

CITY OF LAKE WORTH BEACH STANDARD ADDENDUM

This City of Lake Worth Beach Standard Addendum (“Addendum”) is made as of the 28 day of July, 2023, by and between the **City of Lake Worth Beach**, a Florida Municipal Corporation (“City or Client”) and **Garcia Hamilton & Associates, L.P.** a foreign limited partnership authorized to do business in the State of Florida (“Manager”).

In consideration of the mutual promises contained in this Addendum and contained within the Manager’s Investment Management Agreement, which is attached hereto as **Exhibit A** and incorporated herein (the Investment Management Agreement and this Addendum hereinafter collectively referred to as the “Contract” or the “Contract Documents”), the City and Manager agree as follows:

SECTION 1 – PUBLIC ENTITY CRIMES; PALM BEACH COUNTY IG; SCRUTINIZED COMPANIES; E-VERIFY

1.1 As provided in Sections 287.132-133, Florida Statutes, as amended from time to time, by entering into the Contract Documents, Manager certifies that it and its affiliates 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.

1.2 In accordance with Palm Beach County ordinance number 2011-009, the Contract Documents may be subject to investigation and/or audit by the Palm Beach County Inspector General. Manager should review Palm Beach County ordinance number 2011-009 in order to be aware of its rights and/or obligations under such ordinance and as applicable.

1.3 As provided in Section 287.135, Florida Statutes, as amended from time to time, by entering into the Contract Documents, Manager certifies that it is not participating in a boycott of Israel. The City and Manager agree that the City will have the right to terminate the Contract Documents if Manager is found to have been placed on the Scrutinized Companies that Boycott Israel List or is engaged in a boycott of Israel.

1.4 If applicable to the Manager, pursuant to Section 448.095(5), Florida Statutes, the Manager, and any subcontractor thereof, shall register with and use the E-Verify system to verify the work authorization status of all new employees of the contractor and the subcontractor.

SECTION 2 – SOVEREIGN IMMUNITY; LAW, WAIVER OF JURY TRIAL; ATTORNEY’S FEES

2.1 Nothing contained in any of the Contract Documents shall be construed or interpreted as consent by the City to be sued, nor as a waiver of sovereign immunity beyond the waiver and limits provided in Section 768.28, Florida Statutes, as amended from time to time.

2.2 TO ENCOURAGE PROMPT AND EQUITABLE RESOLUTION OF ANY LITIGATION, EACH PARTY HEREBY WAIVES ITS RIGHTS TO A TRIAL BY JURY IN ANY LITIGATION RELATED TO THE CONTRACT DOCUMENTS.

2.3 If any legal action or other proceeding is brought for the enforcement of the Contract, or because of an alleged dispute, breach, default or misrepresentation in connection with any provisions of the Contract Documents, the parties agree that each party shall be responsible for its own attorney’s fees.

SECTION 3 – SURVIVABILITY; SEVERABILITY; PREPARATION; WAIVER

Any provision of the Contract which is of a continuing nature or imposes an obligation which extends beyond the term of the Contract shall survive its expiration or earlier termination. If any term or provision of the Contract, or the application thereof to any person or circumstances shall, to any extent, be held invalid or unenforceable, the remainder of the Contract, or the application of such terms or provision, 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 shall be deemed valid and enforceable to the extent permitted by law. The Contract shall not be construed more strongly against either party regardless of

who was more responsible for its preparation. Failure of a party to enforce or exercise any of its right(s) under this Contract shall not be deemed a waiver of that party's right to enforce or exercise said right(s) at any time thereafter.

SECTION 4 –NO THIRD PARTY BENEFICIARIES

Nothing in the Contract Documents shall be construed or interpreted as creating or giving any rights or benefits hereunder to anyone other than the City and the Manager.

SECTION 5 – PUBLIC RECORDS

5.1 To the extent applicable, the 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:

- (1) Keep and maintain public records required by the City to perform the service.
- (2) 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.
- (3) 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 Manager does not transfer the records to the City.
- (4) Upon completion of this Contract, transfer, at no cost, to the City all public records in possession of the Manager or keep and maintain public records required by the City to perform the service. If the Manager transfers all public records to the City upon completion of the Contract, the Manager shall destroy any duplicate public records that are exempt or confidential and exempt from public records disclosure requirements. If the Manager keeps and maintains public records upon completion of the Contract, the Manager 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 MANAGER HAS QUESTIONS REGARDING THE APPLICATION OF CHAPTER 119, FLORIDA STATUTES, TO THE MANAGER'S DUTY TO PROVIDE PUBLIC RECORDS RELATING TO THIS CONTRACT, CONTACT THE CUSTODIAN OF PUBLIC RECORDS OR DESIGNEE AT THE CITY OF LAKE WORTH BEACH, ATTN: MELISSA ANN COYNE, AT (561) 586-1662, MCOYNE@LAKEWORTHBEACHFL.GOV, 7 N. DIXIE HIGHWAY, LAKE WORTH, FL 33460.

SECTION 6 – TAXES

The City is exempt from payment of Florida State Sales and Use Tax. Manager shall not be exempted from paying sales tax to its suppliers for materials used to fill any contractual obligations with the Town, nor are Manager authorized to use the Town's Tax Exemption Number in securing such materials. Manager shall be responsible for payment of their own and their share of its employees' payroll, payroll taxes, and benefits with respect to the Contract.

**SECTION 7 –ENTIRETY OF CONTRACTUAL AGREEMENT; CONTRACT DOCUMENTS;
CONTROLLING PROVISIONS**

The City and Manager agree that the Contract Documents set forth the entire contract 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 the Contract Documents may be added to, modified, superseded or otherwise altered, except by written instrument executed by the parties hereto. The contract between the parties consists of the Contract Documents. To the extent that there exists a conflict between this Addendum and the remaining Contract Documents, the terms, conditions, covenants, and/or provisions of this Addendum will 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.

SECTION 8 - COUNTERPARTS

The Contract Documents may be executed in one or more counterparts, each of which shall be deemed to be an original and such counterparts will constitute one and the same instrument. The parties agree to accept the execution and delivery of this Contract Documents by electronic means and shall treat the same as an original.

SECTION 9 – COMPLIANCE AND REPORTING

Each of the parties agrees to perform its responsibilities under the Contract Documents in conformance with all laws, regulations and administrative instructions that relate to the parties' performance under the Contract Documents. 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 the Contract Documents. 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.

SECTION 10 – INSURANCE

Prior to commencing any services, the Manager shall provide proof of insurance coverage as required hereunder. Such insurance policy(s) shall be issued by the United States Treasury or insurance carriers approved and authorized to do business in the State of Florida, and who must have a rating of no less than "excellent" by A.M. Best or as mutually agreed upon by the City and the Manager. All such insurance policies may not be modified or terminated without the express written authorization of the City.

<u>Type of Coverage</u>	<u>Amount of Coverage</u>
Professional liability/ Errors and Omissions	\$1,000,000 per occurrence
Commercial general liability (Products/completed operations Contractual, insurance broad form property, Independent SELF, personal injury)	\$1, 000,000 per occurrence \$2,000,000 annual aggregate
Automobile (owned, non-owned, & hired)	\$ 1,000,000 single limits
Worker's Compensation	\$ statutory limits

The commercial general liability and automobile policies (if Manager travel to the City) will name the City as an additional insured on primary, non-contributory basis and proof of all insurance coverage shall be furnished to the City by way of an endorsement to same or certificate of insurance prior to the provision of services. The certificates shall clearly indicate that the Manager has obtained insurance of the type,

amount, and classification as required for strict compliance with this section. Failure to comply with the foregoing requirements shall not relieve the Manager of its liability and obligations under this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Addendum to be executed as of the day and year set forth above.

CITY OF LAKE WORTH BEACH

ATTEST:

By: _____
Melissa Ann Coyne, City Clerk

By: _____
Betty Resch, Mayor

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

APPROVED FOR FINANCIAL
SUFFICIENCY

By: _____
Glen J. Torcivia, City Attorney

By: _____
Yannick Ngendahayo, Financial Services Director

GARCIA HAMILTON & ASSOCIATES, L.P.

[Corporate Seal, if required]

By: Kevin Lunday
Signature of Authorized Representative

STATE OF ~~FLORIDA~~ TEXAS
COUNTY OF HARRIS)

THE FOREGOING instrument was acknowledged before me by means of physical presence or online notarization on this 28TH day of July, 2023, by Kevin Lunday [name], as COO [title] of GARCIA HAMILTON & ASSOCIATES, a foreign limited partnership authorized to do business in the State of Florida, and who is personally known to me or who has produced the following as identification and who is authorized to bind Manager to the terms and conditions of the Contract Documents:
ID produced: _____.

[Notary Stamp]

Beth L. McWilliams
Signature of Notary Public

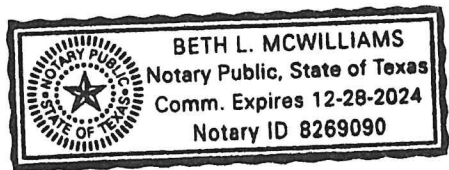


Exhibit "A"

Investment Management Agreement (7 pages)

INVESTMENT MANAGEMENT AGREEMENT

This INVESTMENT MANAGEMENT AGREEMENT (this “Agreement”), dated as of June 2, 2023, is made by and between Garcia Hamilton & Associates, L.P. (the “Manager”), and City of Lake Worth Beach, a Florida Municipal Corporation (the “Client”).

WITNESSETH:

WHEREAS, the Manager is engaged in business as an investment adviser and is registered as such with the United States Securities and Exchange Commission under the Investment Advisers Act of 1940; and

WHEREAS, the Client desires to engage the Manager to render investment advice and manage the assets of the Client (the “Account”) held with the custodian selected by the Client (which custodian will be a “qualified custodian” as defined under the Investment Advisers Act of 1940) and designated in writing by the Client to the Manager (the “Custodian”).

NOW, THEREFORE, in consideration of the promises and the mutual covenants herein, the parties do hereby agree as follows:

1. **Engagement; Effectiveness.** The Client hereby appoints the Manager as the investment manager and attorney-in-fact for the Client with respect to the Account and the Manager hereby accepts such appointment and agrees to render the services herein set forth for the compensation herein provided, with the engagement and this Agreement becoming effective upon the Client’s initial transfer to the Account and the receipt by the Manager of notification that it may begin effecting trades in the Account. The Manager and the Client agree that Client may make additions to or withdrawals from the Account in such amounts as Client shall determine. The Client also agrees to use best effort to promptly notify the Manager in writing of any additions to the Account, including the amount thereof, and provided further, that Client agrees to provide Manager, when feasible, with at least three (3) business days written notice prior to such withdrawal which notice shall specify the proposed amount and date of withdrawal.
2. **Authority.** The Manager shall have full power in the Manager’s sole discretion to supervise and direct the investment of the Account and to make and implement investment decisions for Account, all without prior consultation with the Client, in accordance with such investment objectives/policies/guidelines/statements as may be set forth and attached as Exhibit A, and subject only to such reasonable restrictions as communicated in writing by the Client to the Manager in the future. In implementing investment decisions for the Account, the Manager shall have full authority (a) to place orders for the Account for the purchase or other acquisition of such securities, property or other assets for the Account as the Manager may select or for the sale or other disposition of such securities, property or other assets held in the Account as the Manager may select, and (b) to select brokers, dealers and other service providers to execute trades and/or to perform other related services on behalf of the Account, at the Client’s expense. In the event that Client requires Manager to execute transactions through a specified broker-dealer, such request must be specifically made by Client in writing. Manager does not vote client proxies except in instances where Client specifically assigns voting authority to Manager for securities held in the account and Manager receives proxy in a timely manner from Custodian. Manager

does not use client transactions to obtain research or other products or services. The Client agrees to instruct the Custodian or any other broker, dealer or other service provider to execute the orders received from the Manager and to consummate transactions executed in accordance with the Manager's instructions. In no event will the Manager take or retain custody over the assets in the Account.

3. **Services to Other Clients.** It is understood that the Manager may from time to time give advice and take action with respect to other clients which may differ from the advice given or the timing or the nature of action taken with respect to the Account. It is further understood that the Manager may be engaged in purchasing or selling for other clients positions in securities held in the Account and that the Manager may have banking or other commercial relationships with companies whose securities are held in the Account. Nothing in this Agreement shall be deemed to impose upon the Manager any obligation to purchase or sell or to recommend for purchase or sale for the Client, any security or other property which the Manager, its principals, affiliates, agents or employees may purchase or sell for its or their own account or for the account of any other client.
4. **Portfolio Management Duties of Manager.** The Manager shall use all reasonable efforts available to the Manager to increase the value of the Account, however, it is understood and agreed that the Manager does not guarantee or insure any increase or even that there will not be a decrease. The Manager shall not be liable for any decrease in the value of the Account, except as specifically provided in Section 11.

Pursuant to section 215.855, Florida Statutes (2023), any written communication made by the Manager to a company in which the Manager invests public funds on behalf of the City, the Manager must include the following disclaimer in a conspicuous location if such communication discusses social, political, or ideological interests; subordinates the interests of the company's shareholders to the interest of another entity; or advocates for the interest of any entity other than the company's shareholders:

"The views and opinions expressed in this communication are those of the sender and do not reflect the views and opinions of the State of Florida."

5. **Fees.** For its services pursuant to this Agreement the Client shall pay the Manager compensation in accordance with the attached Schedule of Fees. Such compensation shall be paid to Manager at the address provided in paragraph 6 of this Agreement.
6. **Notices.** All notices pursuant to this Agreement shall be in writing and hand-delivered, sent via certified mail (return receipt requested), or sent by nationally-recognized overnight mail, and addressed as follows:

If to Manager, to:

Garcia Hamilton & Associates, L.P.
5 Houston Center
1401 McKinney, Suite 1600
Houston, Texas 77010
Attention: Managing Partner

If to Client, to:

Name: City of Lake Worth Beach

Address: 7 N. Dixie Highway

Lake Worth Beach, FL 33460

Attn: City Manager

With copy sent to:
City of Lake Worth Beach
Attn: Finance Director
7 N. Dixie Highway
Lake Worth Beach, FL 33460

or to such other address as may be fixed by notice so given.

Either party may change the above notice addresses by written notice to the other party.

7. **Termination.** This Agreement may be terminated by either party at any time upon 30 days' advance written notice to the other party.
8. **Assignment; Change in Partnership.** It is expressly agreed that this Agreement may not be assigned (within the meaning of the Investment Advisers Act of 1940, as amended) without the written consent of the other party. In addition, the Manager will notify the Client in the event of a material change in the partnership of the Manager within a reasonable time after such change.
9. **Disclosure Statement.** The Client acknowledges receipt of Part 2A and 2B of the Manager's Form ADV or a disclosure statement containing the equivalent information before or at the time Client enters into this Agreement. The Client also acknowledges receipt of Privacy Policy of Manager, which notice is attached and incorporated by reference herein. For the purposes of this provision, a contract (including this Agreement) is considered entered into when all parties to the contract have signed the contract, or, in the case of an oral contract, otherwise signified their acceptance, any other provision of this Agreement notwithstanding.
10. **Entire Agreement; Governing Law; Venue; Severability.** This agreement constitutes the entire agreement of the parties with respect to management of the Account and supersedes all prior agreements and oral discussions. This Agreement can be amended only by a written document signed by the parties. This Agreement shall be governed by and construed in accordance with the laws of the State of Florida, without regard to its conflicts of law rules, and the parties hereby agree to the exclusive jurisdiction of the state and federal courts located in Palm Beach County, Florida for any disputes relating to or in connection with this Agreement or the services performed under this Agreement. If any provision of this Agreement, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Agreement or the application of

such provision to other persons or circumstances shall not be affected thereby. This Section 10 shall survive the termination of this Agreement.

11. **Liability.** Neither the Manager nor any of its officers, directors or employees shall be liable hereunder for any action performed or omitted to be performed or for any errors of judgment in managing the account, or for any decrease in the value of the account, or for any failure for the account to appreciate in value, except in the event of Manager's (i) gross negligence or willful misconduct or (ii) violation of applicable law or a breach of a fiduciary duty under applicable law. The federal securities laws impose liabilities under certain circumstances on persons who act in good faith, and therefore nothing herein shall in any way constitute a waiver or limitation of any rights which the undersigned may have under any federal securities laws. The Client shall be responsible for all losses relating to this Agreement or the Account arising out of any misrepresentation, act or omission on the part of Client or its authorized agents, unless such losses are attributable to Manager's (i) gross negligence or willful misconduct or (ii) violation of applicable law or a breach of a fiduciary duty under applicable law. This Section 11 shall survive the termination of this Agreement.
12. **Independent Contractors.** The parties shall for all purposes of this Agreement be deemed to be independent contractors, and neither party shall have authority to act for or represent the other party or otherwise be deemed an agent of the other party, except as contemplated in this Agreement.
13. **Confidentiality.** Each party shall maintain and protect in confidence any and all confidential data, information or documents, in whatever medium, concerning the other party. By way of example, the Manager's confidential information shall include, but is not limited to, its investment strategies, portfolio holdings, buy/sell recommendations, business, operations, financial information, and other affairs. No confidential information belonging to a party shall be given by the other party to any third party (other than as required by applicable law or as specifically permitted in this Agreement), or used for any purpose not specifically contemplated by this Agreement, without the express written consent of the party to which the information belongs. However, the Client consents to the disclosure of the Client's identity as a client of the Manager. Confidential data shall not include information or records required to be disclosed by law or court order. This Section 13 shall survive the termination of this Agreement.
14. **Client Representation.** The Client represents and confirms that the Manager's retention as investment manager hereunder is authorized by the governing documents relating to the Client, true and accurate copies of which have been furnished to the Manager, and that the terms hereof do not violate any obligation by which the Client is bound, whether arising by contract, operation of law or otherwise, and that (a) this Agreement has been duly authorized by appropriate action and when executed and delivered will be binding upon the Client in accordance with its terms, and (b) the Client will deliver to the Adviser such evidence of such authority as the Adviser may reasonably require, whether by way of a certified resolution or otherwise.

IN WITNESS WHEREOF, the parties have executed this Agreement on the date first written above.

Client: CITY OF LAKE WORTH BEACH

ATTEST:

By: _____
Melissa Ann Coyne, City Clerk

By: _____
Betty Resch, Mayor

APPROVED AS TO FORM AND
LEGAL SUFFICIENCY

APPROVED FOR FINANCIAL
SUFFICIENCY

By: _____
Glen J. Torcivia, City Attorney

By: _____
Yannick Ngendahayo, Financial Services Director

Manager: GARCIA, HAMILTON & ASSOCIATES, L.P.

Signed By: Kevin Lunday

Printed Name/Title: Kevin Lunday Partner/COO

SCHEDULE OF FEES

Client Name: City of Lake Worth Beach

Fixed Income Management – Government/Credit Strategy

0.15% of first \$25 million

0.12% on next \$25 million

0.09% thereafter

Fees are payable quarterly in arrears, and will be based on the total market value of the Account on the last business day of the quarter. Fees will be prorated for any partial quarters.

Collection of Client Information

GH&A collects only relevant information about our clients in order to conduct our business and properly service our accounts or that may be required by law. The types of personal information we may collect can include non-public information such as social security number, address, telephone number, email address, assets, income, and investment objective.

We collect financial and other personal information about our clients from the following sources:

- Investment management contracts and other forms submitted to us by our clients; and
- Forms or other correspondence from parties authorized to act on behalf of our clients such as accountants, attorneys and investment consultants.

Keeping Information Secure

We maintain physical, electronic and procedural safeguards and procedures to protect your financial and other personal information, and we continuously strive to improve these safeguards and procedures.

Limiting Access to Information

All of our employees are aware of the importance of maintaining and respecting customer privacy and to recognize the importance of confidentiality. In addition, all employees are required to sign a Confidentiality & Non-disclosure Agreement as a condition of employment. Those who violate our privacy policies are subject to disciplinary action.

Accuracy of Information

We strive to keep accurate client information records, and we take immediate steps to correct errors as they are found. If there are any inaccuracies in your account statements or in any other communications from us, please contact us immediately and we will make the necessary corrections.

Use of Personal and Financial Information by Us and Third Parties

We share information about our clients with non-affiliated third parties only to the extent necessary for us to provide the services for which our clients have hired us, and then only to the extent permitted by law:

- We share information with brokers and custodian banks in order to process securities transactions accurately;
- We may share information with non-affiliated third parties in order for the third party to carry out its services for us; and
- We may share information as allowed by law in connection with a subpoena or similar legal process, an audit, or a government or self-regulatory organization request or investigation.

We do not engage in joint marketing arrangements with non-affiliated third parties that involve the sharing of non-public information regarding GH&A clients and we do not sell client information to non-affiliated third parties for their own marketing purposes. Any exceptions to these practices are made only with the permission of the particular client for the sharing of information with identified third parties or as otherwise required by law. If a client terminates our services, we will continue to adhere to the privacy policies and procedures as described in this notice.

Maintaining Customer Privacy in Business Relationships

We do not share client information with anyone who does not agree to keep such information confidential. If you believe we have shared your information inappropriately, please contact the Chief Compliance Officer, Garcia Hamilton & Associates, 5 Houston Center, 1401 McKinney St., Suite 1600, Houston, TX 77010 or 713-853-2322 immediately and corrective steps will be taken.

January, 2023