

CITY OF LEBANON POLICE PENSION FUND BOARD
Selection Process Body
Minutes from Interview Ranking, Scoring & Tentative Selectee Vote

May 28, 2013

The Selection Process Body met immediately after all interviews were conducted to rank, score and vote on a tentative selectee. The meeting was held on the above date in the Public Works Conference Room 220 of the Municipal Building, Mayor Sherry Capello presiding.

Additionally present were Sgt. Thomas Hirschbock and Sgt. Steve Bord, Officer Brett Fisher, Laymembers Terrence Feeman, Jane Yocum and Ed Roznowski,

The meeting was called to order at approximately **10:20 A.M.**

1. Interview Ranking

All members of the Selection Process Body ranked each Applicant in accordance with instructions and criteria provided. With three Applicants interviewed, they were ranked from the highest (a score of 3- most desirable) to lowest (a score of 1- least desirable). Then each rank was multiplied by 2 to produce the interview score. Each member signed their scoring sheets and handed them to the Chief Administrative Officer, Sherry Capello.

The CAO recorded the scores and calculated the RFP Final Composite Score for each of the three applicants and ranked them accordingly. The Selection Process Body was informed of the final rank of each Applicant. Fulton Financial received a final composite score of 20, Principal Financial/R.J. Hall received 28 and PNC Institutional Investments received 36. The sheets were reviewed to insure there was no oversight made during the process. Additionally, the tentative selectee's application was verified that there were no disqualifications that would preclude them from qualifying to receive the award of the Professional Services Contract.

2. Vote

A motion was made to approve PNC's selection for award of the contract and unanimously approved by all members of the Selection Process Body. PNC was designated as the tentative selectee and the process for selection was concluded.

There being no further business, the meeting was adjourned at approximately 10:40 A.M.

Respectfully submitted,



Sherry L. Capello, Mayor

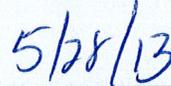
SUMMARY OF AWARD FORM following the RFP Interview-Successful Applicant

The following represents the relevant factors that resulted in the award of the Professional Services Contract to the tentative selectee, PNC Institutional Investments:

- PNC possesses all preferred licensing at a 7 level- series numbers 63,65,66 & 67.
- The costs of the services requested, including manager's fees based on a 12 million dollar asset were approximately .75 basis points.
- PNC has sufficient experience and expertise with over 70 PA Municipal Pensions and with 100 years in the pension business.



Signature of Chief Administrative Officer



Date

Proposal for City of Lebanon Police Pension Fund

April 19, 2013

REQUEST FOR PROPOSAL

City of Lebanon

Proposal For: Financial Advisor for City of Lebanon Police Pension Fund

Services Provided For: Police Pension Fund Board **RFP NOTICE NUMBER:** PPF2

RFP OPENING DATE: April 4, 2013

RFP CLOSING DATE: April 19, 2013

PART C: REQUEST FOR PROPOSAL – APPLICATION

CITY OF LEBANON POLICE PENSION BOARD RFP NOTICE NUMBER: PPB1

APPLICANT INFORMATION:

Company Name and Address: PNC Institutional Investments 4242 Carlisle Pike Camp Hill, PA 17011		Company's Principal Point of Contact: Chris Garner, Vice President & Senior Business Development Officer PNC Institutional Investments PNC Bank, N.A.	
Point of Contact's Phone Number:	717-730-2263		
Point of Contact's FAX Number:	717-730-2254		
Point of Contact's E-Mail Address:	christopher.garner@pnc.com		

This proposal is delivered by PNC Bank, N.A. on the condition that it be kept confidential and not be shown to, or discussed with, any third party, including any financial institutions (other than on a confidential or need-to-know basis with the recipient's directors, officers, employees, counsel and other advisors, or as required by law), or used other than for the purpose of evaluating this proposal, without PNC's prior written approval.

This proposal is not a contract or an offer to enter into a contract and does not obligate either party to negotiate or enter into any contract in connection with the services described in this Proposal (the "Services"). Any binding agreement to accept or provide the Services will be subject to the parties entering a written agreement that will contain terms that are acceptable to the parties. PNC Bank reserves the right to change, alter, eliminate or withdraw all or portions of the Proposal for the Services or to choose not to provide some or all of the Services. The organization to which this Proposal is addressed is responsible for all costs associated with its evaluation and due diligence efforts.

APPLICATION QUESTIONS:

1. Please provide the names and titles of all individuals who will be providing professional services to the **Requesting Municipality's** pension plan(s) identified.

NOTE: No Response required...This information is required under **Question #1** of the **Standard Disclosure Form**.

Applicants: please do not repeat your information here; answer this question on the Standard Disclosure Form only.

Evaluators: please refer to the **Standard Disclosure Form Question #1** to review this information.

2. Describe how long your firm has been providing the types of services sought under this RFP – **specifically**, to municipal government entities in Pennsylvania. If your firm will employ any subcontractor or company that will be a party to providing the proposed services relative to this RFP, or in an advisory capacity, please indicate their experience relative to servicing pensions of municipal government entities in Pennsylvania.

RESPONSE:

PNC Institutional Investments has provided investment services for more than 160 years. We have provided investment and administration services to defined benefit pension plans since their inception in the 1930s/1940s, including several Pennsylvania municipal organizations.

PNC Institutional Investments will be providing the services requested within this proposal. PNC Institutional Investments is part of PNC's Asset Management Group. PNC Institutional Investments is not a legal entity; it is simply a trade name under which PNC Bank, National Association conducts business. PNC Bank is a subsidiary of The PNC Financial Services Group, Inc.

3. In general terms, describe the make-up of your current municipal client base:
 - a. How many of your current public clients are Pennsylvania municipal clients at the township, borough, or municipal authority level (commonly referred to as *local government entities*)?

RESPONSE:

Currently, PNC Institutional Investments has 68 municipality plans in Pennsylvania with more than \$500 million in municipal/government assets.

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- b. What are the percentages of those that are defined benefit vs. those that are defined contribution plans?

RESPONSE:

PNC Institutional Investments has 68 municipality plans in Pennsylvania; however, we do not track the numbers by plan type individually.

- c. What are the total assets of those Pennsylvania municipalities that your firm has under direct financial management?

RESPONSE:

Currently, PNC Institutional Investments has 68 municipality plans in Pennsylvania with more than \$500 million in municipal/government assets.

4. The existing investment managers are Blackrock Investments and Neuberger Berman, LLC. What is your experience working with these investment managers?

RESPONSE:

The PNC Financial Services Group, Inc. owns approximately one-quarter of BlackRock, one of the largest publicly traded investment management firms in the country. BlackRock works on behalf of institutional and individual investors worldwide through a variety of equity, fixed income, liquidity and alternative investment products. In addition, it provides risk management, investment system outsourcing, and financial advisory services to a growing number of institutional investors.

We currently do not have a relationship with Neuberger Berman, LLC.

5. How are you licensed (Series No.)?

RESPONSE:

As a national banking association, PNC Bank is not required to register as an investment advisor with the SEC under the Investment Advisors Act of 1940. Investment management services offered are conducted pursuant to trust powers granted to it by the Office of the Comptroller of the Currency. The Firm is examined on an annual basis by the Office of the Controller of Currency. We also conduct both external and internal audits on an annual basis.

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6. Provide some brief specifics relative to the qualifications and experience of the principal individuals primarily responsible for providing investment management and/ or advisory services, including experience with Act 205 and Act 44 compliance. All responses to the preceding must reflect their qualifications and experience, specific only to the provision of pension services to Pennsylvania municipal clients.

RESPONSE:

Michael T. Ball
Vice President & Senior Relationship Manager

Michael Ball is a senior investment relationship manager servicing institutional pension, charitable, and foundation clients in PNC Institutional Investments Group Philadelphia region.

In 1984, Michael began his career in New York as a securities trader with McLaughlin, Piven, Vogel, Inc. He joined First Albany Corporation in 1985 as a taxable fixed income trader advising portfolio managers on investment strategies and security selection. In 1989, Michael moved to institutional sales with Shearson Lehman Brothers in Pittsburgh. There he expanded his client base to include financial institutions and retirement plans. Michael returned to fixed income trading in 1994 with Hopper, Soliday & Co., the investment banking division of Dauphin Deposit Corporation, in Lancaster, PA. There he provided investment portfolio advisory services for institutional clients including banks, state agencies, and local municipalities. In 1997, Michael joined Mellon/Dreyfus Retirement Services as a senior investment manager providing pension asset management to institutional clients. Michael moved to PNC's Institutional Investments Group in July of 2001. In his current position, Michael provides investment management services to charitable organizations, endowments and foundations, as well as defined benefit and defined contribution pension plans. These services include portfolio management, investment policy analysis and composition, asset/liability modeling, asset allocation, security selection and investment performance evaluation.

Michael received a BS in Finance from The Pennsylvania State University. He has maintained proficiency in his area of expertise through attendance at seminars and instructional courses including the Association for Investment Management and Research, Callahan and Associates, Ibbotson, and The New York Institute of Finance.

Michael lives in Lancaster, PA with his wife and four children.

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Patricia Leib, CIMA®
Portfolio/Relationship Manager

Trish is a portfolio and relationship manager for the Institutional Investments Group. As a portfolio manager she works with clients to develop and manage investment strategies to meet client objectives. As a relationship manager she is responsible for the client experience, ensuring high service standards and client satisfaction.

Prior to joining the group in 1998, Trish held positions in PNC Market Control and Finance. She has more than 36 years of experience in the financial services industry, including serving as vice president of finance and treasurer during 12 years in community banking.

Trish earned a Bachelor of Science degree from the Penn State University with distinction and graduated with honors from the Pennsylvania School of Banking at Bucknell University. She is a member of the Investment Management Consultants Association and holds the designation of Certified Investment Management Analyst.

Jeremy F. Stahl
Institutional Client Advisor

Jeremy is an institutional client advisor who coordinates delivery of products and services to clients in his designated region. His key responsibilities include maintaining close working relationships with existing clients, managing portfolios in accordance with the investment policy statement, providing recommendations for strategic and tactical changes in allocation based on each client's unique needs, and supporting the development of new business opportunities.

Jeremy has more than 15 years of investment industry experience. Prior to joining the firm in 2011, Jeremy served as an investment trader and a portfolio manager for institutional and high net-worth clients and institutions at another investment firm.

Jeremy earned a Bachelor of Business Administration in finance and economics from Temple University and an M.B.A. from the University of Maryland.

The three team members above, all currently manage several local municipal plans and we will provide references upon request.

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7. Please indicate if there are any aspects of the desired services described under this RFP in **PART A: RFP Requirements and Specifications** that your firm is unable to perform or provide.

RESPONSE:

PNC Institutional Investments confirms the ability to perform the RFP Requirements and Specifications in PART A.

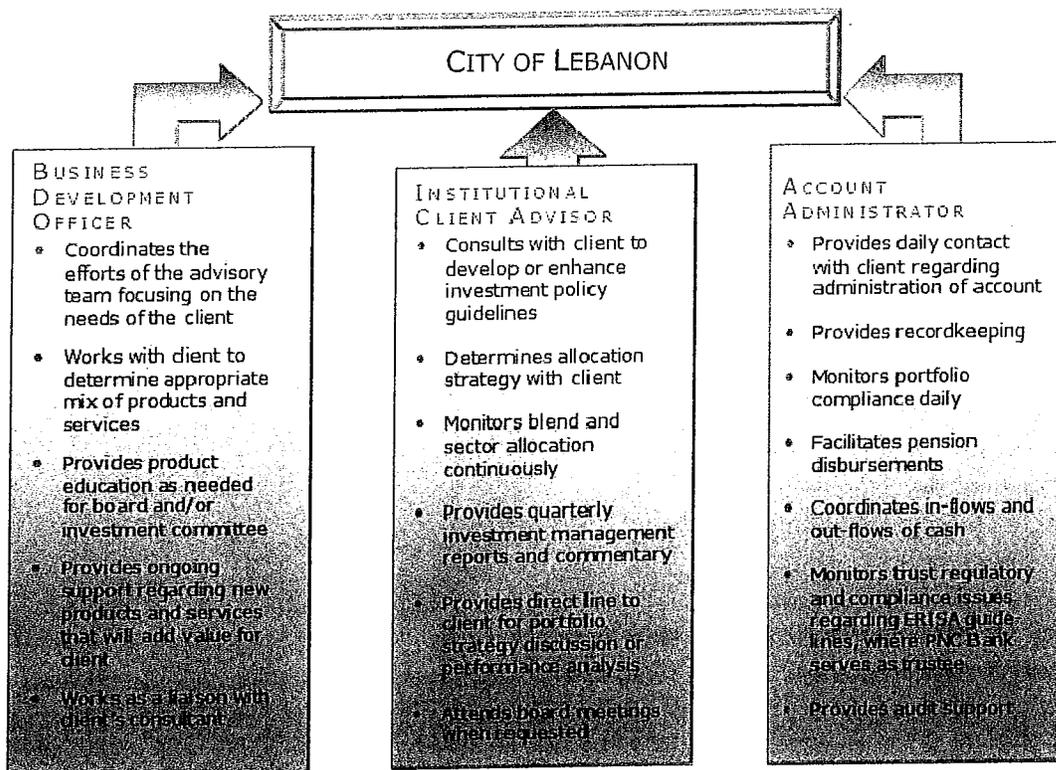
1. Describe your firm's approach to client support and if selected to provide services to this municipality, how this municipality will be integrated into your client support network.

RESPONSE:

PNC Institutional Investments' client service team, which is local to City of Lebanon, will meet with you at least annually. However, we are available to meet with you as frequently as desired. Your reviews will cover portfolio performance, as well as a current market and economic update, a discussion of pending cash flow needs, and dialogue of other topics relevant to City of Lebanon.

Additionally, your local client service team is available by telephone or email to discuss your plan.

PNC Institutional Investments' teams of professionals works together to provide the best combination of products and services to your plan to effectively deliver your desired results. Your team will consist of experienced professionals who specialize in partnering with pension plans.



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2. Briefly describe any unique characteristics of the overall services platform your firm proposes and why (in your opinion) you feel it is best suited to meet the needs of this municipality's pension(s).

RESPONSE:

The following outlines the three primary ways PNC Institutional Investments believes that we stand apart from the competition.

1. *PNC's Integrated Approach featuring a rigorous manager selection and monitoring process managed by PNC's in-house Investment Advisor Research Team*

INTEGRATED INVESTMENT APPROACH

As your complete Institutional Investment Advisor, PNC Institutional Investments is committed to being your trusted advisor where you turn for advice and additional solutions. PNC Institutional Investments believes everything we do starts and ends with our customers. In fact, it is our consultative approach that distinguishes us in the marketplace. From the initial conversations, our professionals will listen to your key objectives. With more than 150 years of experience and keen insight into clients' unique needs, PNC Institutional Investments is able to provide thoughtful, customized solutions.

Our Integrated Investment Approach is based on seasoned, professional advice; a disciplined, consistent process; ongoing management; and exceptional service. This approach was designed to assist you with obtaining the maximum benefits from your assets. Clients also enjoy access to leading investment managers, often at reduced minimum investment levels.

Once selected, PNC Institutional Investments will meet with you to learn more about your specific goals. Next, we will conduct extensive asset/liability modeling to assist in creating or revising your investment policy. With the guidelines set, PNC Institutional Investments will develop a custom portfolio for your organization.



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We can provide access to a broad universe of investment choices, which span the spectrum of asset classes and styles. PNC Institutional Investments utilizes independent investment managers screened by a team of analysts, with the reassurance of ongoing due diligence. In fact, all managers and funds on the PNC Institutional Investments Platform are subject to a rigorous selection and monitoring process. Our Investment Advisor Research Committee (IARC) and platform research partners (who together have nearly thirty years of experience in evaluating managers) conduct due diligence.

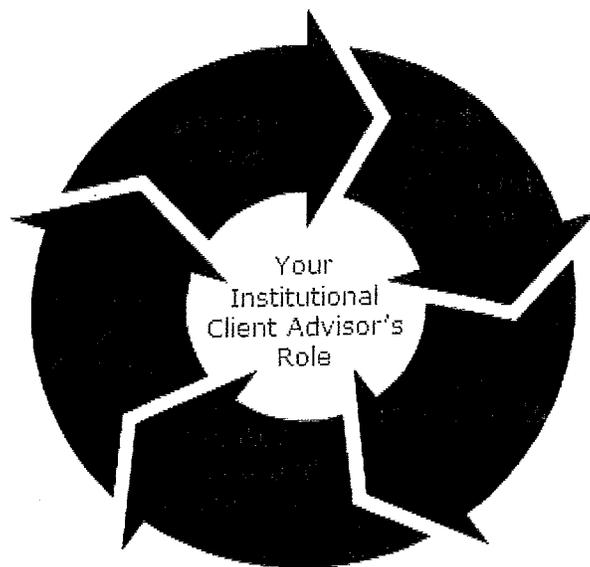
Your custom portfolio will be monitored by a dedicated Institutional Investment Advisor on a daily basis. You will receive ongoing, regular reporting and other relevant information from your Institutional Client Advisor.

CUSTOMIZED ASSET ALLOCATION & INVESTMENT POLICY STATEMENT

Where your organization positions its assets is crucial to success. Studies have shown that asset allocation is one of the major factors in determining portfolio performance. Our simulation model projects future financial characteristics and examines the range of possible outcomes over a variety of potential capital market environments.

As investment manager of your assets, PNC Institutional Investments will work with you to arrive at an optimum asset allocation by performing a detailed asset/liability study with sophisticated software modeling. This analysis allows a client to pre-experience the range of possible market conditions from best to worst. We can adjust the investment and spending policies to achieve a more acceptable range of conditions should we anticipate potential adverse or intolerable results that could develop under certain conditions.

Simply restated, PNC Institutional Investments' Integrated Investment Approach centers around your needs and is delivered through a single point of contact:



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PNC Institutional Investments will evaluate the following factors and their impact on the funding and spending decisions:

- Spending demands
- Administrative expenses
- Financial objectives
- Fundraising objectives

PNC Institutional Investments will analyze your portfolio's characteristics and needs based on fundraising expectations, spending and other expenses; incorporate capital market assumptions; and evaluate asset allocation alternatives relative to various risk/return trade-offs. We can create a report that displays a range of possible future funding levels and asset values.

This analysis allows a client to pre-experience the range of possible market conditions from best to worst. Since we can anticipate potential adverse or intolerable results that could develop under certain conditions, we can adjust the investment and spending policies to achieve a more acceptable range of conditions.

Once the optimum asset allocation has been established, your client service team will implement a formal Investment Policy Statement (IPS), which provides the framework within which investment decisions will be made. This IPS should be based on specific needs that result from an organization's spending policy and distribution objective.

PORTFOLIO CONSTRUCTION & MANAGEMENT

Our approach diversifies each client's portfolio among multiple asset classes to help manage risk and produce attractive long-term results. After analyzing a client's situation, we integrate a variety of investment vehicles to produce the portfolio best suited for their investment goals.

During the portfolio assessment process, PNC Institutional Investments considers:

- Return objectives
- Income needs
- Risk profile
- Time horizon
- Any special circumstances

As mentioned previously, portfolios are monitored daily. If they reach a designated variance, the portfolio will be re-balanced to the asset allocation specified within the client's investment policy guidelines. Institutional Investment Advisors actively implement reallocation through PNC Institutional Investments' proprietary portfolio management system, *Copilot*. A dedicated staff of

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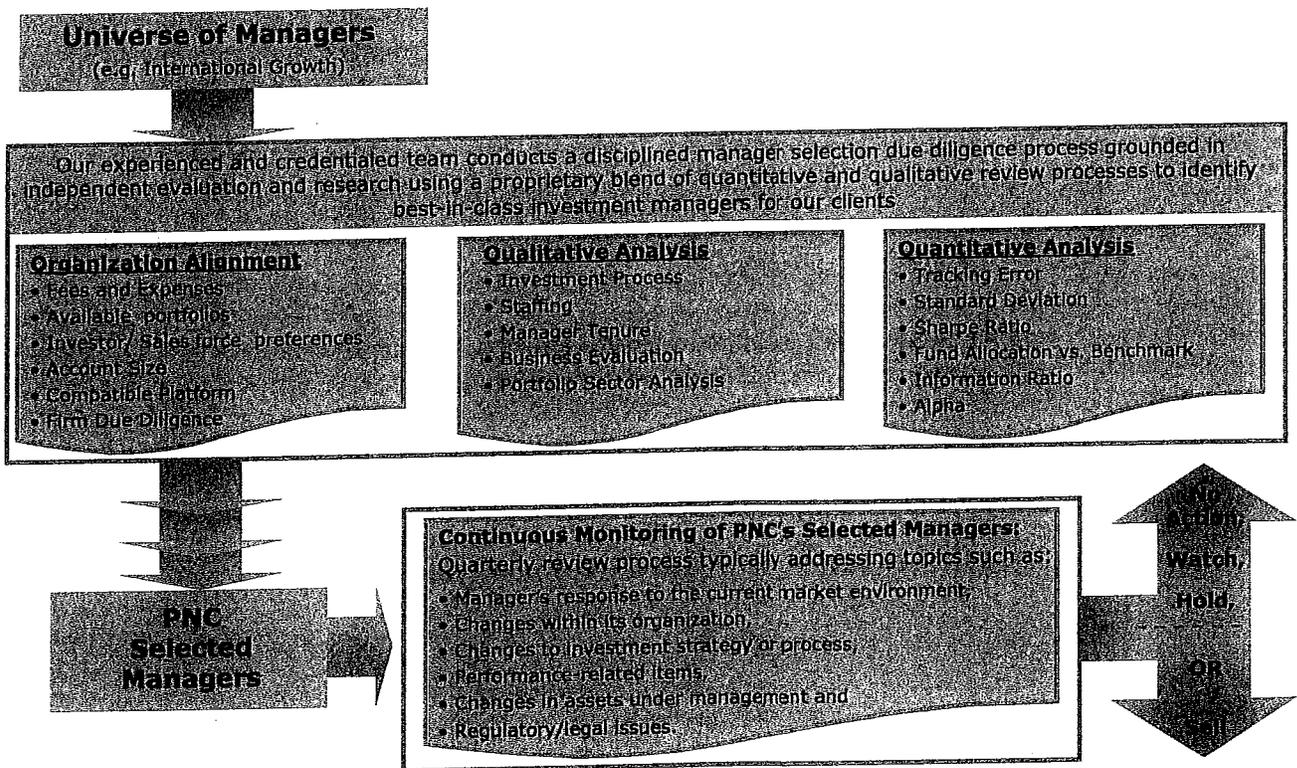
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investment analysts, strategists, and economists generate approximately 90% of the research utilized by our Institutional Investment Advisors.

Temporary tactical adjustments are made to portfolio weightings from time to time to increase exposure to attractive asset classes and reduce exposure to asset classes that are unattractive from a risk/reward standpoint. Tactical shifts are based on PNC Institutional Investments' economic and financial outlook for the next 12-18 months. Tactical asset allocation strategies include adjusting allocations among the three major asset classes (equities, fixed income, cash); adjusting allocations between capitalizations and investment styles in equities; adjusting allocations between domestic and international equities; and adjusting duration, quality, and geographic exposure in fixed income.

MANAGER SELECTION & MONITORING

PNC Institutional Investments provides access to a broad universe of investment choices across the spectrum of asset classes and styles. Whether financial goals dictate a conservative, moderate, or aggressive approach to investing, we are prepared to direct investments to meet each client's needs. We use independent investment managers screened by our team of analysts, with the reassurance of ongoing due diligence.



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PNC Institutional Investments' universe begins with approximately 9,000 separate account managers and 27,000 mutual funds. Through a variety of screens, this universe is narrowed to a much smaller group of carefully selected investment vehicles. Our thorough selection and monitoring process helps fiduciaries select the right products for their return needs and risk tolerance. A description of the process, *Selecting the Managers*, is included in EXHIBIT I.

The number of available vehicles changes as PNC Institutional Investments continuously reviews the best options. Currently, our platform includes over 50 separate account managers and 200 mutual funds, as well as exchange traded funds, I-shares, individual securities, and a broad menu of alternative investments.

Once an investment manager has been hired, PNC Institutional Investments continues to review and monitor the manager to ensure that it remains an attractive investment option. When a change occurs that might affect the manager's ability to meet a client's goals, (e.g., a chosen manager's style falls from favor or a firm departs from its established investment discipline), PNC Institutional Investments evaluates the potential impact and reports it to our clients.

2. Risk Management Content

PNC Bank has a business risk management process in place that is responsible for measuring, monitoring, and reporting business risk including credit, market, and operating risk. Included in the measurement of operating risk is the review of any transactional or operational risk issues that could impact processing for clients.

This process has identified risks resulting from the nature of the services provided by PNC Bank and management has implemented various measures designed to manage these risks. Risks identified in this process include:

- Operational risk associated with computerized information systems; manual processes involved in transaction processing; and external systems, for example, depository interfaces
- Credit risk associated with, among other things, security issuers and security settlements
- Market risk associated with the timely and accurate execution and/or settlement of trading activities
- Legal, compliance, and regulatory risk associated with acting on behalf of clients

The details of our risk management process are audited by a third party on an annual basis.

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3. Client Commitment

We are committed to being a partner with every client we work with. To that end, we welcome any opportunity to meet with your Board or Investment Committee. While every organization is different, we try to understand the time limitation we are given prior to any meetings and make sure that we provide your organization with the information needed to properly report results and assure Boards and donors that your organization is acting as a proper steward of the funds they receive. At all times, our preference is to meet in person, at their meeting location, and we will always provide the time necessary to complete your agenda.

PNC Institutional Investments cares about our clients' business and we strive to meet and exceed expectations. One tool we use to gain better insights is an Institutional Investments Client Satisfaction* and Commitment Study. Recently clients of Institutional Investments reported the following:

<i>Institutional Investments Overall Relationship Measures</i>	<i>Mean Score</i>
Ease of doing business	6.3
Acting in our clients' best interest	6.2
Committed to serving organizations like yours	6.2
Making you feel your business is valued	6.2
Fulfilling objectives of the investment policy	6.4
Assisting in fulfilling fiduciary responsibilities	6.3
Resolving problems in a timely manner	6.4
Source: 2011 Institutional Investments Client Satisfaction and Commitment Study Mean Score based on rating of 1 (Poor) – 7 (Excellent)	

* Client satisfaction survey conducted in 2011 by a third party research firm ("2011 Client Satisfaction Survey") and paid for by PNC Bank, National Association ("PNC Bank"). 2011 Client Satisfaction Survey information gathered through individual client telephone interviews with a target group representing approximately 37% of PNC Bank's institutional client base as of November 2011. Target group of surveyed institutional clients identified by PNC Bank management.

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4. Has your firm (the Contractor) or any subcontractor or company in an advisory capacity that will be a party to the proposed services relative to this RFP, been involved in:
 - a) Any adverse criminal, civil, regulatory, or government actions against any director or principal officer in the past 5 years; or
 - b) Any investigation of the same nature that has occurred within the past 36 months?

If so, please indicate the outcome of said action or investigation. **Furthermore**, please indicate whether you have received notice or have any reasonable basis to believe that any criminal regulatory or similar investigation is likely to commence within the next 12 months.

RESPONSE:

Please refer to the Legal Proceedings section of the reports of The PNC Financial Services Group, Inc. to the United States Securities and Exchange Commission on Forms 10-K and 10-Q available at www.pnc.com >About PNC >Investor Relations >Financial Information. In addition to the proceedings or other matters described therein, PNC, in the normal course of business, is subject to various other pending and threatened legal proceedings in which claims for monetary damages and other relief are asserted. We do not anticipate, at the present time, that the ultimate aggregate liability, if any, arising out of such other legal proceedings will have a material adverse effect on our financial position.

In addition, as a result of the regulated nature of our business and that of a number of our subsidiaries, particularly in the banking and securities areas, we and our subsidiaries are the subject from time to time of investigations and other forms of regulatory inquiry, often as part of industry-wide regulatory reviews of specified activities. Our practice is to cooperate fully with these investigations and inquiries.

5. With regard to your firm's prior experience with Act 205 and Act 44 compliance and reporting:
 - a) Describe your firm's approach to monitoring and managing regulatory changes imposed by state and federal government entities and how you assist municipal clients in maintaining compliance.

RESPONSE:

ENTERPRISE RISK MANAGEMENT

PNC maintains comprehensive and organized risk management principles as part of our culture. In this unprecedented industry environment, managing risk is more critical than ever before. And as PNC continues to grow, our strong emphasis on effective risk management and adhering to our risk appetite will remain a vital part of our company's success.

PNC's employee-driven Values and our Code of Business Conduct and Ethics provide guidance for personal conduct. Policies and procedures provide a framework for managing risks that are job

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specific, and we believe each employee has a unique vantage point to observe issues. Every job at PNC bears some type of risk management responsibility, and it can be as simple as maintaining confidentiality or consistently following established procedures. For some jobs, it can be much more complex.

Although PNC has put a number of programs in place to help manage risks, each employee takes an active role in fortifying our risk management culture. Each employee:

- accepts personal accountability,
- identifies opportunities for continuous improvement
- demonstrates the PNC Values, and
- adheres to our Code of Business Conduct and Ethics

BUSINESS MANAGEMENT / CORPORATE FUNCTIONS	RISK MANAGEMENT	INTERNAL AUDIT
Identifies and manages risks generated in day-to-day business activities	Supports business management in meeting their responsibilities for managing risk in a partnership role by proactively assessing risk	Develops risk-based audit programs to provide assurance on the management of risk throughout the organization
Performs quality assurance on processes to identify risks	Provides oversight of measuring, monitoring and challenging firm-wide risk management capabilities	Audits business processes across the organization, including risk management policy and infrastructure
Implements necessary mitigation measures	Establishes enterprise level risk management policies that govern the control level policies	Reports on the effectiveness of controls, policy and infrastructure
Sets control level policies and procedures to manage program execution within risk appetite	Supports risk reporting activities and escalation of key risks	
	Performs quality control on process outcomes	
	Establishes appropriate governance and challenge functions via the risk committees	
	Creates transparency through ownership of the risk reporting activities	

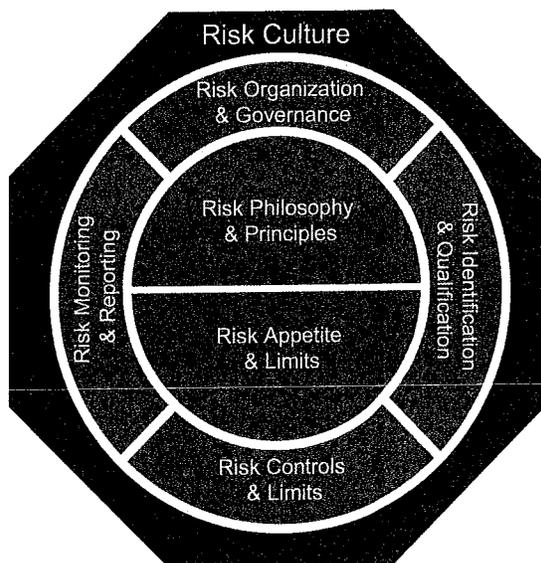
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Risk Management Framework

Best-in-class risk management organizations are able to identify decision and manage risks at all levels of the organization, including at the corporate level. “Aggregation” is a term used to describe consolidating our risks at an enterprise-wide level so that we can understand and then manage the risks we undertake and use this information to help plan our longer-term strategy.

The Enterprise Risk Management Framework below illustrates how PNC manages its risk:



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Risk Culture

Clear understanding and ownership of risks at all levels and timely response to changes in risk profile. Consistent and effective communication balance in risk-returns and continuous improvement reinforced by compensation and incentives.

Risk Philosophy & Principles

Consistent articulation of enterprise-wide risk management approach

Risk Organization & Governance

Independent and clearly defined reporting structure for each line of defense ownership and accountability for risk management across lines of defense transparency into key risks and processes. Executive Management and Board oversight on staffing and talent.

Risk Monitoring & Reporting

Transparency into existing and emerging risks Integrated approach to data and information sharing consistent and actionable reporting with right balance of granularity and synthesis

Risk Identification & Qualification

Balanced use of judgment and analytics for risk Analysis Integrated approach to scenario analysis and stress testing comprehensive risk identification and monitoring enabled by technology infrastructure

Risk Appetite & Limits

Clear articulation of risk types to be owned or transferred

Risk Controls & Limits

Consistent alignment of limits with risks appetite Comprehensive controls for enterprise-wide risk Management timely escalation and resolution of Exceptions comprehensive contingency planning to ensure continuity

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Risk Management Oversight and Governance

In order for a risk management organization to have the right oversight and governance, information must be communicated and decisions approved at appropriate levels. At PNC, we have four different organizational structures to support risk management in a prompt and effective manner.

- *Board of Directors*
 - The Board oversees enterprise risk management. The Risk Committee of the Board (Risk Committee) evaluates PNC's risk appetite, management's assessment of the enterprise risk profile, and the enterprise-wide risk structure and processes established by management to identify, measure, monitor and manage risk as defined in the Enterprise Risk Policy.
- *Corporate Committees*
 - At the management level, PNC has established several senior management committees to facilitate the review, evaluation and management of risk. The management-level Executive Committee (EC) is responsible for developing enterprise-wide strategy and achieving PNC's strategic objectives. The EC evaluates risk management, in part, by monitoring risk reporting from the corporate committees. Among other things, the corporate committees are responsible for overseeing risk standards and strategies, recommending risk limits, policies and metrics, monitoring risk exposures, reviewing risk profiles and key risk issues, and approving significant transactions and initiatives.
- *Business Risk Committees and Other Working Committees*
 - Working committees are generally subcommittees of the corporate committees and include risk management committees for each of PNC's major businesses or functions. Working committees are intended to define, design and develop the risk management framework at the business or function level. The working committees help to implement key enterprise-level activities within a business or function. Typically, these committees recommend risk management policies for the business or function that are consistent with enterprise-wide risk management objectives and policies.
- *Working Groups*
 - Management may also form ad hoc groups (working groups) to address specific risk topics or issues and report to a working committee or corporate committee. These working groups generally have a narrower scope and may be limited in their duration.

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- b) Describe your firm's approach to handling adverse audit findings by PA Auditor General's Office - should they occur.

RESPONSE:

Any such adverse findings would be managed directly by The PNC Financial Services Group, Inc.'s management level Executive Committee. This group reports directly to the *Board of Directors* on such matters.

6. Describe the asset classes and allocation mix your firm proposes to employ if selected to provide investment services. Describe why you feel your firm's overall approach to asset management is best suited to meet the needs of this municipality? How often is the portfolio reviewed?

RESPONSE:

PNC Institutional Investments has prepared a sample portfolio for your review. The sample portfolio can be found in EXHIBIT II.

The sample portfolio is in accordance to the current investment policy statement that was enclosed with the City of Lebanon Police Pension Plan RFP. If selected to provide investment management services for the plan, the seasoned PNC investment team assigned to the relationship will utilize a consultative process to work strategically with the City to identify additional asset classes that may be utilized in PNC Institutional Investments' open architecture platform. Such classes are designed to mitigate risk and aid the pension plan in achieving its long-term goals. This process is accomplished by matching our tailored solution(s) to the objectives and risk tolerance of investment committee for the plan. We will be prepared to discuss the merits of each asset class and how it can be tactically and strategically employed in the portfolio. Currently PNC Institutional Investments' tactical recommendation is listed below:

Balanced Portfolio:

65% Equities –

Global Positioning

- 80% Domestic Equities
 - 83% Large Cap (Style: Overweight Value within U.S. Large Cap 55% to 45% Growth)
 - 4% REIT
 - 9% Mid-Cap
 - 4% Small-Cap
- 20% International

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35% Fixed Income –

Credit Positioning

- 75% Core
- 15% Leveraged Loans
- 10% Global Bonds

The above tactical allocation reflects PNC Institutional Investments' best in class solutions. Our focus on risk management and our consultative process provides the necessary foundation for building a long-term relationship with the City of Lebanon.

PNC Institutional Investments believes that one of the most important approaches to investing is to diversify across all major asset classes to more effectively manage risk and return. To achieve this we utilize proprietary tools, analytical techniques, and expertise to allocate assets among the major asset classes to achieve uniquely focused client objectives, rather than simply concentrating on beating a stock market index. Our strategic matching concept:

- Brings the investor together with an appropriate mix of assets to achieve objectives;
- Establishes a road map to long-term goals;
- Allows for a consistent basis for evaluation of progress in achieving objectives; and
- Moves beyond thinking only of S&P 500 performance as an appropriate benchmark

We believe this process combined with extensive experience with municipal clients makes PNC Institutional Investments well suited to meet the needs of the Lebanon Police Pension Plan.

7. Provide information on the timing and distribution of investment performance reports following the end of a reporting period. **Specifically** describe what types of exhibits (reports) would be presented in a summary report, those provided in a detailed report, and the frequency of each. Are costs for these reports included as part of the general services provided or are they billed separately? If billed separately, please indicate the fees associated with each.

RESPONSE:

Performance reports are flexible in nature, including the information most valuable to your specific needs. While most of our clients opt to receive reports by the fifth to tenth business day of each month depending on the complexity in the portfolio, they can be issued as infrequently as annually. Multiple ad hoc reports are available upon request. PNC Institutional Investments provides periodic transaction statements with asset listings in a number of standard reporting formats.

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Our goal is to provide performance information on the schedule our clients prefer. Please see EXHIBIT III for an example of our sample report.

No additional costs are incurred for performance reports.

8. Provide a list of the services your firm will provide. After each section or group of services, list the fees associated with that service and describe how these fees are calculated. Also, explain how the fees are billed or paid by the plan. Are all fees that are charged to the pension plan shown on the *Annual Summary Statement* or *Annual Plan Statement*? If not, indicate why not and how and when these fees are disclosed.

RESPONSE:

As your Investment Manager and Custodian, PNC Institutional Investments will:

- Provide investment management services
 - Risk Management Analysis
 - Asset Allocation
 - Draft/Review of Investment Policy Documents
 - Performance Monitoring & Reporting
 - Provide investment advice to your organization

- Custody Services
 - Take possession of, and safekeep assets
 - Purchase and sell securities
 - Collect stock dividends, interest payments, process splits and corporate actions
 - Custodial Reporting; disclose all investment transactions and cash transactions affecting the assets
 - Online capabilities through our web interface, I-Link

- When acting as Trustee, discharge all fiduciary duties solely for the benefit of and in the interest of plan participants and beneficiaries

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Annual Fee

Annual fee based on the total market value of your account as of the billing date and charged quarterly:

0.75% on the first \$5,000,000 of assets

0.60% on the next \$10,000,000 of assets

0.45% on the balance

*PNC Bank will apply 35% discount from the standard fee grid
and we are also waiving the annual \$500 account maintenance fee.*

Other Charges and Fees

~~\$500 per account maintenance charge~~— *WAIVED*

9. Specify any services that are offered but not included in the general services menu and the fees associated with each. Your answers should reference other questions previously answered where fees were indicated.

RESPONSE:

No other services are being proposed at this time.

10. Specify any fees associated with initial set-up or asset-transfer. Specify any fees that would be levied should the municipality withdraw or terminate the professional services contract with your firm. If early termination fees are applicable, what time restrictions apply to these fees?

RESPONSE:

PNC Institutional Investments does not charge set-up or early termination fees.

11. Does your firm require a specific term or length of contract? If so, indicate the minimum period of time your firm typically contracts for.

RESPONSE:

PNC Institutional Investments requires a contract length of one year. Contracts are reviewed annually.

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12. If requested, does your firm offer periodic meetings with municipal leadership to discuss administrative, actuarial, or investment matters? Are there additional costs incurred for these meetings? If yes, please specify the fees and how they are calculated, including travel expenses if applicable.

RESPONSE:

PNC Bank is proposing to be the provider of investment management, advisory, custody and banking services as described in the RFP. We may utilize third party investment managers within your portfolio.

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PART D: REQUEST FOR PROPOSAL – STANDARD DISCLOSURE FORM

City of Lebanon Police Pension Fund Board, Pennsylvania

LIST OF MUNICIPAL OFFICIALS & EMPLOYEES OF THE REQUESTING MUNICIPALITY

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IDENTIFICATION OF CONTRACTORS & RELATED PERSONNEL

City of Lebanon

Identify the Municipal Pension System(s) for which you are providing information:

Indicate all that apply with an "X": Non-Uniform Plan Police Plan
 Fire Plan

Q.1	<p>Jeremy Stahl & Patricia Leib, Portfolio Managers:</p> <ul style="list-style-type: none"> · Meets with clients to ensure their needs are being met · Introduces new products and services that will add value for client · Consults with clients to develop or enhance investment policy guidelines · Determines allocation strategy with client · Monitors blend and sector allocation continuously · Provides quarterly investment management reports and commentary · Provides direct line to client for portfolio strategy discussion or performance analysis · Attends board meetings when requested <p>Sheri Sisson – Associate Business Development Officer:</p> <ul style="list-style-type: none"> · Coordinates the efforts of the advisory team focusing on the needs of the client · Works with client to determine appropriate mix of products and services · Provides product education as needed for board and/or investment committee · Provides ongoing support and services that will add value for client · Works as a liaison with client's consultant <p>Michael Ball – Senior Client Advisor</p> <ul style="list-style-type: none"> · Consults with client to develop or enhance investment policy guidelines · Determines allocation strategy with client · Monitors blend and sector allocation continuously · Provides quarterly investment management reports and commentary · Provides direct line to client for portfolio strategy discussion or performance analysis · Attends board meetings when requested <p>The following individuals provide managerial oversight of the individuals listed above:</p> <ul style="list-style-type: none"> · Carole Yon, Vice President, Managing Director · Sylvia Diez, Senior Vice President
Q.2	<p>PNC Capital Advisors. The individual below has managerial oversight over the services provided by PNC Bank, N.A. for the Plan:</p> <p>Kevin McCreadie, Executive Vice President, President of PNC Capital Advisors</p>
Q.3	<p>According to our records, no individuals who are providing professional services to the City of Lebanon's Pension Plan are current or former employees of the City of Lebanon.</p>

Q.4	According to our records, no individuals who are providing professional services to the City of Lebanon's Pension plan are current or former registered State or Federal lobbyists.
Q.5	PNC has not employed or paid compensation to a third party intermediary, agent or lobbyist to directly or indirectly communicate with any official or employee of the City of Lebanon's Pension Plan or in connection with any transaction or investment involving PNC and the municipal pension system. PNC does engage legal counsel from time to time to represent it in discussions with legal counsel to the municipal pension system.
Q.6	According to our records, since December 17, 2009 no PNC officer, director or employee of PNC has solicited a contribution to any municipal official or candidate for municipal office in the City of Lebanon or to the political party or political action committee of an official or candidate.
Q.7	According to our records, since December 17, 2009, neither PNC nor any Affiliated Entity has made a contribution to a municipal official or candidate for municipal office in the City of Lebanon.
Q.8	<p>Neither PNC nor any Affiliated Entity has any direct financial, commercial or business relationship with any official identified on the List of Municipal Officials, of the City of Lebanon.</p> <p>PNC may potentially have customary banking relationships (checking and savings accounts, investment accounts, loans, trust accounts, etc.) with officials identified on the "List of Municipal Officials" of the City of Lebanon.</p>
Q.9	According to our records, neither PNC nor any Affiliated Entity has given any gifts having more than a nominal value to any official listed on the "List of Municipal Officials" of the City of Lebanon.
Q.10	<p>In compliance with the provisions of Act 44, requiring the reporting of certain political contributions made within the last five years, PNC is providing the following reports:</p> <p>For reporting of political contributions made prior to the implementation of PA Act 44 on December 17, 2009, PNC is providing the report entitled <i>PA Contributions 2007-2009</i>. This report reflects all contributions for 2007-2009 previously reported by PNC as to its directors and officers under the provisions of the Pennsylvania Election Code (25 P.S. § 3260a). This includes contributions of \$1,000 or greater by PNC officers designated under Regulation O of the Board of Governors of the Federal Reserve System (12 C.F.R. 215) and directors.</p> <p>For reporting of political contributions after the implementation of PA Act 44 on December 17, 2009, PNC is providing the report entitled <i>PA Contributions 2010-2012</i>. This report reflects all contributions of at least \$500 (singly or in the aggregate) made from 2010-2012 by an officer, director, Executive-Level Employee or owner of at least 5% of the firm or an Affiliate Entity to any candidates for public office or the holders of such offices in the Commonwealth and to any political committees of such candidates or office holders.</p> <p>Note that PNC officer is defined as designated under Regulation O of the Board of Governors of the Federal Reserve System (12 C.F.R. 215).</p>

Q.11	According to our records, we are not aware of any apparent, potential or actual conflict of interest with respect to any officer, director or employee of PNC and officials or employees of the City of Lebanon.
Q.12	No additional information to disclose.

VERIFICATION

I, Joyce A. Frydryck , hereby state that I am a Vice President for
(Name) (Position)

PNC Bank Institutional Investment Group and I am authorized to make this verification.
(Contractor)

I hereby verify that the facts set forth in the foregoing Act 44 Disclosure Form for Entities Providing Professional Services to the City of Lebanon's Pension System are true and correct to the best of my knowledge, information and belief. I also understand that knowingly making material misstatements or omissions in this form could subject the responding Contractor to the penalties in Section 70S-A(e) of Act 44.

I understand that false statements herein are made subject to the penalties of 18 P.A.C.S. § 4904 relating to unsworn falsification to authorities.

Joyce A Frydryck
Signature

4-15-2013

Date

PA Contributions 2006-2009

Name of Contractor: PNC
 Address of Contractor: 249 Fifth Ave. Pittsburgh PA 15222

Date of Contribution	Name of Contributor	Address of Contributor	Relationship of Contributor to Contractor	Name of Person Receiving Contribution	Office of Person Receiving Contribution	Amount of Contribution
2009						
9/12/2009	Thomas J & Sandra L. Usher	Oakmont, PA 15139	PNC Director & Spouse	Kevin Acklin	Candidate, City of Pittsburgh Mayor	\$5,000
10/9/2009	Sandra L. Usher	Oakmont, PA 15139	Spouse of Thomas J. Usher, PNC Director	Jane Orio-Melvin	PA State Senator	\$1,000
11/1/2009				John Kennedy	Candidate, PA Lieutenant Governor	\$5,000
12/23/2009	Charles E. Bunch	Pittsburgh, PA 15217	PNC Director	Dan Onorato	Candidate, PA Governor	\$2,500
2008						
2/22/2008	Sandra L. Usher	Oakmont, PA 15139	Spouse of Thomas J. Usher, PNC Director	Jim Taylor	Candidate, PA Senate	\$5,000
2/22/2008				Steve McDonald	Candidate, PA Senate	\$5,000
5/22/2008				Tim Krieger	PA House of Representatives	\$1,000
9/1/2008				Jason Davidek	Candidate, PA House of Representatives	\$3,000
9/1/2008				Dave Huffman	Candidate, US Senate	\$5,000
3/8/2008	George A. Davidson, Jr.	Sewickley, PA 15143	PNC Director	Republican Committee of Allegheny County	Republican Committee of Allegheny County	\$1,000
5/23/2008				John Pippy	PA Senate	\$500
3/20/2008	James E. Rohr	Pittsburgh, PA 15238	Chairman & CEO	Run Baby Run	Outreach Group-Women for State House	\$1,000
7/27/2008				Bill DeWeese	PA House of Representatives	\$2,000
7/22/2008				Joe Scarnati	PA Senate	\$1,500
8/1/2008				Dan Onorato	Allegheny County Chief Executive	\$25,000
10/14/2008				Frank Dermody	PA House of Representatives	\$1,500
10/14/2008				John Perzel	PA House of Representatives	\$1,000
10/14/2008				Run Baby Run	Outreach Group-Women for State House	\$500
10/17/2008				Luke Ravensstahl	Pittsburgh Mayor	\$2,500
11/25/2008						
4/8/2008	David Pudlin	Bryn Mawr, PA 19010	Spouse of Helen Pudlin Senior Vice President and General Counsel	Dayin Leach	PA Senate	\$100
6/18/2009				Michael Nutter	Philadelphia Mayor	\$1,000
10/14/2008				Josh Shapiro	PA House of Representatives	\$200
7/21/2008	Joseph C. Guyaux	Pittsburgh, PA 15215	President	Joe Scarnati	PA Senate	\$1,000
7/27/2008				Bill DeWeese	PA House of Representatives	\$500
2007						
1/26/2007	Jane Pepper	Media, PA 19063	PNC Director	Michael Nutter	Philadelphia Mayor	\$250
				Michael Nutter	Philadelphia Mayor	\$250
				Michael Nutter	Philadelphia Mayor	\$1,000
				Michael Nutter	Philadelphia Mayor	\$250
				Michael Nutter	Philadelphia Mayor	\$250
				Michael Nutter	Philadelphia Mayor	\$825
				Michael Nutter	Philadelphia Mayor	\$250
				Michael Nutter	Philadelphia Mayor	\$250
				Dwight Evans	PA House of Representatives	\$50
				Alice Dubow	Judge - Philadelphia	\$50
				GPCC PennPac	Tom Corbett - PA Attorney General	\$250
				Young Conservatives of PA	Filed as a 601c4 Civic Youth Organization	\$25,000
2/23/2007	Thomas J. Usher	Oakmont, PA 15139	PNC Director	Doug Shields	President - Pittsburgh City Council	\$1,000
				Ron Francis	Ron Francis for Congress	\$1,000
				Maureen Lally-Green	Judge - PA Superior Court	\$5,000
4/25/2007	Sandra L. Usher	Oakmont, PA 15139	Spouse of Thomas J. Usher, PNC Director	Maureen Lally-Green	Judge - PA Superior Court	\$2,500
8/21/2007				Leinbach	For Congress	\$2,500
11/15/2007				Cheryl Allen	Judge - PA Superior Court	\$500
4/22/2007	Helen P. Pudlin & David Pudlin	Bryn Mawr, PA 19010	Sr. VP & General Counsel & Spouse	Alice Beck Dubow	Judge - PA Superior Court	\$500
	Helen P. Pudlin	Bryn Mawr, PA 19010	Sr. VP & General Counsel	Jackie Shogun	Judge - PA Superior Court	\$500
	David Pudlin	Bryn Mawr, PA 19010	Spouse Helen Pudlin, General Counsel	Edward Rendell	PA Governor	\$1,000
4/27/2007	James E. Rohr	Pittsburgh, PA 15238	Chairman & CEO	Maureen Lally-Green	Judge - PA Superior Court	\$1,000
4/7/2007				Michael Lamb	Controller - City of Pittsburgh	\$250
8/20/2007				Dan Onorato	Allegheny County Chief Executive	\$10,000
8/20/2007				POWER	Power of Women Electing Republicans in PA	\$250

Date of Contribution	Name of Contributor	Address of Contributor	Relationship of Contributor to Contractor	Name of Person Receiving Contribution	Office of Person Receiving Contribution	Amount of Contribution
2006						
3/19/2006	Helen P. Pudlin	Bryn Mawr, PA 19010	General Counsel	Robert Jubelirer	PA Senate	\$250
6/13/2006				Edward Rendell	PA Governor	\$3,500
9/17/2006				Olivia Brady	PA House of Representatives	\$100
5/2/2006	James E. Rohr	Pittsburgh, PA 15238	Chairman & CEO	Bob O'Connor	Pittsburgh Mayor	\$2,000
5/9/2006				Run Baby Run	Outreach Group-Women for State House	\$500
8/22/2006				P.O.W.E.R. PAC	Power of Women Electing Republicans in PA	\$200
9/11/2006				SRCC	Senate Republican Campaign Committee	\$500
9/11/2006				Edward Rendell	PA Governor	\$10,000
9/11/2006				Mike Turzai	PA House of Representatives	\$500
9/11/2006				HDCC	House Democratic Campaign Committee	\$500
1/3/2006	Thomas J. Usher	Oakmont, PA 15139	PNC Director	Lynn Swann	Candidate, PA Governor	\$10,000
5/10/2006				Lynn Swann	Candidate, PA Governor	\$10,000
6/14/2006				Lynn Swann	Candidate, PA Governor	\$20,000
4/18/2006				Eileen Watt	Candidate, PA House of Representatives	\$5,000
8/25/2006				Mark Harris	Candidate, PA House of Representatives	\$1,000
4/16/2006	Sandra L. Usher	Oakmont, PA 15139	Spouse of Thomas J. Usher, Director	John Eichelberger	PA Senate	\$5,000
10/2/2006				John Eichelberger	PA Senate	\$1,000
4/16/2006				Mike Folmer	PA Senate	\$5,000
10/3/2006				Mike Folmer	PA Senate	\$1,000
4/16/2006				Young Conservatives of Pa	Filed as a 501c4 Civic Youth Organization	\$5,000
8/14/2006				Young Conservatives of Pa	Filed as a 501c4 Civic Youth Organization	\$5,000
8/28/2006				Republican Committee of Allegheny County	Republican Committee of Allegheny County	\$1,000

PA CONTRIBUTIONS 2010-2013

Date of Contribution	Name of Contributor	Address of Contributor	Title	Relationship of Contributor to Contractor	Name of Person Receiving Contribution	Recipient Type	Office of Person Receiving Contribution	Amount of Contribution
3/8/2010	Bunch, Charles	1414 Beechwood Blvd, Pittsburgh PA 15217	PNC Director	Self	Tom Corbett	Candidate (or Committee) for State or Local Office	Governor	\$ 1,000
4/8/2010	Bunch, Charles	1414 Beechwood Blvd, Pittsburgh PA 15217	PNC Director	Self	Steve Black	Candidate (or Committee) for State or Local Office	Governor	\$ 1,000
7/1/2012	Chelgren, Paul	817 Squire Lake Drive, Villa Hills, KY 41017	PNC Director	Self	John Weinstein	Candidate (or Committee) for State or Local Office	Judge, Hamilton County Court of Common Pleas	\$ 575
1/16/2010	Pepper, Jane	128 Springton Lake Rd., Media, PA 19063	PNC Director	Self	Dominic Pileggi	Political Action Committee (PAC) Other Than a Committee	PAC	\$ 250
4/28/2010	Pepper, Jane	128 Springton Lake Rd., Media, PA 19063	PNC Director	Self	Andy Toy	Candidate (or Committee) for State or Local Office	Senate	\$ 1,000
6/23/2011	Pepper, Jane	128 Springton Lake Rd., Media, PA 19063	PNC Director	Self	Eagle Forum PAC	Candidate (or Committee) for State or Local Office	Philadelphia City Council	\$ 100
2/1/2010	Rohr, James	613 Dorseyville Rd., Pittsburgh, PA 15238	Chairman & CEO	Self	Bracken Burns	Candidate (or Committee) for State or Local Office	Governor	\$ 10,000
2/26/2010	Rohr, James	613 Dorseyville Rd., Pittsburgh, PA 15238	Chairman & CEO	Self	Frank Dermody	Candidate (or Committee) for State or Local Office	Washington Co- Commissioner Committee	\$ 125
3/1/2010	Rohr, James	613 Dorseyville Rd., Pittsburgh, PA 15238	Chairman & CEO	Self	Tom Corbett	Candidate (or Committee) for State or Local Office	House of Representatives	\$ 1,000
10/14/2010	Rohr, James	613 Dorseyville Rd., Pittsburgh, PA 15238	Chairman & CEO	Self	Dan Onorato	Candidate (or Committee) for State or Local Office	Governor	\$ 10,000
10/20/2010	Rohr, James	613 Dorseyville Rd., Pittsburgh, PA 15238	Chairman & CEO	Self	Michael Lamb	Candidate (or Committee) for State or Local Office	Governor	\$ 1,000
10/20/2010	Rohr, James	613 Dorseyville Rd., Pittsburgh, PA 15238	Chairman & CEO	Self	Frank Dermody	Candidate (or Committee) for State or Local Office	City of Pittsburgh Controller	\$ 1,000
7/22/2011	Rohr, James	613 Dorseyville Rd., Pittsburgh, PA 15238	Chairman & CEO	Self	Dan Onorato	Political Action Committee (PAC) Other Than a Committee	PAC	\$ 500
11/1/2011	Rohr, James	613 Dorseyville Rd., Pittsburgh, PA 15238	Chairman & CEO	Self	Luke Ravenstahl	Candidate (or Committee) for State or Local Office	House of Representatives	\$ 350
10/2/2012	Rohr, James	613 Dorseyville Rd., Pittsburgh, PA 15238	Chairman & CEO	Self	Frank Dermody	Candidate (or Committee) for State or Local Office	Mayor of Pittsburgh	\$ 2,000
10/9/2012	Rohr, James	613 Dorseyville Rd., Pittsburgh, PA 15238	Chairman & CEO	Self	Mike Turzai	Candidate (or Committee) for State or Local Office	House of Representatives	\$ 1,000
7/27/2010	Usher, Thomas	26124 Fawnwood Court, Bonita Springs FL 34134	PNC Director	Self	Mike Turzai	Candidate (or Committee) for State or Local Office	House of Representatives	\$ 15,000

PART E

APPLICANT STATUS NOTIFICATION FORM

All applicants will complete the following header information only.

This notification will be sent to you, when applicable, to advise you of your firm's status throughout the **RFP Process**. In most cases, **it will be sent via FAX** to the company's designated point of contact listed below. It is the responsibility of this individual to acknowledge receipt of this notice by e-mail to the municipality's designated **RFP point of contact**.

COMPANY NAME AND ADDRESS:	COMPANY'S PRINCIPAL POINT OF CONTACT:
PNC Institutional Investments 620 Liberty Avenue Pittsburgh, PA 15222	POC'S NAME: Chris Garner Senior Business Development Officer PH. NUMBER: 717-730-2263 FAX NUMBER: 717-730-2254 E-MAIL ADDRESS: christopher.garner@pnc.com

This proposal is delivered by PNC Bank, N.A. on the condition that it be kept confidential and not be shown to, or discussed with, any third party, including any financial institutions (other than on a confidential or need-to-know basis with the recipient's directors, officers, employees, counsel and other advisors, or as required by law), or used other than for the purpose of evaluating this proposal, without PNC's prior written approval.

This proposal is not a contract or an offer to enter into a contract and does not obligate either party to negotiate or enter into any contract in connection with the services described in this Proposal (the "Services"). Any binding agreement to accept or provide the Services will be subject to the parties entering a written agreement that will contain terms that are acceptable to the parties. PNC Bank reserves the right to change, alter, eliminate or withdraw all or portions of the Proposal for the Services or to choose not to provide some or all of the Services. The organization to which this Proposal is addressed is responsible for all costs associated with its evaluation and due diligence efforts.

GENERAL DISCLOSURE

The PNC Financial Services Group, Inc. ("PNC") provides investment and wealth management, fiduciary services, FDIC-insured banking products and services and lending and borrowing of funds through its subsidiary, PNC Bank, National Association, which is a **Member FDIC**, and provides certain fiduciary and agency services through its subsidiary PNC Delaware Trust Company. PNC Asset Management Group is the combined name for the asset management and banking activities conducted under their service marks PNC Wealth Management, PNC Institutional Investments® and Hawthorn PNC Family Wealth by PNC Bank, National Association, for PNC Delaware Trust Company, and for PNC Capital Advisors, LLC and PNC Realty Investors, Inc., registered investment advisors. PNC Asset Management Group includes personal wealth management for high net worth and ultra high net worth and institutional asset management clients. Personal wealth management products and services include customized investment management, financial planning, private banking, tailored credit solutions as well as trust management and administration for affluent individuals and families. Institutional asset management provides investment management, custody, and retirement planning services. The clients served include corporations, unions and charitable endowments and foundations, located primarily in our geographic footprint.

The PNC Financial Services Group, Inc. ("PNC") uses the service marks "PNC Wealth Management", "PNC Institutional Investments®" and "Hawthorn PNC Family Wealth" to provide investment and wealth management, fiduciary services, FDIC-insured banking products and services and lending of funds through its subsidiary, PNC Bank, National Association, which is a **Member FDIC**, and uses the service marks "PNC Wealth Management" and "Hawthorn PNC Family Wealth" to provide certain fiduciary and agency services through its subsidiary, PNC Delaware Trust Company. Brokerage and advisory products and services are offered through PNC Investments LLC, a registered broker-dealer and investment adviser and member of FINRA and SIPC. Insurance products and advice may be provided by PNC Insurance Services, LLC, licensed insurance agency affiliates of PNC, or by licensed insurance agencies that are not affiliated with PNC; in either case a licensed insurance affiliate will receive compensation if you choose to purchase insurance through these programs. A decision to purchase insurance will not affect the cost or availability of other products or services from PNC or its affiliates. PNC does not provide legal, tax or accounting advice.

Investments: Not FDIC Insured. No Bank Guarantee. May Lose Value.

Insurance: Not FDIC Insured. No Bank or Federal Government Guarantee. May Lose Value.

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Investments: Not FDIC Insured. No Bank Guarantee. May Lose Value.

Insurance: Not FDIC Insured. No Bank or Federal Government Guarantee. May Lose Value.

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SELECTION NOTIFICATION

The table below specifies the means of Status Notification by the municipality for each Applicant and each step in the RFP Process. A copy of this Table appears in the RFP for the convenience and understanding of the applicant.

Applicant Status Type	Means of Notification	Response Required by Applicant
Acknowledgement of Receipt of RFP from an Applicant	E-mail to Applicant from the municipality's POC	None
<i>Active Applicant</i> – following Pre-Screening	Applicant Status Notification Form – by FAX	None
<i>Disqualified Applicant</i> – following Pre-Screening (or other disqualifying circumstance)	Applicant Status Notification Form – by FAX	None
Selected Applicant – following Detailed Review Process	Applicant Status Notification Form – by FAX	E-mail response *see below
Non-Selected Applicant – following Detailed Review Process	Applicant Status Notification Form – by FAX	E-mail response *see below
Non-Selected Applicant – following Interviews	Applicant Status Notification Form and other required documents – by Certified US Mail (signature required)	None -- except under "right to appeal"
Selected Applicant as <i>tentative selectee</i> – Following Interviews	Summary of Award Notice and Selectee Letter	E-mail response *see below
<p>* Applicants must: E-mail response to Municipality's designated <i>Point of Contact</i> confirming receipt of Applicant Status Notice for either: <i>Non-Select Status</i> or <i>Selected Status</i>. <i>Selected Status Applicants</i> must also confirm interview appointment and request Interview Prep Instructions. <i>Tentative Selectee</i> – send e-mail response confirming receipt of official notice of selection.</p>		

Applicant notification of selection status following the interview process and final selection vote as the **tentative selectee:**

1. The applicant designated as the **tentative selectee** will be notified of such, in writing, via the **Applicant Status Notification Form** as stated above. **In addition to this form**, a short letter of congratulations with further instructions is in order. These instructions will include any special requests or details the Section Process Body wishes to convey **AND**, it will apprise the **tentative selectee** of the mandatory waiting periods and potential delays that may occur due to dispute resolution with non-selectees (if applicable) before a contract can be finalized. This notification must be **accomplished within 10 days** of the selection vote by the Section Process Body.
2. **Applicant notification of non-selection status** following the interview process - This notification will be made in the form of a compilation of documents that are listed below, and sent via US MAIL – return receipt requested, to each unsuccessful applicant. This must be **accomplished within 10 days** of the selection vote by the Section Process Body. These documents will include:
 - A. The **Applicant Status Notification Form**
 - B. The **Summary of Award Form** – A brief summary of the relevant factors that resulted in the award of the *Professional Services Contract* to the **tentative selectee**;
 - C. A copy of the **tentative selectee's** original **Application RFP Part C**;
 - D. A copy of the **tentative selectee's** original **Disclosure Form RFP Part D**.

3. Additionally, the information in 1 – 3 above will also be simultaneously posted on the municipality’s website (if one is maintained) for a period of at least 8 days prior to the execution of any contract and providing there are no objections formally submitted by any unsuccessful Applicant. This period may be extended indefinitely until such objections have been settled, if any arise, as provided for below.

Waiting period and objection resolution procedure following a tentative selectee decision: The waiting period between the time a tentative selectee and all other unsuccessful Applicants have been notified of their respective statuses and the **expiration date** of such period shall be 8 consecutive days. This period **will commence** when all notices have been mailed out and the same information has been simultaneously posted on the municipal website as prescribed above. The waiting period **will expire** at 3:00 pm on the 8th consecutive day following its commencement. After the expiration this waiting period, the municipality may pursue the execution of the professional services contract with the tentative selectee, without further impedance, provided no objection to the selection has been made by any unsuccessful Applicant under the criteria set forth below.

If an **unsuccessful Applicant**, having received notification of their **non-selection** and objects to the selection, they must notify the municipality:

1. In writing and request confirmation of receipt by the municipality;
2. Clearly state the details supporting their objection and the specific reason(s) they believe the selection is / was not in compliance with applicable laws and this Policy; and
3. Insure that the written objection is received by the municipality **prior to** 3:00 pm on the expiration date of the waiting period as stipulated above.

It is the responsibility of the unsuccessful Applicant raising the objection to insure that these criteria are met. The municipality is not obligated to review or respond to any objection that does not conform to these criteria.

If an objection is made, and all of the stated criteria are met, the municipality will:

1. Notify the unsuccessful Applicant that the criteria has been met and their objection is under review;
2. Suspend the RFP process indefinitely until a determination of validity and a subsequent course of action has been made;
3. Notify the **tentative selectee** of the process suspension and the circumstances precipitating it;
4. Remind all parties that the communications restrictions imposed by this Policy are still in effect; and
5. Forward all relevant documentation, including the original letter of objection provided by the unsuccessful Applicant to the **Municipal Solicitor** for determination of the objection’s validity and further action(s).

Once this review of an objection has begun the municipality **will not, under any circumstances**, provide any details or respond to any type of communication regarding these proceedings to any interested party. All inquiries made to the designated point of contact identified on the Request for Proposal Notice will be unanswered and immediately forwarded to the **Municipal Solicitor**. Until otherwise directed by the Municipal Solicitor, all communications regarding the objection and the RFP process will come from the office of the Municipal Solicitor.

It shall be the responsibility of the Municipal Solicitor to:

1. Review all relevant documentation concerning the objection;
2. Render an opinion as to the validity of the objection presented;
3. Provide direction or course of action, if any, to the municipality and the Section Process Body and / or the municipal leadership; and
4. Communicate all of the preceding in writing to all parties concerned.

Once the Municipal Solicitor has accomplished their review of the objection, rendered an opinion on its validity and provided the subsequent directives commensurate with the circumstances, the municipality will act in strict accordance with these directives. The focus of the municipal leadership, the Chief Administrative Officer and the Selection Process Body, in following these directives is to make every attempt to resolve or adequately respond to the objection and avoid further delay or potential litigation.

The Request for Proposal Process has concluded when; a tentative selectee has been approved, the selectee and all unsuccessful Applicants have been notified, the waiting period has expired, and provided no objections have been properly filed. After the RFP Process is closed, the contract negotiations may begin. The Chief Administrative Officer should request a completed sample contract from the tentative selectee for review by the Selection Process Body. All documentation that has been part of the RFP Process will be properly secured and maintained indefinitely as a permanent record of these proceedings.

PART G...CONTRACT NEGOTIATION AND AWARD OF CONTRACT

After the conclusion of the Request for Proposal Process, the Selection Process Body will:

1. Review the Contract presented by the tentative selectee to insure it meets the requirements presented during the Selection Process and is in agreement with the requirements specified by the Request for Proposal,
2. Insure, the services and associated costs are deemed acceptable by the Selection Process Body; and
3. Insure that:
 - a) the new Contract is adopted by resolution in accordance with municipal policy
 - b) the contract is signed by proper authority, and
 - c) that the **Contract**, the new Contractor's original **Application RFP Part C** and **original Disclosure Form RFP Part D** are posted on the municipality's website for the duration of the contract.