



Monterey County

Board Order

168 West Alisal Street,
1st Floor
Salinas, CA 93901
831.755.5066

Upon motion of Supervisor Calcagno, seconded by Supervisor Parker and carried by those members present, the Board of Supervisors hereby:

Approved and authorized the Contracts/Purchasing Officer to execute an Agreement between the County of Monterey Treasurer-Tax Collector and PFM Asset Management LLC, in the amount of \$60,000 per annum for Investment Consulting and Advisory Services.

PASSED AND ADOPTED on this 10th day of December 2013, by the following vote, to wit:

AYES: Supervisors Armenta, Calcagno, Salinas, Parker and Potter

NOES: None

ABSENT: None

I, Gail T. Borkowski, Clerk of the Board of Supervisors of the County of Monterey, State of California, hereby certify that the foregoing is a true copy of an original order of said Board of Supervisors duly made and entered in the minutes thereof of Minute Book 77 for the meeting on December 10, 2013.

Dated: December 10, 2013
File Number: A 13-291

Gail T. Borkowski, Clerk of the Board of Supervisors
County of Monterey, State of California

By 
Deputy

AGREEMENT BETWEEN COUNTY OF MONTEREY AND CONTRACTOR

This AGREEMENT is made and entered into, by and between the County of Monterey, a political subdivision of the State of California, hereinafter referred to as "County", and PFM Asset Management LLC, hereinafter referred to as "CONTRACTOR."

RECITALS

WHEREAS, County has invited proposals through the Request for Proposals (RFP #10390) for INVESTMENT CONSULTING AND ADVISORY SERVICES, in accordance with the specifications set forth in this AGREEMENT; and

WHEREAS, CONTRACTOR has submitted a responsive and responsible proposal to perform such services; and

WHEREAS, CONTRACTOR has the expertise and capabilities necessary to provide the services requested.

NOW THEREFORE, County and CONTRACTOR, for the consideration hereinafter named, agree as follows:

1.0 PERFORMANCE OF THE AGREEMENT

- 1.1 After consideration and evaluation of the CONTRACTOR'S proposal, the County hereby engages CONTRACTOR to provide the services set forth in RFP #10390 and in this AGREEMENT on the terms and conditions contained herein and in RFP #10390. The intent of this AGREEMENT is to summarize the contractual obligations of the parties. The component parts of this AGREEMENT include the following:

This AGREEMENT including all its attachments, Exhibits and Appendix
RFP #10390- Addenda #1
RFP # 10390 dated February 11, 2013, including all attachments and exhibits
CONTRACTOR'S Proposal dated March 15, 2013,
Certificate of Insurance
Additional Insured Endorsements

- 1.2 All of the above-referenced contract documents are intended to be complementary. Work required by one of the above-referenced contract documents and not by others shall be done as if required by all. In the event of a conflict between or among component parts of the contract, the contract documents shall be construed in the following order: AGREEMENT including all Attachments, Exhibits and Appendix, RFP #10390 Addenda

#1, RFP #10390 including all attachments and exhibits, Certificate of Insurance, and Additional Insured Endorsements.

- 1.3 CONTRACTOR warrants that CONTRACTOR and CONTRACTOR's agents, employees, and subcontractors performing services under this AGREEMENT are specially trained, experienced, competent, and appropriately licensed to perform the work and deliver the services required under this AGREEMENT and are not employees of the County, or immediate family of an employee of the County.
- 1.4 CONTRACTOR, its agents, employees, and subcontractors shall perform all work in a safe and skillful manner and in compliance with all applicable laws and regulations. All work performed under this AGREEMENT that is required by law to be performed or supervised by licensed personnel shall be performed in accordance with such licensing requirements.
 - 1.4.1 CONTRACTOR must maintain all licenses throughout the term of the AGREEMENT.
- 1.5 CONTRACTOR shall furnish, at its own expense, all materials, equipment, and personnel necessary to carry out the terms of this AGREEMENT, except as otherwise specified in this AGREEMENT. CONTRACTOR shall not use County premises, property (including equipment, instruments, or supplies) or personnel for any purpose other than in the performance of its obligations under this AGREEMENT.

2.0 SCOPE OF SERVICE

- 2.1 Contractor Minimum Work Performance Percentage: CONTRACTOR shall perform with his own organization contract work amounting to not less than 50 percent of the original total contract price, except that any designated 'Specialty Items' may be performed by subcontract and the amount of any such 'Specialty Items' so performed may be deducted from the original total AGREEMENT price before computing the amount of work required to be performed by CONTRACTOR with its organization.
- 2.2 CONTRACTOR shall provide the following services which includes but is not limited to the following:
 - 2.2.1 Review and opine on recommended changes to the Investment Policy by the County Treasurer, taking into consideration current best practices.
 - 2.2.2 Provide the County with a written County Portfolio monthly compliance report which will:
 - 2.2.2.1 Verify the accuracy of the portfolio holdings information (issuer, maturity, credit ratings, security type, security structure, country of origin, etc.),
 - 2.2.2.2 Provide summary level information about the portfolio in tabular and/or chart form,
 - 2.2.2.3 Verify the portfolio's compliance with the California Government Code and with the County written Investment Policy,
 - 2.2.2.4 List any exceptions or discrepancies identified, and include a section for the County's comments, if any.

- 2.3 CONTRACTOR shall base the monthly compliance reports on the month-end listing of County portfolio holdings, including CUSIPs, which will be provided electronically by the County in Excel or PDF format.
- 2.4 CONTRACTOR shall electronically send the quarterly compliance reports in Excel format to the County within ten (10) business days after receipt of the portfolio holdings data which will be provided by the County, unless the parties agree in writing to other arrangements.
- 2.5 CONTRACTOR shall provide County with an opportunity to review and comment on the draft report.
- 2.6 CONTRACTOR shall electronically send the final approved report in PDF format, ready for distribution by the County or posting on the County Treasurer's website.
- 2.7 CONTRACTOR shall be available by phone to provide periodic technical information with respect to investment securities.
- 2.8 CONTRACTOR shall be available to attend a minimum of one (1) meeting per year at the Office of the Treasurer to, at minimum, review and discuss the compliance report or other issues as necessary.
- 2.9 CONTRACTOR shall assist the COUNTY in monitoring ongoing investments, evaluating general strategies and monitoring pool investment results, economic outlook, portfolio diversification, portfolio stress testing, maturity structure, and portfolio risks.
- 2.10 CONTRACTOR shall consult directly with the County Treasurer-Tax Collector, Assistant County Treasurer-Tax Collector, Deputy Treasurer-Tax Collector and Investment Officer as appropriate.

3.0 PROJECT TEAM

- 3.1 CONTRACTOR has committed the following qualified staff as the assigned team to the COUNTY AGREEMENT:
 - 3.1.1 Nancy Jones, Managing Director, Head of California Investment Management Group
 - 3.1.2 Ken Schiebel, CFA, Managing Director, Head of Portfolio Strategy Group
 - 3.1.3 Sarah Meacham, Director
 - 3.1.4 Carlos Oblites, Director
- 3.2 CONTRACTOR shall notify the COUNTY within Ten (10) working days in writing if any of the above assigned staff persons are changed or replaced for any reason. CONTRACTOR shall provide the name and contact information for the replacement within the ten (10) day period as well.

4.0 TERM OF AGREEMENT

- 4.1 The initial term shall commence with the signing of this AGREEMENT through and including October 31, 2014, with the COUNTY'S option to extend this AGREEMENT for Three (3) additional One (1) year periods.
- 4.1.1 County is not required to state a reason if it elects not to renew this AGREEMENT.
- 4.2 CONTRACTOR shall commence negotiations for any desired rate changes a minimum of ninety days (90) prior to the expiration of this AGREEMENT in order to be considered.
- 4.2.1 Both parties shall agree upon rate extension(s) or changes in writing.
- 4.3 CONTRACTOR and County each reserve the right to cancel this AGREEMENT, or any extension of this AGREEMENT, without cause, with a thirty day (30) written notice to the other party, or immediately with cause upon written notice to the other party.

5.0 COMPENSATION AND PAYMENTS

- 5.1 It is mutually understood and agreed by both parties that CONTRACTOR shall be compensated under this AGREEMENT at a fixed fee of \$60,000 per year billed in equal monthly installments.
- 5.2 CONTRACTOR and COUNTY both agree that travel time is not a billable item under this AGREEMENT.
- 5.3 Prices shall remain firm for the initial term of this AGREEMENT and, thereafter, may be adjusted annually as provided in this paragraph. County does not guarantee any minimum or maximum amount of dollars to be spent under this AGREEMENT.
- 5.3 Negotiations for rate changes shall be commenced, by CONTRACTOR, a minimum of ninety days (90) prior to the expiration of this AGREEMENT.
- 5.4 Any discount offered by the CONTRACTOR must allow for payment after receipt and acceptance of services, material or equipment and correct invoice, whichever is later. In no case will a discount be considered that requires payment in less than 30 days.
- 5.5 CONTRACTOR shall levy no additional fees or surcharges of any kind during the term of this AGREEMENT without first obtaining approval from County in writing.
- 5.6 Tax:
- 5.6.1 Pricing as per this AGREEMENT is inclusive of all applicable taxes.
- 5.6.2 County is registered with the Internal Revenue Service, San Francisco office, and registration number 94-6000524. The County is exempt from Federal

Transportation Tax; an exemption certificate is not required where shipping documents show Monterey County as consignee.

6.0 INVOICES AND PURCHASE ORDERS

- 6.1 Invoices for all services rendered per this AGREEMENT shall be billed directly to the Monterey County Treasurer-Tax Collector's Office at the following address:

P.O. Box 1992
Salinas, CA 93902

- 6.2 CONTRACTOR shall reference the RFP/RFQ number on all invoices submitted to County. CONTRACTOR shall submit such invoices periodically or at the completion of services, but in any event, not later than 30 days after completion of services. The invoice shall set forth the amounts claimed by CONTRACTOR for the previous period, together with submission of the monthly report identified in Section 2.3 above, and such other information pertinent to the invoice. County shall certify the invoice, either in the requested amount or in such other amount as County approves in conformity with this AGREEMENT, and shall promptly submit such invoice to County Auditor-Controller for payment. County Auditor-Controller shall pay the amount certified within 30 days of receiving the certified invoice.
- 6.3 All County of Monterey Purchase Orders issued for the AGREEMENT are valid only during the fiscal year in which they are issued (the fiscal year is defined as July 1 through June 30).
- 6.4 Unauthorized Surcharges or Fees: Invoices containing unauthorized surcharges or unauthorized fees of any kind shall be rejected by County. Surcharges and additional fees not included the AGREEMENT must be approved by County in writing via an Amendment.

7.0 INDEMNIFICATION

- 7.1 CONTRACTOR shall indemnify, defend, and hold harmless County, its officers, agents, and employees, from and against any and all claims, liabilities, and losses whatsoever (including damages to property and injuries to or death of persons, court costs, and reasonable attorneys' fees) occurring or resulting to any and all persons, firms or corporations furnishing or supplying work, services, materials, or supplies in connection with the performance of this AGREEMENT, and from any and all claims, liabilities, and losses occurring or resulting to any person, firm, or corporation for damage, injury, or death arising out of or connected with CONTRACTOR's performance of this AGREEMENT, unless such claims, liabilities, or losses arise out of the negligence or willful misconduct of County. "CONTRACTOR's performance" includes

CONTRACTOR's action or inaction and the action or inaction of CONTRACTOR's officers, employees, agents and subcontractors.

8.0 INSURANCE REQUIREMENTS

8.1 Evidence of Coverage:

8.1.1 Prior to commencement of this AGREEMENT, CONTRACTOR shall provide a "Certificate of Insurance" certifying that coverage as required herein has been obtained. Individual endorsements executed by the insurance carrier shall accompany the certificate. In addition CONTRACTOR upon request shall provide a certified copy of the policy or policies.

8.1.2 This verification of coverage shall be sent to the County's Contracts/Purchasing Department, unless otherwise directed. CONTRACTOR shall not receive a "Notice to Proceed" with the work under this AGREEMENT until it has obtained all insurance required and such, insurance has been approved by County. This approval of insurance shall neither relieve nor decrease the liability of CONTRACTOR.

8.2 Qualifying Insurers: All coverage's, except surety, shall be issued by companies which hold a current policy holder's alphabetic and financial size category rating of not less than A- VII, according to the current Best's Key Rating Guide or a company of equal financial stability that is approved by County's Purchasing Officer.

8.3 Insurance Coverage Requirements:

8.3.1 Without limiting CONTRACTOR's duty to indemnify, CONTRACTOR shall maintain in effect throughout the term of this AGREEMENT a policy or policies of insurance with the following minimum limits of liability:

8.3.1.1 Commercial general liability insurance, including but not limited to premises and operations, including coverage for Bodily Injury and Property Damage, Personal Injury, Contractual Liability, Broadform Property Damage, Independent Contractors, Products and Completed Operations, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.

Section 8.3.1.2 only applies if it's applicable to the performance of the AGREEMENT. In this case the COUNTY has deemed that the CONTRACTOR is excused from providing the below insurance as identified within Section 8.3.1.2 as Business owned automobiles are not utilized in the performance of work under this AGREEMENT.

- 8.3.1.2 Business automobile liability insurance, covering all motor vehicles, including owned, leased, non-owned, and hired vehicles, used in providing services under this AGREEMENT, with a combined single limit for Bodily Injury and Property Damage of not less than \$1,000,000 per occurrence.
- 8.3.1.3 Workers' Compensation Insurance, if CONTRACTOR employs others in the performance of this AGREEMENT, in accordance with California Labor Code section 3700 and with Employer's Liability limits not less than \$1,000,000 each person, \$1,000,000 each accident and \$1,000,000 each disease.
- 8.3.1.4 Professional liability insurance, if required for the professional services being provided, (e.g., those persons authorized by a license to engage in a business or profession regulated by the California Business and Professions Code), in the amount of not less than \$1,000,000 per claim and \$2,000,000 in the aggregate, to cover liability for malpractice or errors or omissions made in the course of rendering professional services. If professional liability insurance is written on a "claims-made" basis rather than an occurrence basis, CONTRACTOR shall, upon the expiration or earlier termination of this AGREEMENT, obtain extended reporting coverage ("tail coverage") with the same liability limits. Any such tail coverage shall continue for at least three years following the expiration or earlier termination of this AGREEMENT.

8.4 Other Insurance Requirements:

- 8.4.1 All insurance required by this AGREEMENT shall be with a company acceptable to County and issued and executed by an admitted insurer authorized to transact Insurance business in the State of California. Unless otherwise specified by this AGREEMENT, all such insurance shall be written on an occurrence basis, or, if the policy is not written on an occurrence basis, such policy with the coverage required herein shall continue in effect for a period of three years following the date CONTRACTOR completes its performance of services under this AGREEMENT.

8.4.2 **CONTRACTORS Insurance Statement:**

CONTRACTOR shall conform to the insurance requirements as outlined within RFP# 10390. However, due to constraints imposed by the CONTRACTORS underlying insurer, CONTRACTORS policies cannot be endorsed to guarantee notification if coverage is reduced or materially changed.

Therefore, CONTRACTOR shall be bound by submission of CONTRACTORS submitted proposal to COUNTY in response to RFP# 10390.

CONTRACTOR will not materially alter any of the insurance policies currently in force and relied on in CONTRACTORS written submitted proposal. Further,

CONTRACTOR shall not reduce any coverage amount below the limits specified within the RFP.

CONTRACTOR shall maintain in full force a complete insurance program, including property, casualty, comprehensive general liability, automobile liability and workers compensation. CONTRACTOR shall also maintains professional liability and fidelity bond coverage's which shall total \$15 million and \$10 million, respectively.

CONTRACTOR acknowledges and COUNTY agrees that CONTRACTORS Professional Liability policy is a "claims made" policy and CONTRACTORS General Liability policy claims shall be made by occurrence.

Deductibles /SIR:

General Liability \$0
Automobile \$250 comprehensive
\$500 collision
Professional Liability (E&O) \$500,000
Financial Institution Bond \$75,000

Each policy shall provide coverage for CONTRACTOR and additional insureds with respect to claims arising from each subcontractor, if any, performing work under this AGREEMENT, or be accompanied by a certificate of insurance from each subcontractor showing each subcontractor has identical insurance coverage to the above requirements.

8.4.3 Commercial general liability and automobile liability policies shall provide an endorsement naming the County of Monterey, its officers, agents, and employees as Additional Insureds with respect to liability arising out of the CONTRACTOR'S work, including ongoing and completed operations, and shall further provide that such insurance is primary insurance to any insurance or self-insurance maintained by the County and that the insurance of the Additional Insureds shall not be called upon to contribute to a loss covered by the CONTRACTOR'S insurance. The required endorsement form for Commercial General Liability Additional Insured is ISO Form CG 20 10 11-85 or CG 20 10 10 01 in tandem with CG 20 37 10 01 (2000). The required endorsement form for Automobile Additional Insured endorsement is ISO Form CA 20 48 02 99.

8.4.4 Prior to the execution of this AGREEMENT by County, CONTRACTOR shall file certificates of insurance with County's contract administrator and County's Contracts/Purchasing Division, showing that CONTRACTOR has in effect the insurance required by this AGREEMENT. CONTRACTOR shall file a new or amended certificate of insurance within five calendar days after any change is made in any insurance policy, which would alter the information on the certificate then on file. Acceptance or approval of insurance shall in no way modify or change the indemnification clause in this AGREEMENT, which shall continue in full force and effect.

8.4.5 CONTRACTOR shall at all times during the term of this AGREEMENT maintain in force the insurance coverage required under this AGREEMENT and shall send, without demand by County, annual certificates to County's Contract Administrator and County's Contracts/Purchasing Division. If the certificate is not received by the expiration date, County shall notify CONTRACTOR and CONTRACTOR shall have five calendar days to send in the certificate, evidencing no lapse in coverage during the interim. Failure by CONTRACTOR to maintain such insurance is a default of this AGREEMENT, which entitles County, at its sole discretion, to terminate this AGREEMENT immediately.

9.0 RECORDS AND CONFIDENTIALITY

- 9.1 Confidentiality: CONTRACTOR and its officers, employees, agents, and subcontractors shall comply with any and all federal, state, and local laws, which provide for the confidentiality of records and other information. CONTRACTOR shall not disclose any confidential records or other confidential information received from the County or prepared in connection with the performance of this AGREEMENT, unless County specifically permits CONTRACTOR to disclose such records or information, or unless otherwise required by regulatory or court order. CONTRACTOR shall promptly transmit to County any and all requests for disclosure of any such confidential records or information. CONTRACTOR shall not use any confidential information gained by CONTRACTOR in the performance of this AGREEMENT except for the sole purpose of carrying out CONTRACTOR's obligations under this AGREEMENT.
- 9.2 County Records: When this AGREEMENT expires or terminates, CONTRACTOR shall return to County any County records which CONTRACTOR used or received from County to perform services under this AGREEMENT.
- 9.3 Maintenance of Records: CONTRACTOR shall prepare, maintain, and preserve all reports and records that may be required by federal, state, and County rules and regulations related to services performed under this AGREEMENT.
- 9.4 Access to and Audit of Records: County shall have the right to examine, monitor and audit all records, documents, conditions, and activities of CONTRACTOR and its subcontractors related to services provided under this AGREEMENT. The parties to this AGREEMENT may be subject, at the request of County or as part of any audit of County, to the examination and audit of the State Auditor pertaining to matters connected with the performance of this AGREEMENT for a period of three years after final payment under the AGREEMENT.

10.0 NON-DISCRIMINATION

- 10.1 During the performance of this contract, CONTRACTOR shall not unlawfully discriminate against any employee or applicant for employment because of race, religious

creed, color, national origin, ancestry, physical disability, mental disability, medical condition, marital status, age (over 40), sex, or sexual orientation. CONTRACTOR shall ensure that the evaluation and treatment of its employees and applicants for employment are free of such discrimination. CONTRACTOR shall comply with the provisions of the Fair Employment and Housing Act (Government Code, §12900, et seq.) and the applicable regulations promulgated thereunder (California Code of Regulations, Title 2, §7285.0, et seq.).

- 10.2 The applicable regulations of the Fair Employment and Housing Commission implementing Government Code, §12900, et seq., set forth in Chapter 5 of Division 4 of Title 2 of the California Code of Regulations are incorporated into this AGREEMENT by reference and made a part hereof as if set forth in full.
- 10.3 CONTRACTOR shall include the non-discrimination and compliance provisions of the clause in all AGREEMENTs with subcontractors to perform work under the contract.

11.0 OVERRIDING CONTRACTOR PERFORMANCE REQUIREMENTS

- 11.1 Independent Contractor: CONTRACTOR shall be an independent contractor and shall not be an employee of Monterey County, nor immediate family of an employee of County. CONTRACTOR shall be responsible for all insurance (General Liability, Automobile, Workers' Compensation, unemployment, etc.) and all payroll-related taxes. CONTRACTOR shall not be entitled to any employee benefits. CONTRACTOR shall control the manner and means of accomplishing the result contracted for herein.
- 11.2 Non-Assignment: CONTRACTOR shall not assign this contract or the work required herein without the prior written consent of County.
- 11.3 Any subcontractor shall comply with all of County of Monterey requirements, including insurance and indemnification requirements as detailed in this AGREEMENT.

12.0 CONFLICT OF INTEREST

- 12.1 CONTRACTOR covenants that it presently has no interest, and shall not have any interest, direct or indirect, which would conflict in any manner with the performance of services required under this AGREEMENT. Without limitation, CONTRACTOR represents to and agrees with COUNTY that CONTRACTOR has no present, and will have no future, conflict of interest between providing COUNTY services hereunder and any other person or entity (including but not limited to any federal or state environmental or regulatory agency) which has any interest adverse or potentially adverse to COUNTY, as determined in the reasonable judgment of the Board of Supervisors of COUNTY.
- 12.2 CONTRACTOR agrees that any information, whether proprietary or not, made known to or discovered by it during the performance of or in connection with this AGREEMENT

for COUNTY will be kept confidential and not be disclosed to any other person, unless otherwise required by regulatory or court order. CONTRACTOR agrees to immediately notify COUNTY in accordance with the Notices Section of this AGREEMENT, if it is requested to disclose any information made known to or discovered by it during the performance of or in connection with this AGREEMENT. These conflict of interest and future service provisions and limitations shall remain fully effective five (5) years after termination of services to COUNTY hereunder.

13.0 COMPLIANCE WITH APPLICABLE LAWS

- 13.1 CONTRACTOR shall keep itself informed of and in compliance with all federal, state and local laws, ordinances, regulations, and orders, including but not limited to all state and federal tax laws that may affect in any manner the Project or the performance of the Services or those engaged to perform Services under this AGREEMENT. CONTRACTOR shall procure all permits and licenses, pay all charges and fees, and give all notices required by law in the performance of the Services.
- 13.2 CONTRACTOR shall report immediately to County's Contracts/Purchasing Officer, in writing, any discrepancy or inconsistency it discovers in the laws, ordinances, regulations, orders, and/or guidelines in relation to the Project of the performance of the Services.
- 13.3 All documentation prepared by CONTRACTOR shall provide for a completed project that conforms to all applicable codes, rules, regulations and guidelines that are in force at the time such documentation is prepared.

14.0 DRUG FREE WORKPLACE

- 14.1 CONTRACTOR and CONTRACTOR'S employees shall comply with the COUNTY'S policy of maintaining a drug free workplace. Neither CONTRACTOR nor CONTRACTOR'S employees shall unlawfully manufacture, distribute, dispense, possess or use controlled substances, as defined in 21 U.S. Code § 812, including, but not limited to, marijuana, heroin, cocaine, and amphetamines, at any COUNTY facility or work site. If CONTRACTOR or any employee of CONTRACTOR is convicted or pleads nolo contendere to a criminal drug statute violation occurring at a COUNTY facility or work site, the CONTRACTOR shall, within five days thereafter notify the head of the COUNTY department/agency for which the AGREEMENT services are performed. Violation of this provision shall constitute a material breach of this AGREEMENT.

15.0 TIME OF ESSENCE

- 15.1 Time is of the essence in respect to all provisions of this AGREEMENT that specify a time for performance; provided, however, that the foregoing shall not be construed to limit or deprive a party of the benefits of any grace or use period allowed in this AGREEMENT.

16.0 PERFORMANCE ASSURANCE AND WAIVER OF BREACH

- 16.1 Assurance of Performance: If at any time County believes CONTRACTOR may not be adequately performing its obligations under this AGREEMENT or that CONTRACTOR may fail to complete the Services as required by this AGREEMENT, County may request from CONTRACTOR prompt written assurances of performance and a written plan acceptable to County, to correct the observed deficiencies in CONTRACTOR'S performance. CONTRACTOR shall provide such written assurances and written plan within ten (10) calendar days of its receipt of County's request and shall thereafter diligently commence and fully perform such written plan. CONTRACTOR acknowledges and agrees that any failure to provide such written assurances and written plan within the required time is a material breach under this AGREEMENT. If County accepts the plan it shall issue a signed waiver.

- 16.1.1 Waiver: No waiver of a breach, failure of any condition, or any right or remedy contained in or granted by the provisions of this AGREEMENT shall be effective unless it is in writing and signed by the party waiving the breach, failure, right or remedy. No waiver of any breach, failure, right or remedy shall be deemed a waiver of any other breach, failure, right or remedy, whether or not similar, nor shall any waiver constitute a continuing waiver unless the writing so specifies.

17.0 INVESTMENT ADVISOR PROVISIONS

- 17.1 If and to the extent that the COUNTY shall request CONTRACTOR to render services other than those to be rendered by CONTRACTOR under this AGREEMENT, such additional services shall be compensated separately on terms to be agreed upon between CONTRACTOR and the COUNTY.
- 17.2 CONTRACTOR hereby represents it is a registered investment advisor under the Investment Advisers Act of 1940. CONTRACTOR shall immediately notify the COUNTY if at any time during the term of this AGREEMENT it is not so registered or if its registration is suspended. CONTRACTOR 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 COUNTY may have under any federal securities laws.

- 17.3 CONTRACTOR shall promptly give notice to the COUNTY if CONTRACTOR shall have been found to have violated any state or federal securities law or regulation in any final and un-appealable 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 or any other agency or department of the United States, any registered securities exchange, FINRA, or any regulatory authority of any State based upon the performance of services as an investment advisor.
- 17.4 CONTRACTOR warrants that is has delivered to the COUNTY prior to the execution of this AGREEMENT CONTRACTOR's current Securities and Exchange Commission Form ADV, Part 2A (brochure) and Part 2B (brochure supplement). The COUNTY acknowledges receipt of such brochure and brochure supplement prior to the execution of this AGREEMENT.
- 17.5 Each party to this AGREEMENT represents and warrants that the person or persons signing this AGREEMENT on behalf of such party is authorized and empowered to sign and deliver this AGREEMENT for such party.

18.0 LEGAL DISPUTES

CONTRACTOR agrees that this AGREEMENT and any dispute arising from the relationship between the parties to this AGREEMENT, shall be governed and interpreted by the laws of the State of California, excluding any laws that direct the application of another jurisdiction's laws. Any dispute that arises under or relates to this AGREEMENT (whether contract, tort, or both) shall be resolved in the Superior Court of California in Monterey County, California.

CONTRACTOR shall continue to perform under this AGREEMENT during any dispute. The parties agree to waive their separate rights to a trial by jury. This waiver means that the trial will be before a judge.

19.0 NOTICES

Notices required to be given to the respective parties under this AGREEMENT shall be deemed given by any of the following means: (1) when personally delivered to County's contract administrator or to CONTRACTOR'S responsible officer; (2) when personally delivered to the party's principle place of business during normal business hours, by leaving notice with any person apparently in charge of the office and advising such person of the import and contents of the notice; (3) 24 hours after the notice is transmitted by FAX machine to the other party, at the party's FAX number specified pursuant to this AGREEMENT, provided that the party giving notice by FAX must promptly confirm receipt of the FAX by telephone to the receiving party's

office; or, (4) three (3) days after the notice is deposited in the U. S. mail with first class or better postage fully prepaid, addressed to the party as indicated below.

Notices mailed or faxed to the parties shall be addressed as follows:

TO COUNTY:

Contracts/Purchasing Officer
County of Monterey, Contracts/Purchasing
168 W. Alisal Street, 3rd Floor.
Salinas, CA 93901-2439
Tel. No.: (831) 755-4990
FAX No.: (831) 755-4969
derm@co.monterey.ca.us

TO CONTRACTOR:

Managing Director
PFM Asset Management LLC
50 California Street Suite 2300
San Francisco, CA 94111
Tel. No.: (415) 982-5544
FAX No.: (415) 982-4513
Email: jonesn@pfm.com

(THIS SECTION PURPOSELY LEFT BLANK)

IN WITNESS WHEREOF, the County and CONTRACTOR execute this AGREEMENT as follows:

MONTEREY COUNTY

Debra Fay
Contracts/Purchasing Officer

Dated: *January 2, 2014*

Approved as to Fiscal Provisions:
[Signature]
Auditor/Controller

Dated: *10-30-13*

APPROVED AS TO LIABILITY PROVISIONS:
[Signature]
APPROVED AS TO INDEMNITY/
INSURANCE LANGUAGE

Risk Management
By: *Theresa Schumake*
Dated: *12-3-13*

Approved as to Form:
[Signature]
Deputy County Counsel
Dated: *10-29-13*

CONTRACTOR

By: *[Signature]*
Signature of Chair, President, or Vice President

Marty Maglieri, President
Printed Name and Title

Dated: *10/22/13*

By: *Nancy Jones*
(Signature of Secretary, Asst. Secretary, CFO,
Treasurer or Asst. Treasurer)*

Nancy Jones, Managing Director
Printed Name and Title

Dated: *10/23/13*

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