.'s Form ADV, Part II (disclosure statement) or its informational equivalent and may terminate this agreement without penalty within five (5) business days of the agreement date.

15. Attached hereto and made a part of this agreement are Exhibit "B" (Collateralized Note Program and Investment Criteria and Confidentiality), and Exhibit "C" (Trading Authorization and Limited Power of Attorney).

16. All the books and records of the Manager with respect to the Client shall be open to examination, investigation, and audit during usual business hours by the Client and its agents who are duly authorized in a writing delivered to the Manager.

17. In case suit or action is instituted by any party against another, the prevailing party shall be entitled to recover such sum as the court may adjudge reasonable as attorneys' fees in such suit or action, including any appeal taken from a decree or judgment rendered therein.

18. This agreement may be amended only by written instrument, signed by both of the parties hereto.

19. This agreement shall be construed and interpreted in accordance with the laws of the state of Colorado.

MANAGER:

CAPITAL CONSULTANTS, INC.

By: _____
Gregory J. Houser, President

Dated: September 21, 1995

CLIENT:

EIGHTH DISTRICT ELECTRICAL PENSION FUND

By: _____
Craig Whitney, Chairman

By: _____
Marshall Johnson, Secretary

Dated: Oct 6, 1995

CLIENT: EIGHTH DISTRICT ELECTRICAL PENSION FUND

EXHIBIT "A"

SCHEDULE OF FEES

Fees are payable in advance, and are based on the fair market value of the assets under Capital Consultants, Inc.'s management appraised as of the last business day of the prior calendar quarter as follows:

Collateralized Notes/Receivables Financing:

• Insured/Uninsured Asset Management Fee	1.00%
• Underwriting and Loan Servicing for loans that have Credit Insurance and/or Bond and/or Cash Collateral	2.00%

Initial Set Up Fee $ 1,100.00

The fee schedule is expressed in terms of annual rates. One-fourth of the pertinent rate will be billed at the beginning of each quarter. Billings are due and payable upon receipt. If this agreement terminates during a quarter, a pro rata adjustment of the fee shall be made to reduce the fee proportionately to the part of the quarter elapsed before the termination.

Private placements or other securities with respect to which there is no active trading market shall be valued at cost for purposes of computing the fee, unless the market value can be determined by an independent third party transaction or appraisal.

CLIENT: EIGHTH DISTRICT ELECTRICAL PENSION FUND

EXHIBIT "B"

INVESTMENT CRITERIA AND CONFIDENTIALITY

The Manager shall have the authority to invest assets of Client in Collateralized Notes Program described in the attached Collateralized Note Program, wherein Capital Consultants, Inc. lends money to a commercial borrower and the borrower collateralizes the loan with the payables from the borrower's customers.

The obligation to pay is covered by either credit insurance from a qualified credit insurance company or a surety bond or cash reserve in escrow for at least 15% of the amount of the loan. No insurance is required in the event the payor is a government agency.

For cash placed in the custodial account pending investment or reinvestment, Manager shall have authority to direct the investment of such cash in short term money market instruments.

Unless the Manager obtains written authorization from the Client, the Manager shall not disclose, in any way, to any other person, firm or organization, the Client's name or identity as a customer of the Manager; and the Manager shall not disclose to any other person (whether related or not), or to any firm or organization, any information of or from the Client's account; except that the Manager may disclose information about or from the Client's account to the extent required by governmental authority, and to a person or persons designated in writing by the Client to receive the information from the Manager.

APITAL
CONSULTANTS

COLLATERALIZED NOTE PROGRAMS

Capital Consultants, Inc.
Portland, Oregon
Founded: 1968
Assets Under Management: $900 million

PORTFOLIO OBJECTIVES

- Maximum current income consistent with preservation of investment capital
- Enhanced fixed income returns in excess of short term fixed income investments
- Control portfolio risk through active management and credit quality
- Credit insurance or cash collateral available to provide for protection of principal

INVESTMENT GUIDELINES AND PROCEDURES

- Active management of financing relationships
- Analysis of credit history of borrower
- Proprietary computer driven analysis of borrowing base
- Appropriate diversification across industry sector and companies
- Regularly scheduled third party audit
- Appropriate security interest in all collateral for loan
- Qualified receivable from creditworthy corporate payors
- 90% loan to value against qualified receivables
- Payments generally received from payors through lender controlled lock-box
- Cash Collateralized accounts require additional cash collateral (generally in the form of certificate of deposits) in the amount of 15% of the loan

PORTFOLIO PERFORMANCE as of June 30, 1995 (Annualized) 1,2

	Year-to-Date	12 Months	3 Years	5 Years	Since Inception 9/30/89
Portfolio	**7.4%**	**9.8%**	**8.9%**	**9.7%**	**10.2%**
91-Day Treasury Bills	2.9%	5.3%	4.0%	4.7%	5.1%

Performance Calculation Footnotes
1. Net of fees paid to CCI
2. Weighted rate of return
3. As of July 31, 1992 CCI began using Credit Insurance or 15% cash collateral

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Portland, Oregon 97201
(503) 241-1200
Fax (503) 241-0207

CAPITAL CONSULTANTS

COLLATERALIZED NOTE CREDIT INSURANCE

- CCI lends money to a commercial borrower
- Borrower collateralizes, or provides security for the loan with payables of approved, creditworthy customers
- Credit insurance guarantees that the policy holder will be paid for goods shipped or services rendered
- The insured accounts receivable are used as collateral for the loan, providing a guarantee of return of principal to the lender

INSURANCE PROVIDERS

American Credit Indemnity
100 East Pratt Street, 5th Floor
Baltimore, Maryland 21202-1008
(410) 554-0700
Founded: 1893
AM Best: A+
Total Assets $153 million
Shareholders Equity: $85 million

ACI is a subsidiary of Dunn and Bradstreet and is one of the oldest and largest business credit insurer in North America. ACI writes nearly 70% of the premium volume for accounts receivable coverage.

Continental Credit Insurance
a subsidiary of the CNA Companies
One Continental Drive
Cranbury, New Jersey 08570
(609) 395-2453
Founded: 1897
AM Best Rated: A
Standard & Poors: A+
Moody's: A1
Total Assets: $44.3 billion
Shareholders Equity: $4.5 billion

With nearly 100 years experience in credit insurance, Continental Insurance is the largest multi-line insurance company offering credit insurance to small to medium sized companies. Continental provides coverage on domestic and Canadian receivables and access to coverage on foreign receivables.

Capital Center
[illegible] SW First Avenue
Portland, Oregon 97201
(503) 241-1200
Fax (503) 241-0207

CLIENT: EIGHTH DISTRICT ELECTRICAL PENSION FUND

EXHIBIT "C"

TRADING AUTHORIZATION AND LIMITED POWER OF ATTORNEY

The undersigned hereby constitutes and appoints Capital Consultants, Inc., as the undersigned's agent and attorney in fact with full power and authority for the undersigned, and in behalf of the undersigned, to buy, sell, and to trade in ~~insured~~ receivables and collateralized notes, in accordance with your terms and conditions for the account and risk of the undersigned and in the name or account number of the undersigned. The undersigned hereby agrees to indemnify and hold you harmless from, and pay you promptly upon demand for, any and all losses arising therefrom or debit balance due on transactions within the scope of undersigned's authorization to Capital Consultants, Inc.

In all such purchases, sales, trades or transactions you are authorized to follow the instructions of Capital Consultants, Inc. in every respect concerning the undersigned's account with you; and Capital Consultants, Inc. is authorized to act for and on behalf of the undersigned in the same manner and with the same force and effect as the undersigned might or could do with respect to such purchases, sales, trades or transactions as well as with respect to all other things necessary or incidental to the furtherance or conduct of such purchases, sales, trades or transactions.

The undersigned hereby ratifies and confirms any and all transactions heretofore or hereafter made by Capital Consultants, Inc. for the account of the undersigned.

This authorization and indemnity is in addition to (and in no way limits or restricts) any rights which you may have under any other agreements or agreement between your firm and the undersigned.

This authorization and indemnity is also a continuing one and shall remain in full force and effect until revoked by the undersigned by a written notice addressed to and actually received by you, but such revocation shall not affect any liability in any way resulting from transactions initiated prior to such revocation. This authorization and indemnity shall inure to the benefit of

your present firm and of any successor firm or firms irrespective of any change or changes at any time in the personnel thereof for any cause whatsoever, and of the dates of your present firm or any successor firm.

Date: 10 / 6, 1995

CLIENT:

EIGHTH DISTRICT ELECTRICAL PENSION FUND

By: _____
Craig Whitney, Chairman

By: _____
Marshall Johnson, Secretary

State of Colorado)
)ss:
County of El Paso)

On this 6th day of October, 1995, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named Craig Whitney, Chairman of the Eighth District Electrical Pension Fund, and known to me to be the identical individuals who, being first duly sworn, did say that he is authorized to sign on behalf of said Fund by authority of its Board of Trustee, and acknowledges this to be its voluntary act and deed.

In witness whereof I have hereunto set my and affixed my official seal the day and year last above written.

_____
Notary Public for Colorado
My commission expires: 10/29/95

State of Colorado)
)ss:
County of El Paso)

On this 6th day of October, 1995, before me, the undersigned, a notary public in and for said county and state, personally appeared the within named Marshall Johnson, Secretary of the Eighth District Electrical Pension Fund, and known to me to be the identical individuals who, being first duly sworn, did say that he is authorized to sign on behalf of said Fund by authority of its Board of Trustee, and acknowledges this to be its voluntary act and deed.

In witness whereof I have hereunto set my and affixed my official seal the day and year last above written.

Carolyn A. Simpson
Notary Public for Colorado
My commission expires: 10/29/95