

**CONTRACT FOR CONSULTING AND PROFESSIONAL SERVICES
FOR
INVESTMENT MANAGER**

This Contract is made as of this ~~_____~~ day of December, 2017, by and between the City of Riviera Beach, Palm Beach County, Florida, a municipal government existing under the laws of the State of Florida, by and through its City Council, hereinafter referred to as the City, and PFM Asset Management LLC, a Delaware limited liability company with an office in Orlando, Florida authorized to do business in the State of Florida, hereinafter sometimes referred to as the Investment Manager, whose Federal I.D. number is 23-3087064.

WHEREAS, the City issued a Request for Proposals (RFP 907-17-4) seeking proposals from qualified and responsible firms to fulfill the role of Investment Manager; and

WHEREAS, PFM Asset Management LLC submitted its Proposal which was received August 24, 2017 (the "Proposal"), and

WHEREAS, on September 22, 2017 the Evaluation Committee convened to review and discuss the responses to RFP 907-17-4, and

WHEREAS, Committee Members agreed that the proposal submitted by PFM Asset Management LLC best satisfies the requirements established in the RFP and that the firm is qualified to be awarded the contact for the services identified in RFP 907-17-4.

WHEREAS, the City desires for PFM Asset Management LLC to utilize its efforts to provide investment management and advisory services to the City;

NOW, THEREFORE, in consideration of the mutual covenants and agreements set forth below and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties agree as follows:

In consideration of the mutual promises contained herein, the City and the Investment Manager agree as follows:

ARTICLE 1 - SERVICES

- a) The City hereby engages the Investment Manager to serve as investment advisor under the terms of this Agreement with respect to the Initial Funds and such other funds as the City may from time to time assign by written notice to the Investment Manager (collectively the "Managed Funds"), and the Investment Manager accepts such engagement. In connection therewith, the Investment Manager shall provide investment research and supervision of the Managed Funds investments and conduct a continuous program of investment, evaluation and, when appropriate, sale and reinvestment of the Managed Funds assets. The Investment Manager shall continuously monitor investment opportunities and evaluate investments of the Managed Funds. The Investment Manager shall furnish the City with statistical information and reports with respect to

investment of the Managed Funds. The Investment Manager shall place all orders for the purchase, sale, loan or exchange of portfolio securities for the City's account with brokers or dealers recommended by the Investment Manager and/or the City, and to that end the Investment Manager is authorized as agent of the City to give instructions to the custodian designated by the City (the "Custodian") as to deliveries of securities and payments of cash for the account of the City. In connection with the selection of such brokers and dealers and the placing of such orders, the Investment Manager is directed to seek for the City the most favorable execution and price, the determination of which may take into account, subject to any applicable laws, rules and regulations, whether statistical, research and other information or services have been or will be furnished to the Investment Manager by such brokers and dealers. The Custodian shall have custody of cash, securities and other assets of the City. The Investment Manager shall not take possession of or act as custodian for the cash, securities or other assets of the City and shall have no responsibility in connection therewith. Authorized investments shall include only those investments which are currently authorized by the state investment statutes and applicable covenants and as supplemented by such other written instructions as may from time to time be provided by the City to the Investment Manager. The Investment Manager shall be entitled to rely upon the City's written advice with respect to anticipated drawdowns of Managed Funds. The Investment Manager will observe the instructions of the City with respect to broker/dealers who are approved to execute transactions involving the Managed Funds and in the absence of such instructions will engage broker/dealers which the Investment Manager reasonably believes to be reputable, qualified and financially sound.

- b) Subject to the Investment Policy Statement (as defined in Article 2 below), the Investment Manager, commencing on the Effective Date, shall invest, reinvest or otherwise manage the assets Account, including, without limiting the generality of the foregoing, the authority to direct the Designated Custodians to deliver funds or securities for the purpose of effecting transactions. The Investment Manager shall not provide, or otherwise be responsible for, the maintenance of books and records, reporting, audit, tax or other general administrative services with respect to the Account.
- c) In furtherance of this Contract, including but not limited to Section 1(a) (b) above, and except for the express limitations contained herein and in the Investment Policy Statement, City hereby designates and appoints PFM Asset Management LLC as the City's Investment Manager.
- d) The Investment Manager agrees to provide items as required by the City and the Investment Policy.

The City's representative/liaison during the performance of this Contract shall be Randy M. Sherman, Director of Finance & Administrative Services, who may be contacted by phone at 561-845-4040 or e-mail, rsherman@rivierabch.com.

ARTICLE 2 – INVESTMENT GUIDELINES AND POLICY STATEMENT

The Investment Manager agrees to manage the City's assets within the Account or Accounts in accordance with the City's Investment Policy Statement. The Investment Policy Statement contains written investment guidelines and restrictions for the management of the Account. Investment Manager agrees to use its reasonable efforts to make investment decisions in accordance, and consistent with, the

Investment Policy Statement. City may provide the Investment Manager an amended Investment Policy Statement at any time, from time to time, and the Investment Manager will use its reasonable efforts to implement such amended Investment Policy Statement as soon as practicable. Notwithstanding the preceding, in no event will the Investment Manager follow any provision of the Investment Policy Statement or any provision of this Contract that Investment Manager determines would contravene any applicable law, rule, or regulation of any governmental authority or securities exchange to which it is subject; provided that Investment Manager shall give City prompt written notice of such determination.

ARTICLE 3 – CUSTODY OF ASSETS

- a) Investment Manager shall not hold or have custody or possession of any cash, securities or other properties of City or assets of the Account. Custodians designated by City (the “Designated Custodians”) shall have the responsibility to consummate any and all purchases, sales, deliveries, receipts and other transactions made with respect to the Account, the collection of all income (including, but not limited to, interest and dividends) and the acquisition and safekeeping of the assets, securities, funds, and other properties comprising the Account.
- b) City agrees to promptly furnish, or to cause the Designated Custodians to promptly furnish, to Investment Manager all data and information Investment Manager may reasonably request to render the services described in this Contract.
- c) The City shall instruct the Designated Custodians to (i) carry out all transactions directed, in writing or electronically, by the Investment Manager, (ii) confirm, in writing or electronically, all completed transactions to the Investment Manager and (iii) cooperate with the Investment Manager in its performance under this Contract.
- d) The City, through its representative, will provide the Investment Manager with a certificate certifying the names and specimen signatures of the individuals who are authorized to act on behalf of the City and Designated Custodians. The Investment Manager will be fully protected in relying upon any notice, instruction, direction, or communication that it reasonably believes (based upon the most recent certificate of the City and Designated Custodians that has been received by the Investment Manager) to have been executed by an individual who is authorized to act on behalf of the City or Designated Custodians.

ARTICLE 4 – CONTRIBUTIONS AND WITHDRAWALS

The City, through its representative, shall determine what assets will be transferred to or from the Account from time to time and shall promptly notify the Investment Manager, in writing, of its determinations in this regard, prior to doing so. The City shall provide the Investment Manager with reasonable written notice of all withdrawals and contributions.

ARTICLE 5 – OTHER CITIES; ALLOCATION; AND OTHER DISCLOSURES

City acknowledges it has received the Investment Manager’s’ Brochure (ADV Part 2A) dated March 30, 2017 and Brochure Supplement (ADV, Part 2B) (collectively, the “ADV Part 2I”). City acknowledges that the Investment Manager may give advice and take action with respect to other clients that may differ from advice given or the timing or nature of action taken with respect to City.

ARTICLE 6 – ACCOUNT TRANSACTIONS

Except as specified in the Investment Policy Statement, the City hereby agrees that the Investment Manager shall have full authority and discretion to select brokers, dealers or counterparties through whom any transaction in respect of the Account shall be executed. The Investment Manager will seek “best execution,” as described more fully in the ADV Part 2A and in Article 1 hereof, for any such transactions.

ARTICLE 7 – BOOKS

The Investment Manager shall maintain records of all transactions in the Managed Funds. The Investment Manager shall provide the City with a monthly statement showing deposits, withdrawals, purchases and sales (or maturities) of investments, earnings received, and the value of assets held on the last business day of the month. The statement shall be in the format and manner that is mutually agreed upon by the Investment Manager and the City.

ARTICLE 8 - PAYMENTS TO INVESTMENT MANAGER

For the Investment Manager’s services to the City under this Contract, the City agrees to pay the Investment Manager a fee based on the daily net assets under management of the City for the previous month based on the fee schedule below. The Investment Manager will provide monthly invoices to the City showing the calculation of the Fee and the amount due for the previous month.

<u>Average Assets Under Management</u>	<u>Fees</u>
Initial \$25 million	10 basis points (0.10%)
Next \$25 million	8 basis points (0.08%)
Next \$50 million	7 basis points (0.07%)
Above \$100 million	6 basis points (0.06%)

“Daily net assets” is defined to include the amortized value of securities, accrued interest and cash or any money market fund balance.

The minimum annual fee is \$25,000, to be applied in equal monthly installments.

- a) The Investment Manager shall bill the City monthly for service performed under this Agreement, said bill to include a statement indicating the basis upon which the fee was calculated. The City shall pay to the Investment Manager the amount payable pursuant to this Agreement not later than on the 15th day of the month following the month during which the Investment Manager's statement was rendered.
- b) Assets invested by the Investment Manager under the terms of this Agreement may from time to time be invested in (i) a money market mutual fund managed by the Investment

Manager or (ii) a local government investment pool managed by the Investment Manager (either, a “Pool”), or in individual securities. Average daily net assets subject to the fees described in this section shall not take into account any funds invested in the Pool. Expenses of the Pool, including compensation for the Investment Manager and the Pool custodian, are described in the relevant prospectus or information statement and are paid from the Pool.

- c) If and to the extent that the City shall request the Investment Manager to render services other than those to be rendered by the Investment Manager hereunder, such additional services shall be compensated separately on terms to be agreed upon between the Investment Manager and the City.

Payments to the Investment Manager shall be sent to:

PFM Asset Management LLC
1735 Market Street
43rd Floor
Philadelphia, PA 19103

ARTICLE 9 – EXPENSES

- a) Other than the investment management fee listed in the table above based on assets under management, there would not be any additional expenses for the services proposed from the Investment Manager in management of the City’s investment management program. Additional services inclusive of the investment management fee include consulting services such as custody bank RFP preparation and evaluation, CPE training, cash flow analysis development, and custom report development. Additionally, all administration, travel and other costs incurred by the Investment Manager in providing services to the City are the responsibility of the Investment Manager.
- b) The Investment Manager shall furnish at its own expense all necessary administrative services, office space, equipment, clerical personnel, telephone and other communication facilities, investment advisory facilities, travel expenses, and executive and supervisory personnel for managing the Managed Funds.
- c) Final Invoice: In order for both parties herein to close their books and records, the Investment Manager will clearly state “Final Invoice” on the Investment Manager’s final/last billing to the City. This certifies that all services have been properly performed and all charges and costs have been invoiced to the City. Since this account will thereupon be closed, any and other further charges, if not properly included in this final invoice, are waived by the Investment Manager and the City shall have no obligations for any other costs or expenses thereafter.

ARTICLE 10 - TRUTH-IN NEGOTIATION CERTIFICATE

Signature of this Contract by the Investment Manager shall also act as the execution of a truth-in-negotiation certificate certifying that the wage rates, over-head charges, and other costs used to

determine the compensation provided for in this Contract are accurate, complete and current as of the date of the Contract.

The said rates and costs shall be adjusted to exclude any significant sums should the City determine that the rates and costs were increased due to inaccurate, incomplete or noncurrent wage rates or due to inaccurate representations of fees paid to outside consultants. The City shall exercise its right under this Article 4 within three (3) years following final payment.

ARTICLE 11 – TERM AND TERMINATION

- a) Services to be rendered by the Investment Manager shall be for an initial period of three years ending December 1, 2020 with two optional one year renewals, at the City's discretion, that would extend this agreement to November 30, 2022. In no case shall this agreement, unless amended by the City and agreed to by the City and Investment Manager, extend past November 30, 2022.
- b) The Contract shall terminate at the City's discretion any time provided the City has provided the Investment Manager at least 30 days prior written notice or at the Investment Manager's discretion any time the Investment Manager has provided the City at least 30 days' prior written notice.

ARTICLE 12 – DUTY OF CARE

The Investment Manager hereby represents it is a registered investment advisor under the Investment Advisers Act of 1940, as amended. The Investment Manager shall immediately notify the City if at any time during the term of this Agreement it is not so registered or if its registration is suspended. The Investment Manager agrees to perform its duties and responsibilities under this Agreement with reasonable care. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith. Nothing herein shall in any way constitute a waiver or limitation of any rights which the City may have under any federal securities laws. The City hereby authorizes the Investment Manager to sign I.R.S. Form W-9 on behalf of the City and to deliver such form to broker-dealers or others from time to time as required in connection with securities transactions pursuant to this Agreement.

ARTICLE 13 – INVESTMENT MANAGER'S OTHER CLIENTS

The City understands that the Investment Manager performs investment advisory services for various other clients which may include investment companies, commingled trust funds and/or individual portfolios. The City agrees that the Investment Manager, in the exercise of its professional judgment, may give advice or take action with respect to any of its other clients which may differ from advice given or the timing or nature of action taken with respect to the Managed Funds. The Investment Manager shall not have any obligation to purchase, sell or exchange any security for the Managed Funds solely by reason of the fact that the Investment Manager, its principals, affiliates, or employees may purchase, sell or exchange such security for the account of any other client or for itself or its own accounts.

ARTICLE 14 – FORCE MAJEURE

The Investment Manager shall have no liability for any losses arising out of the delays in performing or inability to perform the services which it renders under this Agreement which result from events beyond its control, including interruption of the business activities of the Investment Manager or other financial institutions due to acts of God, acts of governmental authority, acts of war, terrorism, civil insurrection, riots, labor difficulties, or any action or inaction of any carrier or utility, or mechanical or other malfunction.

ARTICLE 15 – DISCIPLINARY ACTIONS

The Investment Manager shall promptly give notice to the City if the Investment Manager shall have been found to have violated any state or federal securities law or regulation in any final and unappealable judgment in any criminal action or civil suit in any state or federal court or in any disciplinary proceeding before the Securities and Exchange Commission (“SEC”) or any other agency or department of the United States, any registered securities exchange, the Financial Industry Regulatory Authority, or any regulatory authority of any State based upon the performance of services as an investment advisor.

ARTICLE 16 - PERSONNEL

- a) The City and Investment Manager hereby recognize the specialized expertise of the Investment Manager’s key team members (Steve Alexander, CTP, CGFO, CPPT, Managing Director; and Richard Pengelly, CFA, CTP. Both parties further agree that if any of the listed key team members leave employment or are otherwise not utilized in the performance of the work, the Investment Manager shall (i) notify the City representative of any resulting substitution, (ii) introduce the individual serving as the replacement to the City representative, and (iii) provide the City representative with a résumé and any other information regarding the individual that may be reasonably requested by the City. Any substitute shall have not have a lesser standard of qualifications that the key team members possessed at the time of Contract award.
- b) The Investment Manager agrees that it is fully responsible to the City for the negligent acts and omissions of subcontractors and of persons either directly or indirectly employed by the Investment Manager. Nothing contained herein shall create any contractual relationship between any subcontractor and the City.
- c) All of the Investment Manager’s personnel and all of the Investment Manager’s subcontractors/sub consultants (“hereinafter subcontractors”) will comply with all City requirements governing conduct, safety, and security while on or utilizing City premises/property.

ARTICLE 17 – INDEPENDENT CONTRACTOR

The Investment Manager, its employees, officers and representatives shall not be deemed to be employees, agents (except as to the purchase or sale of securities described in Article 1), partners, servants, and/or joint ventures of the City by virtue of this Contract or any actions or services rendered under this Contract.

ARTICLE 18 - SUBCONTRACTING

The City reserves the right to accept the use of a subcontractor or to reject the selection of a particular subcontractor and to inspect all facilities of any subcontractor in order to make a determination as to the capability of the subcontractor to perform properly under this Contract. The Investment Manager is encouraged to seek minority and women business enterprises for participation in subcontracting opportunities.

If a subcontractor fails to perform or make progress, as required by this Contract, and it is necessary to replace the subcontractor to complete the work in a timely fashion, the Investment Manager shall promptly do so, subject to acceptance of the new subcontractor by the City.

If subcontractor(s) are used, the Investment Manager shall use only licensed and insured subcontractor(s), and shall require any subcontractor, as may be applicable, to provide a payment bond. All subcontractors shall be required to promptly make payments to any person who, directly or indirectly, provides services or supplies under this Contract.

The Investment Manager shall be responsible for the performance of all subcontractors.

ARTICLE 19 – SBE PARTICIPATION

The City's Procurement Ordinance has a Small Business Enterprises (SBE) participation component which may apply to this Contract. If it is determined by City staff that it applies, the Investment Manager agrees to abide by the provisions of the SBE section of the procurement code. The Investment Manager further agrees to maintain all relevant records and information necessary to document compliance with the Ordinance, and agrees to allow the City to inspect such records and provide such records to the City upon request.

ARTICLE 20 - FEDERAL AND STATE TAX

The City is exempt from payment of Florida State Sales and Use Tax. The City will sign an exemption certificate submitted by the Investment Manager. The Investment Manager shall not be exempted from paying sales tax to its suppliers for materials used to fill contractual obligations with the City, nor is the Investment Manager authorized to use the City's Tax Exemption Number in securing such materials.

The Investment Manager shall be responsible for payment of its own and its share of its employees' payroll, payroll taxes, and benefits with respect to this Contract.

ARTICLE 21 - AVAILABILITY OF FUNDS

The City's performance and obligation to pay under this Contract is contingent upon an annual appropriation for its purpose by the City COUNCIL OF THE CITY OF RIVIERA BEACH. The City agrees to promptly notify the Investment Manager in writing of any event of nonappropriation.

ARTICLE 22 - INSURANCE

- a) Prior to execution of this Contract by the City, the Investment Manager shall provide certificates evidencing insurance coverage as required hereunder. All insurance policies shall be issued by companies authorized to do business under the laws of the State of Florida. The Certificates shall clearly indicate that the Investment Manager has obtained insurance of the type, amount, and classification as required for strict compliance with the ARTICLE and that no material change or cancellation of the insurance shall be effective without thirty (30) days prior written notice to the City's representative. Compliance with the foregoing requirements shall not relieve the Investment Manager of its liability and obligations under this Contract.
- b) The Investment Manager shall maintain during the term of this Contract, standard Professional Liability Insurance in the minimum amount of \$1,000,000.00 per occurrence with a maximum deductible of \$1,000,000.00; contractual, insurance broad form property, independent contractor, personal injury in the amount of \$3,000,000.00 annual aggregate.
- c) The Investment Manager shall maintain, during the life of this Contract, commercial general liability, including contractual liability insurance in the amount of \$1,000,000.00 per occurrence to protect the Investment Manager from claims for damages for bodily and personal injury, including wrongful death, as well as from claims of property damages which may arise from any operations under this Contract, whether such operations be by the Investment Manager or by anyone directly employed by the Investment Manager.
- d) The Investment Manager shall maintain, during the life of this Contract, comprehensive automobile liability insurance in the minimum amount of \$500,000.00 combined single limit for bodily injury and property damages liability to protect the Investment Manager from claims for damages for bodily and personal injury, including death, as well as from claims for property damage, which may arise from the ownership, use, or maintenance of owned and non-owned automobiles, including, but not limited to, leased and rented automobiles whether such operations be by the Investment Manager or by anyone, directly or indirectly, employed by the Investment Manager.
- e) The parties to this Contract shall carry Workers' Compensation Insurance in the amounts of \$1,000,000.00 per accident, disease each employee, and disease policy limit and Employer's Liability Insurance in the amount of \$1,000,000.00 per occurrence for all employees as required by Florida Statutes. In the event that a party does not carry Workers' Compensation Insurance and chooses not to obtain same, such party shall then, in accordance with Section 440.05, Florida Statutes, apply for and obtain an exemption authorized by the Department of Insurance and shall provide a copy of such exemption to the City.
- f) All insurance, other than Professional Liability and Workers' Compensation, to be maintained by the Investment Manager shall specifically include the City as an "Additional Insured."

ARTICLE 23 - INDEMNIFICATION

To the extent allowed by Florida law, the Investment Manager shall indemnify and hold harmless the City, its agents, officers, and employees from and against any and all claims, liabilities, losses, costs, and/or causes of action which may arise from any negligent act, recklessness, or intentional wrongful

conduct of the Investment Manager, its agents, officers, or employees in the performance of services under this Contract.

The Investment Manager shall pay all claims, losses, liens, fines, settlements or judgments of any nature whatsoever in connection with the foregoing indemnifications including, but not limited to, all costs, expert witness fees, reasonable attorney's fees, and court and/or arbitration costs. These indemnifications shall survive the term of this Contract or any renewal thereof.

Nothing contained in this Article shall be construed or interpreted as consent by the City to be sued, nor as a waiver of sovereign immunity beyond the waiver provided in Section 768.28, Florida Statutes.

ARTICLE 24 - SUCCESSORS AND ASSIGNS

The City and the Investment Manager each binds itself and its partners, successors, executors, administrators, and assigns to the other party of this Contract and to the partners, successors, executors, administrators and assigns of such other party, in respect to all covenants of this Contract. Except as above, neither the City nor the Investment Manager shall assign, sublet, convey or transfer its interest in this Contract without the written consent of the other. Nothing herein shall be construed as creating any personal liability on the part of any officer or agent of the City which may be a party hereto, nor shall it be construed as giving any rights or benefits hereunder to anyone other than the City and the Investment Manager.

ARTICLE 25 - VENUE

This Contract and any dispute, disagreement, or issue of construction or interpretation arising hereunder whether relating to its execution, its validity, the obligations provided therein, performance or breach shall be governed and interpreted according to laws of the State of Florida. Venue for any and all legal action necessary to enforce the Contract will be held within Palm Beach County.

ARTICLE 26 - REMEDIES

No remedy herein conferred upon any party is intended to be exclusive of any other remedy, and each and every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing at law or in equity or by statute or otherwise. No single or partial exercise by any party of any right, power, or remedy hereunder shall preclude any other or further exercise thereof.

ARTICLE 27 - CONFLICT OF INTEREST

The Investment Manager represents that it presently has no interest and shall acquire no interest, either direct or indirect, which would conflict in any manner with the performance or services required hereunder, as provided for in Florida Statutes, Section 112.311. The Investment Manager further represents that no person having any such conflicting interest shall be employed for said performance.

The Investment Manager shall promptly notify the City's representative, in writing, by certified mail, of all potential conflicts of interest for any prospective business association, interest or other circumstance which may influence or appear to influence the Investment Manager's judgment or quality of services being provided hereunder. Such written notification shall identify the prospective business association, interest or circumstance, the nature of work that the Investment Manager may undertake and request an opinion of the City as to whether the association, interest or circumstance would, in the opinion of the City, constitute a conflict of interest if entered into by the Investment Manager. The City agrees to notify the Investment Manager of its opinion by certified mail within thirty (30) days of receipt of notification by the Investment Manager. If, in the opinion of the City, the prospective business association, interest or circumstance would not constitute a conflict of interest by the Investment Manager, the City shall so state in the notification and the Investment Manager shall, at its option, enter into said association, interest or circumstance and it shall be deemed not in conflict of interest with respect to services provided to the City by the Investment Manager under the terms of this Contract.

Further, please be advised, in accordance with section 112.313, Florida Statutes, and pertinent Opinions of the Florida Commission on Ethics, that if you or certain representatives of your company are a member of a City board, including an advisory board, you may be ineligible to enter into a contract/agreement with the City. If you are a member of a City board, including an advisory board, prior to executing this contract, please contact the Florida Commission on Ethics at (850) 488-7864 to secure an informal advisory opinion regarding your eligibility to enter into this contract.

ARTICLE 28 – DELAYS AND EXTENSION OF TIME

The Investment Manager shall not be considered in default by reason of any failure in performance if such failure arises out of causes reasonably beyond the control of the Investment Manager or its subcontractors and without their fault or negligence. Such causes include, but are not limited to: acts of God; natural or public health emergencies; labor disputes; freight embargoes; and abnormally severe and unusual weather conditions.

Upon the Investment Manager's request, the City shall consider the facts and extent of any failure to perform the work and, if the Investment Manager's failure to perform was without it or its subcontractors fault or negligence the Contract Schedule and/or any other affected provision of this Contract shall be revised accordingly; subject to the City's rights to change, terminate, or stop any or all of the work at any time.

If the Investment Manager is delayed at any time in the process of the work by any act or neglect of the City or its employees, or by any other consultant employed by the City, or by changes ordered by the City or in an unusual delay in transportation, unavoidable casualties, or any causes beyond the Investment Manager's control, or by delay authorized by the City pending negotiation or by any cause which the City shall decide justifies the delay, then the time of completion shall be extended for any reasonable time the City may decide. No extension shall be made for delay occurring more than seven (7) days before claim therefore is made in writing to the City. In the case of continuing cause of delay, only one (1) claim is necessary.

This Article does not exclude the recovery of damages for delay by either party under other provisions in the Contract.

ARTICLE 29 - INDEBTEDNESS

The Investment Manager shall not pledge the City's credit or make it a guarantor of payment or surety for any contract, debt, obligation, judgment, lien, or any form of indebtedness. The Investment Manager further warrants and represents that it has no obligation or indebtedness that would impair its ability to fulfill the terms of this Contract.

ARTICLE 30 - DISCLOSURE AND OWNERSHIP OF DOCUMENTS

The Investment Manager deliver to the City's representative for approval and acceptance, and before being eligible for final payment of any amounts due, all documents and materials prepared by and for the City under this Contract.

All written and oral information not in the public domain or not previously known, and all information and data obtained, developed, or supplied by the City or at its expense will be kept confidential by the Investment Manager and will not be disclosed to any other party, directly or indirectly, without the City's prior written consent unless required by a lawful order or otherwise by regulatory or judicial process. All drawings, maps, sketches, programs, data base, reports or similar and other data developed, or purchased, under this Contract for or at the City's expense shall be and remain the City's property and may be reproduced and reused at the discretion of the City.

All covenants, agreements, representations and warranties made herein, or otherwise made in writing by any party pursuant hereto, including but not limited to any representations made herein relating to disclosure or ownership of documents, shall survive the execution and delivery of this Contract and the consummation of the transactions contemplated hereby.

The Investment Manager shall comply with Florida's Public Records Act, Chapter 119, Florida Statutes, and, if determined to be acting on behalf of the City as provided under section 119.011(2), Florida Statutes, specifically agrees to:

- (a) Keep and maintain public records required by the City to perform the service.
- (b) Upon request from the City's custodian of public records or designee, provide the City with a copy of the requested records or allow the records to be inspected or copied within a reasonable time at a cost that does not exceed the cost provided in Chapter 119, Florida Statutes, or as otherwise provided by law.
- (c) Ensure that public records that are exempt or confidential and exempt from public records disclosure requirements are not disclosed except as authorized by law for the duration of this Contract and following completion of this Contract if the Contractor does not transfer the records to the City.

(d) Upon completion of this Contract, transfer, at no cost, to the City all public records in possession of the Contractor or keep and maintain public records required by the City to perform the service. If the Contractor transfers all public records to the City upon completion of the Contract, the Contractor shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Contractor keeps and maintains public records upon completion of the Contract, the Contractor shall meet all applicable requirements for retaining public records. All records stored electronically must be provided to the City, upon request from the City's custodian of public records or designee, in a format that is compatible with the information technology systems of the City.

IF THE CONTRACTOR HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE CONTRACTOR'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS OR DESIGNEE AT 561-845-4040, rsherman@rivierabch.com, 600 W BLUE HERON BLVD., RIVIERA BEACH, FL 33404.

ARTICLE 31 - INDEPENDENT CONTRACTOR RELATIONSHIP

The Investment Manager is, and shall be, in the performance of all work services and activities under this Contract, an Independent Contractor, and not an employee, agent (except as to the purchase and sale of securities as described in Article 1) , or servant of the City. All persons engaged in any of the work or services performed pursuant to this Contract shall at all times, and in all places, be subject to the Investment Manager's sole direction, supervision, and control. The Investment Manager shall exercise control over the means and manner in which it and its employees perform the work, and in all respects the Investment Manager's relationship and the relationship of its employees to the City shall be that of an Independent Contractor and not as employees or agents of the City.

The Investment Manager does not have the power or authority to bind the City in any promise, agreement or representation other than as specifically provided for in this Contract.

ARTICLE 32 - CONTINGENT FEES

The Investment Manager warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for the Investment Manager to solicit or secure this Contract and that it has not paid or agreed to pay any person, company, corporation, individual, or firm, other than a bona fide employee working solely for the Investment Manager, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this Contract.

ARTICLE 33 - ACCESS AND AUDITS

The Investment Manager shall maintain adequate records to justify all charges, expenses, and costs incurred in estimating and performing the work for at least three (3) years after completion of this Contract. The City shall have access to such books, records, and documents as required in this section

for the purpose of inspection or audit during normal business hours, at the Investment Manager's place of business.

ARTICLE 34 - NONDISCRIMINATION

The Investment Manager warrants and represents that all of its employees are treated equally during employment without regard to race, color, religion, disability, sex, age, national origin, ancestry, political affiliation, marital status, handicap, or sexual orientation. Further, Investment Manager shall not discriminate or permit discrimination against any employee or an applicant for employment on the basis of race, color, sex, religion, political affiliation, natural origin, ancestry, marital status, sexual orientation or handicap.

ARTICLE 35 - ENFORCEMENT COSTS

All parties shall be responsible for their own attorneys fees, court costs and expenses if any legal action or other proceeding is brought for any dispute, disagreement, or issue of construction or interpretation arising hereunder whether relating to the Contract's execution, validity, the obligations provided therein, or performance of this Contract, or because of an alleged breach, default or misrepresentation in connection with any provisions of this Contract.

ARTICLE 36 - AUTHORITY TO PRACTICE

The Investment Manager hereby represents and warrants that it has and will continue to maintain all licenses and approvals which are legally required to conduct its business, and that it will at all times conduct its business activities in a reputable manner. Proof of such licenses and approvals shall be submitted to the City upon request.

The Investment Manager shall be solely responsible for obtaining and complying with all necessary permits, licenses, approvals and authorizations required for any work done pursuant to this Contract from any federal, state, regional, county or City agency.

ARTICLE 37 - SEVERABILITY

If any term or provision of this Contract, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of this Contract, or the application of such terms or provisions, to persons or circumstances other than those as to which it is held invalid or unenforceable, shall not be affected, and every other term and provision of this Contract shall be deemed valid and enforceable to the extent permitted by law.

ARTICLE 38 - PUBLIC ENTITY CRIMES

As provided in F.S. 287.132-133 by entering into this Contract or performing any work in furtherance hereof, the Investment Manager certifies that it, its affiliates, suppliers, subcontractors and consultants who will perform hereunder, have not been placed on the convicted vendor list maintained by the State

of Florida Department of Management Services within the thirty-six (36) months immediately preceding the date hereof. This notice is required by F.S. 287.133(3)(a).

ARTICLE 39 - MODIFICATIONS OF WORK

The City reserves the right to make changes in the Scope of Work, including alterations, reductions therein or additions thereto. Upon receipt by the Investment Manager of the City's notification of a contemplated change, the Investment Manager shall, in writing: (1) provide a detailed estimate for the increase or decrease in cost due to the contemplated change, (2) notify the City of any estimated change in the completion date, and (3) advise the City if the contemplated change shall affect the Investment Manager's ability to meet the completion dates or schedules of this Contract.

If the City so instructs in writing, the Investment Manager shall suspend work on that portion of the Scope of Work affected by the contemplated change, pending the City's decision to proceed with the change.

If the City elects to make the change, the City shall initiate a Contract Amendment and the Investment Manager shall not commence work on any such change until such written amendment is signed by the Investment Manager and approved by the City COUNCIL FOR THE City OF RIVIERA BEACH or its designated representative.

ARTICLE 40 - NOTICE

All notices required in this Contract shall be sent by regular mail, certified mail, overnight delivery or courier, and also via email. If sent to the City shall be mailed to:

**City of Riviera Beach
ATTN: Randy M. Sherman, Director of Finance
600 W. Blue Heron Blvd.
Riviera Beach, FL 33404**

**Copied to: Mikeria Foreman, Treasury Manager
600 W. Blue Heron Blvd.
Riviera Beach, FL 33404**

If sent to the Investment Manager shall be mailed to:

**PFM Asset Management LLC
ATTN: Steven Alexander, Managing Director**

**300 S. Orange Avenue
Suite 1170
Orlando, FL 32801**

Copied to:
PFM Asset Management LLC
ATTN: Controller
1735 Market Street
43rd Floor
Philadelphia, PA 19103

ARTICLE 41- ENTIRETY OF CONTRACTUAL AGREEMENT

The City and the Investment Manager agree that this Contract and any attachments hereto or other documents as referenced in the Contract sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. None of the provisions, terms and conditions contained in this Contract may be added to, modified, superseded or otherwise altered, except by written instrument executed by the parties hereto in accordance with Article 28- Modifications of Work.

ARTICLE 42- PROTECTION OF WORK AND PROPERTY

The Investment Manager shall continuously maintain adequate protection of all work from damage, and shall protect the City’s property from injury or loss arising in connection with the Contract. Except for any such damage, injury, or loss, except that which may be directly due to errors caused by the City or employees of the City, the Investment Manager shall provide any necessary materials to maintain such protection.

ARTICLE 43 – TIME

Time is of the essence in all respects under this Contract. The City and Investment Manager shall work in an expeditious manner to complete the objectives as set forth in Article 1 – Services.

ARTICLE 44 - TERMINOLOGY AND CAPTIONS

All pronouns, singular, plural, masculine, feminine or neuter, shall mean and include the person, entity, firm or corporation to which they relate as the context may require. Wherever the context may require, the singular shall mean and include the plural and the plural shall mean and include the singular. The term “Contract” as used herein, as well as the terms “herein”, “hereof”, “hereunder”, “hereinafter” and the like mean this Contract in its entirety and all exhibits, amendments and addenda attached hereto and made a part hereof. The captions and paragraph headings are for reference and convenience only and do not enter into or become a part of the context of this Contract, nor shall such headings affect the meaning or interpretation of this Contract.

ARTICLE 45 - WAIVER

Failure of the City to enforce or exercise any right(s) under this Contract shall not be deemed a waiver of City's right to enforce or exercise said right(s) at any time thereafter.

ARTICLE 46 - PREPARATION

This Contract shall not be construed more strongly against either party regardless of who was more responsible for its preparation.

ARTICLE 47 - MATERIALITY

All provisions of the Contract shall be deemed material, in the event Investment Manager fails to comply with any of the provisions contained in this Contract or exhibits, amendments and addenda attached hereto, said failure shall be deemed a material breach of this Contract and City may at its option and without notice terminate this Contract.

ARTICLE 48 - REPRESENTATIONS/BINDING AUTHORITY

Investment Manager has full power, authority and legal right to execute and deliver this Contract and perform all of its obligations under this Contract. By signing this Contract, PFM Asset Management LLC, hereby represents to the City that Steven Alexander, Managing Director has the authority and full legal power to execute this Contract and any and all documents necessary to effectuate and implement the terms of this Contract on behalf of the party for whom he is signing and to bind and obligate such party with respect to all provisions contained in this Contract.

ARTICLE 49 - EXHIBITS

Each exhibit referred to in this Contract forms an essential part of this Contract. The exhibits, if not physically attached, should be treated as part of this Contract and are incorporated herein by reference.

ARTICLE 50 - CONTRACT DOCUMENTS AND CONTROLLING PROVISIONS

This Contract consists of this Contract and all exhibits attached hereto. The Investment Manager agrees to be bound by all the terms and conditions set forth in this Contract. To the extent that a conflict exists between this Contract and the exhibits, the terms, conditions, covenants, and/or provisions of this Contract shall prevail. Wherever possible, the provisions of such documents shall be construed in such a manner as to avoid conflicts between provisions of the various documents.

ARTICLE 51 - LEGAL EFFECT

This Contract shall not become binding and effective until approved by the CITY COUNCIL OF THE CITY OF RIVIERA BEACH.

ARTICLE 52 - NOTICE OF COMPLAINTS OR SUITS

Each party will promptly notify the other of any complaint, claim, suit or cause of action threatened or commenced against it which arises out of or relates, in any manner, to the performance of this Contract. Each party agrees to cooperate with the other in any investigation either may conduct, the defense of any claim or suit in which either party is named, and shall do nothing to impair or invalidate any applicable insurance coverage.

ARTICLE 53 – SURVIVABILITY

Any provision of this Contract which is of a continuing nature or imposes an obligation which extends beyond the term of this Contract shall survive its expiration or earlier termination.

ARTICLE 54 - DEFAULT

Notwithstanding anything contained in this Contract to the contrary, the parties agree that the occurrence of any of the following shall be deemed a material event of default and shall be grounds for termination:

- a) The filing of a lien by any subcontractor or third tier subcontractor including, but not limited to materialmen, suppliers, or laborers, upon any property, right of way, easement, other interest in land or right to use such land within the territorial boundaries of the City which lien is not satisfied, discharged or contested in a court of law within thirty (30) days from the date of notice to the Investment Manager;
- b) The filing of any judgment lien against the assets of the Investment Manager related to the performance of this Contract which is not satisfied, discharged or contested in a court of law within thirty (30) days from the date of notice to the Investment Manager; or
- c) The filing of a petition by or against the Investment Manager for relief under the Bankruptcy Code, or for its reorganization or for the appointment of a receiver or trustee of the Investment Manager or the Investment Manager's property; or an assignment by the Investment Manager for the benefit of creditors; or the taking possession of the property of the Investment Manager by any governmental officer or agency pursuant to statutory authority for the dissolution or liquidation of the Investment Manager; or if a temporary or permanent receiver or trustee shall be appointed for the Investment Manager or for the Investment Manager's property and such temporary or permanent receiver or Trustee shall not be discharged within thirty (30) days from the date of appointment.

The Investment Manager shall provide written notice to the City of the occurrence of any event of default within ten (10) days of the Investment Manager's receipt of notice of any such default.

ARTICLE 55 - WAIVER OF SUBROGATION

The Investment Manager hereby waives any and all rights to Subrogation against the City, its officers, employees and agents for each required policy. When required by the insurer, or should a policy

condition not permit an insured to enter into a pre-loss agreement to waive subrogation without an endorsement, then the Investment Manager shall agree to notify the insurer and request the policy be endorsed with a Waiver of Transfer of Rights of Recovery Against Others, or its equivalent. This Waiver of Subrogation requirement shall not apply to any policy, which a condition to the policy specifically prohibits such an endorsement, or voids coverage should the Investment Manager enter into such an agreement on a pre-loss basis.

ARTICLE 56 - RIGHT TO REVIEW

The City, by and through its Risk Management Division, in cooperation with the contracting/monitoring department, reserves the right to review, reject or accept any required policies of insurance, including limits, coverages, or endorsements, therein from time to time throughout the term of this Contract. The City reserves the right, but not the obligation, to review and reject any insurer providing coverage because of poor financial condition or failure to operate legally.

ARTICLE 57 – WAIVER OF TRIAL BY JURY

IN THE EVENT OF LITIGATION ARISING FROM THIS CONTRACT, CITY AND INVESTMENT MANAGER KNOWINGLY, VOLUNTARILY AND INTENTIONALLY WAIVE ANY RIGHT TO A TRIAL BY JURY. CITY AND INVESTMENT MANAGER HEREBY ACKNOWLEDGE THAT THIS WAIVER PROVISION IS A MATERIAL INDUCEMENT FOR EACH PARTY AGREEING TO ENTER INTO THIS CONTRACT.

ARTICLE 58 – PALM BEACH COUNTY INSPECTOR GENERAL

In accordance with Palm Beach County ordinance number 2011-009, the Investment Manager acknowledges that this contract may be subject to investigation and/or audit by the Palm Beach County Inspector General. The Investment Manager has reviewed Palm Beach County ordinance number 2011-009 and is aware of its rights and/or obligations under such ordinance.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

[SIGNATURES ON FOLLOWING PAGE]

CONTRACT WITH THE City OF RIVIERA BEACH

IN WITNESS WHEREOF, the Parties unto this Contract have set their hands and seals on the day and date first written above.

SEAL

CITY OF RIVIERA BEACH

PFM ASSET MANAGEMENT LLC

BY: _____
THOMAS A. MASTERS
MAYOR

BY: _____
STEVE ALEXANDER,
MANAGING DIRECTOR

BY: _____
CLAUDENE L. ANTHONY
CERTIFIED MUNICIPAL CLERK
CITY CLERK

APPROVED AS TO TERMS AND
CONDITIONS

BY: _____
RANDY M. SHERMAN
DIRECTOR OF FINANCE & ADMINISTRATIVE SERVICES

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

BY: _____
ANDREW DEGRAFFENREIDT, ESQ
CITY ATTORNEY

Date: _____