



AGREEMENT FOR

INVESTMENT MANAGEMENT SERVICES

Between

VILLAGE OF WELLINGTON

And

PFM ASSET MANAGEMENT LLC

AGREEMENT FOR INVESTMENT MANAGEMENT SERVICES

THIS AGREEMENT is made this 1st day of August, 2011, by and between the Village of Wellington, Florida (hereinafter referred to as WELLINGTON) and PFM Asset Management LLC (PFM), a Delaware limited liability company with an office located at 300 South Orange Avenue, Suite 1170, Orlando, Florida 32801 (hereinafter referred to as PFM).

WHEREAS, WELLINGTON has funds available for investment purposes (the "Initial Funds") for which it intends to conduct an investment program; and

WHEREAS, WELLINGTON desires to avail itself of the experience, sources of information, advice, assistance and facilities available to PFM; to have PFM undertake certain duties and responsibilities; and to perform certain services as investment advisor on behalf of WELLINGTON, as provided herein; and

WHEREAS, PFM is willing to provide such services on the terms and conditions hereinafter set forth;

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, it is agreed as follows:

ARTICLE 1 EFFECTIVE DATE

The effective date of this Agreement shall be the date stated above.

This Agreement will expire on September 30th, 2014, and can be renewed for three (3) optional, one (1) year renewal periods providing all contract original terms and conditions remain unchanged, in accordance with the provisions of Article 13 herein.

ARTICLE 2 SERVICES TO BE PERFORMED BY PFM

2.1 GENERAL

PFM shall provide full-time investment management on a daily basis of WELLINGTON's investment portfolio pursuant to the specific stated investment objectives and WELLINGTON's Investment Policy. WELLINGTON requires that PFM, at a minimum, provide the following Services:

1. PFM will provide investment management of the Initial Funds and such other funds as WELLINGTON from time to time assign by written notice to PFM (collectively the "Managed Funds"). In connection therewith, PFM will provide investment research and supervision of WELLINGTON's Managed Funds investments and conduct a continuous program of investment, evaluation and, when appropriate, sale and reinvestment of WELLINGTON's Managed Funds assets.
2. PFM shall continuously monitor investment opportunities and evaluate investments of WELLINGTON's Funds, and develop and implement investment strategies for WELLINGTON that will seek to enhance portfolio performance under current and future market conditions within the parameters of WELLINGTON's investment policy and cash flow needs.
3. PFM shall furnish WELLINGTON with statistical information and reports with respect to investments of the Managed Funds. Additionally, PFM will provide monthly statements and annual portfolio performance reports detailing investment activity, earnings, the value of the investment portfolio, a portfolio return, mark to market valuation, and weighted average maturity,

accrued interest by investment type, and rating of investment by Standards & Poor's and Moody's. PFM must maintain accurate reports including portfolio composition showing diversity of investments and compliance with applicable WELLINGTON investment policies and State of Florida Statutes.

4. PFM shall place all orders for the purchase, sale, loan or exchange of portfolio securities for WELLINGTON's account with brokers or dealers recommended by PFM and/or WELLINGTON, and to that end PFM is authorized as agent of WELLINGTON to give instructions to the depository designated by WELLINGTON as its custodian as to deliveries of securities and payments of cash for the WELLINGTON account. In connection with the selection of such brokers and dealers and the placing of such orders, PFM is directed to seek for WELLINGTON 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 PFM by such brokers and dealers.
5. PFM will communicate settlement information to WELLINGTON staff and assist in coordinating security settlement.
6. All investments will be delivered into a designated safekeeping account owned and maintained by WELLINGTON. Under no circumstances will PFM have custody of any WELLINGTON assets.
7. Authorized investments shall include only those investments which are currently authorized by the State of Florida, WELLINGTON's investment policy, bond covenants and as supplemented by such other written instructions as may from time to time be provided by WELLINGTON to PFM. WELLINGTON covenants promptly to provide PFM with any amendments, supplements or other changes to WELLINGTON's investment policy.
8. PFM shall be entitled to rely upon WELLINGTON's written advice with respect to anticipated drawdowns of Managed Funds. PFM will observe the instructions of WELLINGTON with respect to broker/dealers who are approved to execute transactions involving WELLINGTON's Managed Funds and in the absence of such instructions will engage broker/dealers who PFM reasonably believes to be reputable, qualified and financially sound.
9. PFM will serve as a general resource to WELLINGTON's staff for information, advice and training regarding fixed income securities, investment and yield curve analysis.
10. PFM will work with WELLINGTON staff to develop cash flow projections to ensure that the investment strategy is consistent with WELLINGTON's cash requirements.
11. PFM will review and update WELLINGTON's investment policy and written investment procedures as needed.
12. The depository designated by WELLINGTON shall have custody of cash, assets and securities of WELLINGTON. PFM will monitor the creditworthiness of WELLINGTON's depository and custodian bank and investments in the portfolio. PFM shall not take possession of or act as custodian for the cash, securities or other assets in the Managed Funds and shall have no responsibility in connection therewith.
13. PFM will attend meetings with WELLINGTON's finance staff and governing body upon request.

ARTICLE 3 COMPENSATION

3.1 GENERAL

As compensation for providing the Services enumerated herein, PFM shall be paid on a monthly basis according the agreed fixed annualized fee schedule based on the average daily balance of total assets under management for the month. All fees and expenses for the services enumerated shall be covered by these fees and shall not exceed the agreed custodial fee schedule by PFM.

The fee schedule is as follows:

SERVICES PROVIDED	ANNUALIZED FEE
• Ten Step Treasury Management Programs	No Charge
• Treasury Management Audit	No Charge
• Internal control/Procedure Manual Update	No Charge
• Annual Case Flow Analysis	No Charge
• Bond Proceeds Invested in PFM Funds	No Charge
•	
• First \$25 Million of assets under Management @ 6.5 bps	
• Next \$25 Million of assets under Management @ 6 bps	
• Over \$50 Million of assets under Management @ 5.5 bps	

In determining the monthly fee to be paid, the average daily balance of total assets under management shall be multiplied by the basis points in accordance with the above schedule, then that total annualized figure shall be divided by 365 and multiply by the number of days in the particular month to be billed which shall be the monthly fee. That figure shall be the monthly fee; provided that the fee and all fees for the first six (6) months of this Agreement are waived and total fees for the first year of this Agreement shall be capped at \$27,000.00. Once WELLINGTON has paid \$27,000.00 during the course of the first year of this Agreement, no further fees shall be paid for services performed during such first year. Upon the completion of the first year of this Agreement, the above fee schedule is in effect with no waivers nor caps.

A basis point is one line under the percentage point. The parties hereto agree that should there be a fee dispute between the parties, WELLINGTON's decision on the amount to be paid shall be the final binding decision on all compensation disagreements under this Agreement, unless manifestly in error.

If and to the extent that WELLINGTON shall request PFM to render services other than those listed above, such additional services shall be compensated separately on terms to be agreed upon between PFM and WELLINGTON in writing.

ARTICLE 4 EXPENSES

4.1 PFM shall furnish at its own expense all necessary administrative services, office space, equipment, clerical personnel, telephone and other communication facilities, investment advisory facilities, and executive and supervisory personnel for managing investments.

4.2 Except as expressly provided otherwise herein, WELLINGTON shall pay all of its own expenses including, without limitations, taxes, commissions, fees and expenses of WELLINGTON's independent auditors and legal counsel, if any, brokerage and other expenses connected with the execution of portfolio security transactions, insurance premiums, fees and expenses of the custodian of the Managed Funds including safekeeping of funds and securities and the keeping of books and accounts.

ARTICLE 5 RESPONSIBILITY OF PFM

PFM hereby represents it is a registered investment advisor under the Investment Advisors Act of 1940 and all other laws affecting its services to WELLINGTON hereunder. PFM shall immediately notify WELLINGTON if at any time during the term of this Agreement it is not so registered or if its registration is suspended. The federal securities laws impose penalties under certain circumstances on persons who are required to act in good faith. Nothing herein shall in any way constitute a waiver or limitation of any rights which WELLINGTON or PFM may have under any federal securities laws. WELLINGTON hereby authorizes PFM to sign I.R.S. Form W-9 on behalf of WELLINGTON 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 6 INSURANCE

During the performance of the Services under this Agreement, PFM shall maintain the following insurance policies written by an insurance company authorized to do business in Florida:

6.1 Errors and Omissions Insurance, which covers the company and its agents with limits of at least \$10,000,000. This insurance must be written by an insurer who possesses an A.M. Best rating of at least an "A".

6.2 Professional Liability with coverage per occurrence limit of not less than \$5,000,000 with fiduciary liability shall be required. It is recognized that this type of insurance is only available on a Claims Made basis and additional insured endorsements are not available.

PFM shall not commence work under this Agreement until all insurance required as stated herein has been obtained, and such insurance has been approved by WELLINGTON.

The insurance requirements above may be waived by Mireya McIlveen or her designee.

ARTICLE 7 STANDARD OF CARE

PFM shall exercise the same degree of care, skill, and diligence in the performance of the Services as is ordinarily provided by a comparable professional under similar circumstances, and PFM shall, at no additional cost to WELLINGTON, re-perform Services which fail to satisfy the foregoing standard of care. PFM warrants that all Services shall be performed by skilled and competent personnel to the highest professional standards in the field.

ARTICLE 8 INDEMNIFICATIONS

8.1 GENERAL

Having considered the risks and potential liabilities that may exist during the performance of the Services and in consideration of the promises included herein, WELLINGTON and PFM agree to allocate such liabilities in accordance with this Article 8.

8.2 INDEMNIFICATION

Regardless of the coverage provided by any insurance, PFM agrees to protect, defend, indemnify, and hold harmless WELLINGTON, its employees, and representatives from any and all claims and liabilities, including all attorney's fees and court costs, including appeals, for which WELLINGTON, its employees, and representatives can or may be held liable as a result of injury to persons or damage to property occurring by reason of any negligent acts or omissions or willful misconduct of PFM, its employees, or agents arising out of or connected with this Agreement. PFM shall not be required to indemnify WELLINGTON or its agents, employees, or representatives when an occurrence results from the wrongful acts or omissions of WELLINGTON or its agents, employees, or representatives.

8.3 SURVIVAL

Upon completion of all Services, obligations, and duties provided for in this Agreement or in the event of termination of this Agreement for any reason, the terms and conditions of this Article shall survive.

ARTICLE 9 INDEPENDENT CONTRACTOR

Except as described in ARTICLE 2, PFM, its employees, officers and representatives, shall not be deemed to be employees, agents, partners, servants, and/or joint ventures of WELLINGTON by virtue of this Agreement or any actions or services rendered under this Agreement.

ARTICLE 10 FEDERAL AND STATE TAXES

WELLINGTON is exempt from Federal Tax and State Sales and Use Taxes. Upon request, WELLINGTON will provide an exemption certificate to PFM. PFM shall not be exempted from paying sales tax to its suppliers for materials to fulfill contractual obligations with WELLINGTON, nor shall PFM be authorized to use WELLINGTON'S Tax Exemption Number in securing such materials.

ARTICLE 11 AVAILABILITY OF FUNDS

The obligations of WELLINGTON under this Agreement are subject to the availability of funds lawfully appropriated for its purpose by the Council of WELLINGTON. WELLINGTON covenants that it shall promptly notify PFM in writing of any such non-appropriation of funds.

ARTICLE 12 WELLINGTON'S RESPONSIBILITIES

WELLINGTON shall be responsible for providing information on hand required by PFM, including existing records, and other required data that are available in the files of WELLINGTON.

ARTICLE 13 TERM

This Agreement may be terminated by WELLINGTON in the event of any material breach of its terms immediately upon notice by certified mail, return receipt requested. This Agreement may be terminated by WELLINGTON for convenience, on not less than thirty (30) days written notice to PFM. PFM may terminate this Agreement immediately upon any material breach of its terms by WELLINGTON upon

notice by certified mail, return receipt requested, or for convenience at any time after one year upon (30) days written notice.

This contract will be for a period of three (3) years. WELLINGTON reserves the right to extend the contract for up to three (3), one year extension terms, providing (a) all terms, conditions and specifications remain the same, (b) both parties agree to the extension and (c) such extension is approved by WELLINGTON's Manager.

ARTICLE 14 SUSPENSIONS, COMPLAINTS

PFM shall promptly give notice to WELLINGTON if PFM shall have been found to have violated any state or federal securities law or regulation 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. PFM shall also provide WELLINGTON with notice of any lawsuits materially affecting its business.

ARTICLE 15 UNCONTROLLABLE FORCES

Neither WELLINGTON nor PFM shall be considered to be in default of this Agreement if delays in or failure of performance shall be due to Uncontrollable Forces, the effect of which, by the exercise of reasonable diligence, the nonperforming party could not avoid. The term "Uncontrollable Forces" shall mean any event which results in the prevention or delay of performance by a party of its obligations under this Agreement and which is beyond the reasonable control of the nonperforming party. It includes, but is not limited to, fire, flood, earthquake, storm, lightning, epidemic, war, riot, civil disturbance, sabotage, and governmental action.

Neither party shall, however, be excused from performance if nonperformance is due to forces which are preventable, removable, or remediable, and which the nonperforming party could have, with the exercise of reasonable diligence, prevented, removed, or remedied with reasonable dispatch. The nonperforming party shall, within a reasonable time of being prevented or delayed from performance by an uncontrollable force, give written notice to the other party describing the circumstances and uncontrollable forces preventing continued performance of the obligations of this Agreement.

ARTICLE 16 NON-DISCRIMINATION

PFM warrants and represents that all of its employees are treated equally during employment without regard to race, color, religion, gender, age, or national origin.

ARTICLE 17 WAIVER

A waiver by either WELLINGTON or PFM of any breach of this Agreement shall not be binding upon the waiving party unless such waiver is in writing. In the event of a written waiver, such a waiver shall not affect the waiving party's rights with respect to any other or further breach. The making or acceptance of a payment by either party with knowledge of the existence of a default or breach shall not operate or be construed to operate as a waiver of any subsequent default or breach.

ARTICLE 18 SEVERABILITY

The invalidity, illegality, or unenforceability of any provision of this Agreement, or the occurrence of any event rendering any portion or provision of this Agreement void, shall in no way affect the validity or enforceability of any other portion or provision of the Agreement. Any void provision shall be deemed severed from the Agreement, and the balance of the Agreement shall be construed and enforced as if the Agreement did not contain the particular portion or provision held to be void. The parties further

agree to reform the Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision.

The provisions of this Article shall not prevent the entire Agreement from being void should a provision, which is of the essence of the Agreement, be determined to be void.

ARTICLE 19 ENTIRETY OF AGREEMENT

WELLINGTON and PFM agree that this Agreement sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. This Agreement supersedes all prior agreements, contracts, proposals, representations, negotiations, letters, or other communications between WELLINGTON and PFM pertaining to the Services, whether written or oral. None of the provisions, terms, and conditions contained in this Agreement may be added to, modified, superseded, or otherwise altered, except by written instrument executed by the parties hereto.

ARTICLE 20 MODIFICATION

This Agreement shall not be changed, modified, terminated or discharged in whole or in part, except by an instrument in writing signed by both parties hereto, or their respective successors or assigns.

ARTICLE 21 SUCCESSORS AND ASSIGNS

The provisions of this Agreement shall be binding on PFM and its respective successors and assigns, provided, however, that the rights and obligations of PFM may not be assigned without the prior written consent of WELLINGTON.

ARTICLE 22 CONTINGENT FEES

PFM warrants that it has not employed or retained any company or person, other than a bona fide employee working solely for PFM, to solicit or secure this Agreement 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 PFM, any fee, commission, percentage, gift, or any other consideration contingent upon or resulting from the award or making of this Agreement.

ARTICLE 23 TRUTH-IN-NEGOTIATION CERTIFICATE

Execution of this Agreement by PFM shall act as the execution of a truth-in-negotiation certificate certifying that the fee schedule and costs used to determine the compensation provided for in this Agreement are accurate, complete, and current as of the date of the Agreement.

The said fee schedule and costs shall be adjusted to exclude any significant sums should WELLINGTON determine that the fees and costs were increased due to inaccurate, incomplete, or noncurrent fees or due to inaccurate representations of fees paid to outside PFM's. WELLINGTON shall exercise its rights under this "Certificate" within one (1) year following payment.

ARTICLE 24 OWNERSHIP OF DOCUMENTS

Any and all documents, records, disks, or other information shall become the property of WELLINGTON for its use and/or distribution as may be deemed appropriate by WELLINGTON.

ARTICLE 25 ACCESS AND AUDITS

PFM shall maintain appropriate records of all its activities hereunder. PFM shall provide WELLINGTON with monthly statements 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 PFM and WELLINGTON.

PFM shall maintain adequate records to justify all charges and costs incurred in performing the Services for at least three (3) years after completion of this Agreement. WELLINGTON shall have access to such books, records, and documents as required in this Article for the purpose of inspection or audit during normal working business hours at PFM'S place of business.

ARTICLE 26 PFM'S DISCLOSURE STATEMENT.

PFM warrants that it has delivered to WELLINGTON at least 48 hours prior to the execution of this Agreement, PFM's current Securities and Exchange Commission Form ADV, Part 2A (PFM's disclosure statement). WELLINGTON acknowledges receipt of such disclosure statement at least 48 hours prior to the execution of this Agreement.

ARTICLE 27 APPLICABLE LAW

This Agreement shall be construed, enforced, and administered according to the laws of the State of Florida. PFM and WELLINGTON agree that, should a disagreement arise as to the terms or enforcement of any provisions of this Agreement, each party will in good faith attempt to resolve said disagreement prior to filing a lawsuit. Venue for all disputes shall be in Palm Beach County, Florida.

ARTICLE 28 NOTICE

Any notice, demand, communication, or request required or permitted hereunder shall be in writing and delivered in person or sent by certified mail, postage prepaid as follows:

As To WELLINGTON

Village of WELLINGTON
2300 Forest Hill Blvd
WELLINGTON, Florida 33414
Attention: Mireya P. McIlveen

As To PFM ASSET MANAGEMENT LLC (PFM)

Steve Alexander, Managing Director
300 South Orange Avenue – Suite 1170
Orlando, FL 32801

With a copy to:

PFM Asset Management LLC
Two Logan Square, Suite 1600
18th & Arch Streets
Philadelphia, PA 19103-2770
Attn: Controller

Notices shall be effective when received at the addresses as specified above. Changes in the respective addresses to which such notice is to be directed may be made from time to time by either party by written notice to the other party. Facsimile transmission is acceptable notice effective when received; however, facsimile transmissions received (i.e., printed) after 6:00 p.m. or between Friday and Sunday or on holidays will be deemed received on the next business day. The original of the notice must additionally be mailed as required herein.

Nothing contained in this Article shall be construed to restrict the transmission of routine communications between representatives of PFM and WELLINGTON.

ARTICLE 29 CONTRACT ADMINISTRATION

Services of PFM shall be under the general direction of Mireya McIlveen or her designee, who shall act as WELLINGTON'S representative during the term of the Agreement.

ARTICLE 30 KEY PERSONNEL

PFM shall notify WELLINGTON in the event of key personnel changes which might affect this Agreement. Notification shall be made within ten (10) days of said changes. WELLINGTON has the right to reject proposed changes in key personnel. The following personnel shall be considered key personnel: Steven Alexander.

ARTICLE 31 CONFIDENTIALITY

No reports, information, computer programs, documentation, and/or data given to or prepared or assembled by PFM under this Agreement shall be made available to any individual or organization by PFM without prior written approval of WELLINGTON, unless such disclosure is required by law or by judicial or regulatory process. This Agreement however, is subject to Florida Statutes 119.01 et. seq.

ARTICLE 32 CONFLICT OF INTEREST

WELLINGTON understands that PFM performs investment advisory services for various other clients which may include investment companies and/or commingled trust funds. WELLINGTON agrees that PFM 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 WELLINGTON's Managed Funds accounts, so long as it is the policy of PFM, to the extent practical, to allocate investment opportunities to this account over a period of time on a fair and equitable basis relative to other clients. PFM shall not have any obligations to purchase, sell or exchange any security for WELLINGTON's Managed funds solely by reason of the fact that PFM, 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.

(The remainder of this page left intentionally blank)

IN WITNESS WHEREOF, WELLINGTON and PFM have executed this Agreement as of the day and year first above written.

ATTEST

VILLAGE OF WELLINGTON, FLORIDA

By: Awilda Rodriguez
Awilda Rodriguez, Clerk

By: [Signature]

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

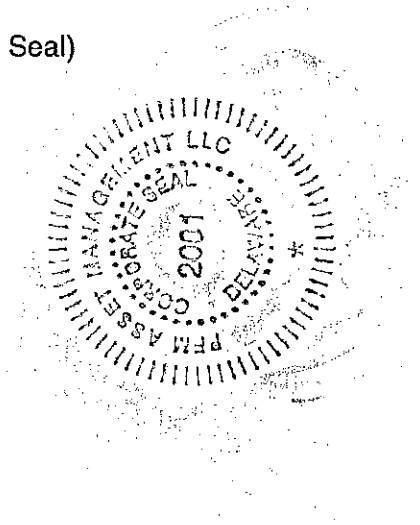
By: [Signature]
Attorney

WITNESSES:

PFM ASSET MANAGEMENT LLC
Steve Alexander – Managing Director

1. Melissa Lindeman
2. Rebecca Oh

By: [Signature]
(Corporate Seal)



4.2 Except as expressly provided otherwise herein, WELLINGTON shall pay all of its own expenses including, without limitations, taxes, commissions, fees and expenses of WELLINGTON independent auditors and legal counsel, if any, brokerage and other expenses connected with the execution of portfolio security transactions, insurance premiums, fees and expenses of the custodian of the Managed Funds including safekeeping of funds and securities and the keeping of books and accounts.

ARTICLE 5 RESPONSIBILITY OF PFM

PFM hereby represents it is a registered investment advisor under the Investment Advisors Act of 1940 and all other laws affecting its services to WELLINGTON hereunder. PFM shall immediately notify WELLINGTON if at any time during the term of this Agreement it is not so registered or if its registration is suspended. PFM agrees to perform its duties and responsibilities under this Agreement with reasonable care.

ARTICLE 6 INSURANCE

During the performance of the Services under this Agreement, PFM shall maintain the following insurance policies written by an insurance company authorized to do business in Florida:

- 6.1 Errors and Omissions** Insurance, which covers the company and their agents with limits of at least \$10,000,000. This insurance must be written by an insurer who possesses an A.M. Best rating of at least an "A".
- 6.2 Professional Liability** with coverage per occurrence limit of not less than \$5,000,000 with fiduciary liability shall be required. It is recognized that this type of insurance is only available on a Claims Made basis and additional insured endorsements are not available.

PFM shall not commence work under this Agreement until all insurance required as stated herein has been obtained, and such insurance has been approved by WELLINGTON.

The insurance requirements above may be waived by Mireya McIlveen or her designee.

ARTICLE 7 STANDARD OF CARE

PFM shall exercise the same degree of care, skill, and diligence in the performance of the Services as is ordinarily provided by a comparable professional under similar circumstances, and PFM shall, at no additional cost to WELLINGTON, re-perform Services which fail to satisfy the foregoing standard of care. PFM warrants that all Services shall be performed by skilled and competent personnel to the highest professional standards in the field.

ARTICLE 8 INDEMNIFICATIONS

8.1 GENERAL

Having considered the risks and potential liabilities that may exist during the performance of the Services and in consideration of the promises included herein, WELLINGTON and PFM agree to allocate such liabilities in accordance with this Article 8.

8.2 INDEMNIFICATION

Regardless of the coverage provided by any insurance, PFM agrees to protect, defend, indemnify, and hold harmless WELLINGTON, its employees, and representatives from any and all claims and liabilities, including all attorney's fees and court costs, including appeals, for which WELLINGTON, its employees, and representatives can or may be held liable as a result of injury to persons or damage to property occurring by reason of any negligent acts or omissions or willful misconduct of PFM, its employees, or

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4.1 PFM shall furnish at its own expense all necessary administrative services, office space, equipment, clerical personnel, telephone and other communication facilities, investment advisory facilities, and executive and supervisory personnel for managing investments.

4.2 Except as expressly provided otherwise herein, WELLINGTON shall pay all of its own expenses including, without limitations, taxes, commissions, fees and expenses of WELLINGTON's independent auditors and legal counsel, if any, brokerage and other expenses connected with the execution of portfolio security transactions, insurance premiums, fees and expenses of the custodian of the Managed Funds including safekeeping of funds and securities and the keeping of books and accounts.

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- 6.2 Professional Liability** with coverage per occurrence limit of not less than \$5,000,000 with fiduciary liability shall be required. It is recognized that this type of insurance is only available on a Claims Made basis and additional insured endorsements are not available.

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agents arising out of or connected with this Agreement. PFM shall not be required to indemnify WELLINGTON or its agents, employees, or representatives when an occurrence results from the wrongful acts or omissions of WELLINGTON or its agents, employees, or representatives.

8.3 SURVIVAL

Upon completion of all Services, obligations, and duties provided for in this Agreement or in the event of termination of this Agreement for any reason, the terms and conditions of this Article shall survive.

ARTICLE 9 INDEPENDENT CONTRACTOR

Except as described in ARTICLE 2, PFM, its employees, officers and representatives, shall not be deemed to be employees, agents, partners, servants, and/or joint ventures of WELLINGTON by virtue of this Agreement or any actions or services rendered under this Agreement.

ARTICLE 10 FEDERAL AND STATE TAXES

WELLINGTON is exempt from Federal Tax and State Sales and Use Taxes. Upon request, WELLINGTON will provide an exemption certificate to PFM. PFM shall not be exempted from paying sales tax to its suppliers for materials to fulfill contractual obligations with WELLINGTON, nor shall PFM be authorized to use WELLINGTON'S Tax Exemption Number in securing such materials.

ARTICLE 11 AVAILABILITY OF FUNDS

The obligations of WELLINGTON under this Agreement are subject to the availability of funds lawfully appropriated for its purpose by the Council of WELLINGTON.

ARTICLE 12 WELLINGTON'S RESPONSIBILITIES

WELLINGTON shall be responsible for providing information on hand required by PFM, including existing records, and other required data that are available in the files of WELLINGTON.

ARTICLE 13 TERM

This Agreement may be terminated by WELLINGTON in the event of any material breach of its terms immediately upon notice by certified mail, return receipt requested. This Agreement may be terminated by WELLINGTON for convenience, on not less than thirty (30) days written notice to PFM. PFM may terminate this Agreement immediately upon any material breach of its terms by WELLINGTON upon notice by certified mail, return receipt requested, or for convenience at any time after one year upon (30) days written notice.

This contract will be for a period of three (3) years. WELLINGTON reserves the right to extend the contract for up to three (3), one year extension terms, providing (a) all terms, conditions and specifications remain the same, (b) both parties agree to the extension and (c) such extension is approved by WELLINGTON Manager.

ARTICLE 14 SUSPENSIONS, COMPLAINTS

PFM shall promptly notify WELLINGTON in writing of any complaints or disciplinary actions filed against it, or any investment professional employed by it, who has performed any service with respect to WELLINGTON's account in the 24 preceding months, by the Securities and Exchange, the National Association of Securities Dealers, and Attorney General or any regulatory agency or authority of any state of the United States, any department or agency or authority of the Government of the United

States, or any governmental agency or authority regulating securities of any country in which PFM is doing business. PFM shall also provide WELLINGTON with notice of any lawsuits affecting its business.

ARTICLE 15 UNCONTROLLABLE FORCES

Neither WELLINGTON nor PFM shall be considered to be in default of this Agreement if delays in or failure of performance shall be due to Uncontrollable Forces, the effect of which, by the exercise of reasonable diligence, the nonperforming party could not avoid. The term "Uncontrollable Forces" shall mean any event which results in the prevention or delay of performance by a party of its obligations under this Agreement and which is beyond the reasonable control of the nonperforming party. It includes, but is not limited to, fire, flood, earthquake, storm, lightning, epidemic, war, riot, civil disturbance, sabotage, and governmental action.

Neither party shall, however, be excused from performance if nonperformance is due to forces which are preventable, removable, or remediable, and which the nonperforming party could have, with the exercise of reasonable diligence, prevented, removed, or remedied with reasonable dispatch. The nonperforming party shall, within a reasonable time of being prevented or delayed from performance by an uncontrollable force, give written notice to the other party describing the circumstances and uncontrollable forces preventing continued performance of the obligations of this Agreement.

ARTICLE 16 NON-DISCRIMINATION

PFM warrants and represents that all of its employees are treated equally during employment without regard to race, color, religion, gender, age, or national origin.

ARTICLE 17 WAIVER

A waiver by either WELLINGTON or PFM of any breach of this Agreement shall not be binding upon the waiving party unless such waiver is in writing. In the event of a written waiver, such a waiver shall not affect the waiving party's rights with respect to any other or further breach. The making or acceptance of a payment by either party with knowledge of the existence of a default or breach shall not operate or be construed to operate as a waiver of any subsequent default or breach.

ARTICLE 18 SEVERABILITY

The invalidity, illegality, or unenforceability of any provision of this Agreement, or the occurrence of any event rendering any portion or provision of this Agreement void, shall in no way affect the validity or enforceability of any other portion or provision of the Agreement. Any void provision shall be deemed severed from the Agreement, and the balance of the Agreement shall be construed and enforced as if the Agreement did not contain the particular portion or provision held to be void. The parties further agree to reform the Agreement to replace any stricken provision with a valid provision that comes as close as possible to the intent of the stricken provision.

The provisions of this Article shall not prevent the entire Agreement from being void should a provision, which is of the essence of the Agreement, be determined to be void.

ARTICLE 19 ENTIRETY OF AGREEMENT

WELLINGTON and PFM agree that this Agreement sets forth the entire agreement between the parties, and that there are no promises or understandings other than those stated herein. This Agreement supersedes all prior agreements, contracts, proposals, representations, negotiations, letters, or other communications between WELLINGTON and PFM pertaining to the Services, whether written or oral. None of the provisions, terms, and conditions contained in this Agreement may be added to, modified, superseded, or otherwise altered, except by written instrument executed by the parties hereto.

notice by certified mail, return receipt requested, or for convenience at any time after one year upon (30) days written notice.

This contract will be for a period of three (3) years. WELLINGTON reserves the right to extend the contract for up to three (3), one year extension terms, providing (a) all terms, conditions and specifications remain the same, (b) both parties agree to the extension and (c) such extension is approved by WELLINGTON's Manager.

ARTICLE 14 SUSPENSIONS, COMPLAINTS

PFM shall promptly give notice to WELLINGTON if PFM shall have been found to have violated any state or federal securities law or regulation 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. PFM shall also provide WELLINGTON with notice of any lawsuits materially affecting its business.

ARTICLE 15 UNCONTROLLABLE FORCES

Neither WELLINGTON nor PFM shall be considered to be in default of this Agreement if delays in or failure of performance shall be due to Uncontrollable Forces, the effect of which, by the exercise of reasonable diligence, the nonperforming party could not avoid. The term "Uncontrollable Forces" shall mean any event which results in the prevention or delay of performance by a party of its obligations under this Agreement and which is beyond the reasonable control of the nonperforming party. It includes, but is not limited to, fire, flood, earthquake, storm, lightning, epidemic, war, riot, civil disturbance, sabotage, and governmental action.

Neither party shall, however, be excused from performance if nonperformance is due to forces which are preventable, removable, or remediable, and which the nonperforming party could have, with the exercise of reasonable diligence, prevented, removed, or remedied with reasonable dispatch. The nonperforming party shall, within a reasonable time of being prevented or delayed from performance by an uncontrollable force, give written notice to the other party describing the circumstances and uncontrollable forces preventing continued performance of the obligations of this Agreement.

ARTICLE 16 NON-DISCRIMINATION

PFM warrants and represents that all of its employees are treated equally during employment without regard to race, color, religion, gender, age, or national origin.

ARTICLE 17 WAIVER

A waiver by either WELLINGTON or PFM of any breach of this Agreement shall not be binding upon the waiving party unless such waiver is in writing. In the event of a written waiver, such a waiver shall not affect the waiving party's rights with respect to any other or further breach. The making or acceptance of a payment by either party with knowledge of the existence of a default or breach shall not operate or be construed to operate as a waiver of any subsequent default or breach.

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