

EXHIBIT B

DISCRETIONARY INVESTMENT MANAGEMENT AGREEMENT

This Discretionary Investment Management Agreement (hereinafter the "Agreement") made this 17th day of September, 1999, by and between the LOCAL 73 RETIREMENT FUND (hereinafter the "Fund"), and the Trustees of said Fund (hereinafter the "Board"), and J.P. JEANNERET ASSOCIATES, INC. (hereinafter the "Investment Manager"),

W I T N E S S E T H :

WHEREAS, a Retirement Plan was established pursuant to an Agreement and Declaration of Trust (hereinafter the "Trust Agreement").

WHEREAS, under the terms of the Trust Agreement, the Board is empowered to designate an Investment Manager for the purpose of investing all or such part of the assets of the Fund as may be designated by the Board for investment by any Investment Manager; and

WHEREAS, the Board desires the Investment Manager hereunder to manage and invest certain assets belonging to the Fund (hereinafter the "Investment Account Assets") and said Investment Manager is willing to manage, and invest such assets pursuant to the terms of this Agreement;

NOW, THEREFORE, in consideration of the promises and of the mutual covenants herein contained, the Board and the Investment Manager do hereby covenant and agree as follows:

1. DUTIES AND REPRESENTATIONS

Income-Plus Investment Fund and/or Beacon Associates, LLC (hereinafter the "Custodians") are the custodians of certain assets belonging to the Fund. Pursuant to the authority granted under the Trust Agreement, the Board appoints the Investment Manager, as the Board's attorney-in-fact to invest and reinvest any and all assets deposited with the Custodian for investment by the Investment Manager, as fully as the Board itself could do.

The Investment Manager hereby accepts this appointment, hereby acknowledges that it is a fiduciary with respect to the Fund, certifies that it is an "Investment Manager" as that term is defined in ERISA Section 3(38), and agrees to supervise and direct the investment of the Investment Account Assets in accordance with (i) the written investment policy adopted by the Board (hereinafter the "Investment Guidelines") simultaneously delivered herewith to the Investment Manager and, (ii) the current funding policy that has been established to carry out the objectives of the Fund as communicated to the Investment Manager and (iii) the requirements of the Employee Retirement Income Security Act of 1974, as amended (hereinafter "ERISA").

Subject to the attached Investment Guidelines, the Investment Manager may, in its full discretion and without obligation on its part to give prior notice to the Board, (a) buy, sell, exchange, convert and otherwise trade in any stocks, bonds and other securities, and (b) establish and execute security transactions, through accounts with such brokers or dealers as the Investment Manager may select, except to the extent otherwise directed by the

Board; provided, however, that all such activities shall be conducted in a manner consistent with the Investment Guidelines, the Investment Manager's obligations hereunder, the requirements of ERISA and any other applicable local, state or federal laws, rules or regulations.

The Board may from time to time amend the Investment Guidelines; provided, however, that the Investment Manager will not be bound to follow any such amended Investment Guidelines until it has received written or actual notice thereof from the Board.

2. BONDING AND FIDUCIARY LIABILITY INSURANCE

The Investment Manager further agrees to maintain such dollar amount of fiduciary liability insurance, and fidelity bonding coverage in compliance with Section 412 of ERISA, which shall be necessary to fully protect the Fund from any potential losses arising on account of the actions of the Investment Manager, as permissible hereunder. Evidence of such insurance and bonding coverage acceptable to the Board shall be provided annually by the Investment Manager to the Board and shall provide that there will be no cancellation without a thirty (30) day prior written notice to the Board.

3. INVESTMENT ACCOUNT ASSETS

The Investment Account Assets as defined herein shall consist of cash and investments belonging to the Fund deposited with the Custodian for investment by the Investment Manager, which shall be held in a segregated account, plus all new investments, reinvestments and proceeds of the sale thereof, including, without limitations, all dividends and interest on investments, and all appreciation thereof and additions thereto, less depreciation thereof and withdrawals therefrom.

4. FIDUCIARY DUTY

The Investment Manager shall perform its duties hereunder with the care, skill, prudence, and diligence, under the circumstances then prevailing, that a prudent man 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, and shall diversify the Investment Account Assets so as to minimize the risk of large losses, unless under the circumstances it is clearly prudent not to do so, and in accordance with the documents and instruments governing the Fund. All assets managed by the Investment Manager are to be held for the exclusive benefit of participants and beneficiaries of the Fund.

5. DISCRETION

In addition to and not in limitation of the powers and discretion vested in the Board, by law, the Investment Manager shall possess the following powers subject to the attached Investment Guidelines:

(a) To sell, exchange, convey, transfer, or otherwise dispose of, any securities or property held by the Custodian for investment purposes, by private contract or at public auction, and no person dealing with the Investment Manager shall be bound to see to the application of the purchase money or to inquire into the validity, expedience or propriety of any such sale or other disposition; all such sale, purchase or other instructions relating to security transactions shall be communicated to the Custodian of the Fund, including written confirmation to the Custodian and to the Fund Office, of all instructions which are so directed by the Investment Manager;

(b) To employ suitable agents and counsel, with written approval of the Board (who may be agents or counsel for the Board), and to pay their reasonable expenses and compensation;

(c) To make, execute, acknowledge and deliver any and all documents of transfer and conveyance and any and all other instruments that may be necessary or appropriate to carry out the powers herein granted;

(d) To settle, compromise or submit to arbitration any claims, debts or damages due or owing to or from the Investment Account Assets, to commence or defend suits of legal or administrative proceedings, and to represent the Investment Account Assets in all suits and legal proceedings (such legal counsel as is necessary shall be the Fund's legal counsel);

(e) To vote all stock proxies in a manner calculated to increase the value of Investment Asset Accounts and consistent with the Investment Manager's fiduciary duties under ERISA Section 404(a)(1), to keep accurate records of such voting, and to report to the Trustees on a regular basis, not less than semi-annually, regarding the manner in which stock proxies are voted.

6. **EXPENSES**

The expenses incurred by the Investment Manager in the performance of its duties, to the extent that such expenses would have otherwise been incurred by the Fund for securities transactions and related fees or charges in the absence of the appointment of the Investment Manager, shall be a charge against and be paid out of the Investment Account Assets unless otherwise directed by the Board. All taxes of any or all kinds whatsoever which may be levied or assessed

under existing or future laws upon, or in respect of, the Investment Account Assets, or the income thereof, shall be paid from the Investment Account Assets.

7. ACCOUNTING AND REPORTING

The Investment Manager shall keep accurate and detailed accounts of all investments, receipts, disbursements and other transactions hereunder, and all accounts, books and records relating thereto shall be open to inspection and audit at all reasonable times by any person designated by the Board. Copies of all relevant financial records and reports shall be forwarded, as requested, to the independent qualified public accountant designated by the Board. The Investment Manager shall provide the Board with reports concerning the status of the Investment Account Assets on at least a quarterly basis, and it shall also provide to the Board, or to its designee, such other investment and financial information concerning the Investment Account Assets which the Board may deem relevant. Any such reports shall be made to the Board not later than forty-five (45) days after the end of each quarter. The Investment Manager shall also forward a copy of all investment reports to each Trustee, the Fund Manager, Counsel, or to any other person, at appropriate times, as designated by the Board.

The Investment Manager shall also provide an annual report to the Board not later than 45 days after the end of the Fund's fiscal year, summarizing the status of the Investment Account Assets for the preceding year. This Annual Report must include, but shall not be limited to:

- (1) A complete report on all proxy votes.

- (2) Verification of "Best Execution" on all security transactions as defined under United States Department of Labor Regulations.
- (3) A complete report on all commissions and other fees charged against the Investment Account Assets.
- (4) Verification of compliance with PTE 77-4 (when applicable).
- (5) A statement that the Custodian has (or has not) performed satisfactorily in the Investment Manager's transactions.
- (6) A statement that the Investment Manager has (or has not) complied with the Investment Guidelines.
- (7) A statement that the Investment Manager has (or has not) fulfilled its fiduciary duties and has (or has not) engaged in any prohibited transactions.
- (8) A verification of fiduciary bonding coverage as required by ERISA.
- (9) A verification of fidelity liability insurance coverage.
- (10) A full disclosure of any inquiries, actions, etc. by any regulatory agencies.
- (11) A disclosure of any litigation in which the Investment Manager is Defendant.
- (12) A copy of the current Form ADV II.

The Board and the Investment Manager shall meet periodically, at their mutual convenience, to discuss all matters relevant to the Investment Account Assets, as well as at such other times as the Board may reasonably request. The Investment Manager shall provide to the Trustees and to such other persons as the Trustees may designate, at least seven days in advance of any such meeting date, copies of all investment reports which may be discussed at the regular Board meeting.

8. INVESTMENT GUIDELINES AND TRUSTEE REPRESENTATIONS

The Board hereby represents, warrants and covenants to the Investment Manager that (a) a true and complete copy of the Trust Agreement shall be delivered to the Investment Manager upon request; (b) the Investment Guidelines as currently in effect shall be delivered to the Investment Manager; (c) true and complete copies of each amendment to the Investment Guidelines will be delivered to the Investment Manager as promptly as practicable after the adoption thereof; (d) a true and complete copy of the Pension Plan promulgated by the Board shall be delivered to the Investment Manager upon request; (e) the Board constitutes all of the present Trustees of the Fund; and (f) it will not knowingly direct the Investment Manager to engage in a "prohibited transaction" as that term is defined in ERISA.

9. BEST EXECUTION

Where the Investment Manager places orders for the purchase or sale of securities for the Investment Account, in selecting brokers or dealers to execute such orders, the Investment Manager is expressly authorized to consider the fact that a broker or dealer has furnished statistical, research or other information or services which enhance the Investment Manager's investment research and portfolio management capability generally, to the extent permissible by applicable law.

In view of the fact that brokerage commissions are a matter of negotiation, the Investment Manager specifically and expressly agrees that wherever and whenever possible, the rate of commission shall be negotiated as favorably as possible, considering the circumstances as noted above, on behalf of the Fund. In all instances, the Board requires that the Investment Manager comply with

the United States Department of Labor regulations regarding "Best Execution" as now in effect and as may be amended hereafter.

10. COMPENSATION

The compensation of the Investment Manager shall be calculated and paid quarterly, in advance, upon written authorization of the Board, based on the market value of the Investment Account Assets on the valuation date, and in accordance with the attached Schedule of Fees.

11. VALUATION OF INVESTMENT ACCOUNT ASSETS

In computing the market value of any investment of the Investment Account Assets, each security listed on any National Securities Exchange shall be valued at the last sale price on the valuation date. Listed stocks not traded on such date, and any unlisted stock regularly traded in the over-the-counter market, shall be valued at the latest available bid price quotation furnished to the Investment Manager by such sources as may be deemed appropriate and reliable by the Investment Manager. Any other security shall be valued in such manner as determined in good faith by the Investment Manager to reflect its fair market value.

12. TERMINATION

This Agreement may be terminated by the Board upon written notice to the Investment Manager, and, by the Investment Manager, upon ninety (90) days' written notice to the Board. Fees paid in advance hereunder will be prorated to the date of termination as specified in the notice of termination, and any unearned portion thereof will be refunded to the Board. No assignment (as that term is defined in the Investment Advisors Act of 1940) of this Agreement shall be made by

the Investment Manager without the written consent of the Board. Within forty-five (45) days following the removal or resignation of the Investment Manager, the Investment Manager shall file with the Board a written account setting forth all investments, receipts, disbursements and other transactions effected by it during such fiscal year or during the period from the close of the last fiscal year to the date of such removal or resignation. The foregoing provisions, however, shall not preclude the Investment Manager from having its accounts judicially settled if it so desires. In any proceeding for the judicial settlement of the accounts for the Investment Manager or concerning the administration of the Investment Account Assets, the Investment Manager and the Board shall be the only necessary parties.

13. NOTICE

Unless otherwise specified herein, all notices, instructions and advices with respect to security transactions or any other matters contemplated by this Agreement shall be deemed duly given when either delivered in writing to the addresses below or when deposited by first-class mail addressed as follows:

(a) To the Board:

Board of Trustees
Local 73 Retirement Fund
P.O. Box 911
Oswego, New York 13126

Attn: David J. Lavery, Administrator

(b) To the Investment Manager:

J.P. Jeanneret Associates, Inc.
100 East Washington Street
Syracuse, New York 13202

Attn: John P. Jeanneret, President

(c) To the Custodian:

Custodial Trust Company, Trustee
Income-Plus Investment Fund
101 Carnegie Center
Princeton, New Jersey 08650-0231

Attn: Kevin Darmody

OR

Beacon Associates, LLC
123 Main Street, Suite 900
White Plains, New York 10601

Attn: Joel Danziger, President & Director

14. GOVERNING LAW

This Agreement shall be governed by, and construed in accordance with the laws of the State of New York and applicable Federal laws.

15. AMENDMENTS

This Agreement may be amended at any time by mutual written agreement between the Board and the Investment Manager.

16. CONFIDENTIALITY

All information and advice furnished by either party relating to this Agreement or the Fund shall be treated as confidential and shall not be disclosed to any third party except as may be required by law or as may be expressly permitted by the interested party.

17. ENTIRE AGREEMENT

This Agreement, including the attached Schedule of Fees and Investment Guidelines, constitutes the entire agreement with respect to the relationship between the parties and supersedes all prior agreements.

IN WITNESS WHEREOF, the Board and the Investment Manager have executed this Discretionary Investment Management Agreement, and have evidenced their ratification and consent to be bound thereby, effective the day and year first above written.

BOARD OF TRUSTEES OF THE LOCAL
73 Retirement Fund

DATED: 9/17/99

By: David J. Decari Jr.
UNION TRUSTEE

DATED: 09/17/99

By: Cloude M. Hopwood
EMPLOYER TRUSTEE

J.P. JEANNERET ASSOCIATES, INC.

DATED: 11/15/99

By: John P. Jeanneret

Print Name: John P. Jeanneret

Title: President

Schedule of Fees

Fees to J.P. JEANNERET ASSOCIATES, INC. shall be paid in accordance with provisions of paragraph 10 of this Agreement as follows:

- a. For Assets Invested in Income-Plus Investment Fund
Annual fees, computed and payable quarterly, in accordance with the Offering Memorandum of the Income-Plus Investment Fund which is attached hereto.

INVESTMENT GUIDELINES TO BE FOLLOWED BY

J.P. JEANNERET ASSOCIATES, INC.

In the Investment of the Assets of

Local 73 Retirement Fund

The following Investment Guidelines are provided such that the Investment Manager and the Board of Trustees of the Local 73 Retirement Fund have a clear mutual understanding of the investment policies and objectives relating to the investment of Fund assets by the Investment Manager pursuant to this Agreement. The provisions of these Investment Guidelines are set forth below:

- (a) The overall investment policy and objective for the Fund is a conservative investment policy with the objectives of preservation of capital and long-term growth of assets consistent with reduced levels of risk and volatility. The Fund designates the Investment Manager to manage a portion of the overall Fund Investments. The Investment Manager shall be expected to satisfy all provisions regarding fiduciary standards required by ERISA and/or the Local 73 Retirement Plan of this Fund.
- (b) The Fund assets allocated to this Investment Manager, as determined by the Trustees, may be invested in the Income-Plus Investment Fund or Beacon Associates, LLC. All such investments shall be made in accordance with the Offering Memorandum of the applicable investment program.
- (c) The Investment Manager shall provide to the Trustees, or to their designee, on at least a quarterly basis, or as reasonably requested by the Board of Trustees, all necessary information regarding performance of investments under the control of the Investment Manager.
- (d) The Investment Manager shall be expected to achieve an investment return which is greater than the median performance within a comparable universe of "fixed income" investment managers. In addition, the Investment Manager shall be expected to achieve a total investment return which exceeds the total return of a portfolio invested in the Lehman Brothers Government/Corporate Bond Index, during a reasonable period of time, as determined solely by the Board of Trustees.

IN WITNESS WHEREOF, the Board and the Investment Manager have executed this Discretionary Investment Management Agreement, and have evidenced their ratification and consent to be bound thereby, effective the day and year first above written.

BOARD OF TRUSTEES OF THE LOCAL
73 Retirement Fund

DATED: 7/17/99

By:

David J. Decani Jr.
UNION TRUSTEE

DATED: 09/17/99

By:

R. Louis M. Hornsby
EMPLOYER TRUSTEE

J.P. JEANNERET ASSOCIATES, INC.

DATED: 12/2/99

By:

John P. Jeanneret

Print

Name:

John P. Jeanneret

Title:

President

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Exhibit J