



City Clerk Document No. _____

City Council Meeting Date: 12/9/21

**CITY OF CHANDLER AGREEMENT
INVESTMENT MANAGEMENT SERVICES
AGREEMENT NO. 4399**

THIS AGREEMENT (this "Agreement") is made by and between Allspring Global Investments, LLC, a Delaware Limited Liability Company ("Manager"), and the City of Chandler ("Chandler"), a municipal corporation of the State of Arizona.

RECITALS

WHEREAS, Chandler maintains one or more custodial accounts in which Chandler has deposited some of its assets (respectively, the "Accounts");

WHEREAS, the custodian of the Accounts shall be a financial institution ("Custodian") other than Manager; and

WHEREAS, Chandler wishes to engage Manager, and Manager wishes to be engaged, to manage certain assets in the Accounts (the "Managed Assets"), under the terms and conditions set forth below.

NOW, THEREFORE, Chandler and Manager agree as follows:

AGREEMENT

Section 1. Appointment.

1.1 Scope of Appointment. Chandler hereby appoints Manager to be an investment manager for the Accounts and Managed Assets set forth on Exhibit A, and Manager accepts such appointment. Chandler may revise Exhibit A at any time and for any reason, such revision to be effective as to this Agreement upon receipt by Manager.

1.2 Investment Policy. Notwithstanding any other provision or provisions of this Agreement to the contrary, Chandler's appointment of Manager is conditioned upon Manager's compliance with Chandler's investment policy (the "Policy"), set forth on Exhibit B. Chandler may revise Exhibit B at any time and for any reason, such revision to be effective as to this Agreement upon receipt by Manager. Manager shall have a reasonable period to bring the Accounts and Managed Assets into compliance with any changes to the Investment Policy. Manager understands and agrees that for purposes of this Agreement, any investment limitations that may be applicable to the Accounts pursuant to Arizona law referenced in Exhibit B are hereby automatically incorporated into the Policy.

1.3 Staffing. Manager shall act under the authority and approval of Chandler's Chief Financial

Officer, who shall assist Manager with any necessary information, audit billings, and approve payments. Manager shall channel reports and special requests through the Chief Financial Officer. Chandler reserves the right to review and approve any and all changes to Manager's key staff assigned to provide services to Chandler pursuant to this Agreement.

Section 2. Manager's Responsibilities.

2.1 Research, Supervision, Monitoring and Evaluation. Manager shall provide investment research and supervision of the Accounts. Manager shall continuously monitor investment opportunities for the Accounts and shall continuously evaluate the investment of the Accounts.

2.2 Investment and Reinvestment. Manager shall invest and reinvest the assets of the Accounts at such times and in such manner as Manager believes to be in the best interest of Chandler.

2.2.1 Manager shall ensure that the Accounts are invested in compliance with the Policy, as determined at the time of purchase of an investment. Manager shall be responsible for any losses incurred by Chandler arising from a violation of the previous sentence.

2.2.2 The Manager shall receive no soft dollar benefit for any transactions placed on behalf of the Account. Unless otherwise specified in writing by Chandler to Manager, all orders for the purchase and sale of securities for the Account shall be placed in such markets and through such brokers and dealers for execution, at such prices as in the Manager's best judgment shall offer the most favorable execution of each transaction, the determination of which may take into account, subject to any applicable laws, rules, regulations and policies of Manager, whether statistical, research and other information or services have been or will be furnished to the Manager by such brokers and dealers. While the Manager will make a good faith effort to require brokers and dealers selected to effect Account transactions to perform their obligations, the Manager shall not be responsible for any loss incurred by reason of any act or omission of any broker, dealer or custodian for the Account.

2.2.3 Chandler has specified in Exhibit B the investment objectives and any specific investment restrictions and limitations which govern the Account. It will be Chandler's responsibility to inform the Manager in writing of any changes or modifications in the investment objectives of the Account as well as any additional investment restrictions and limitations applicable thereto and to give the Manager prompt written notification if Chandler deems any investment made for the Account to be in violation of such objectives or restrictions and limitations. The Manager agrees to communicate its investment strategy and activity for the Account to Chandler and to advise Chandler of any changes in the Manager's strategy. The Manager, as agent with respect to the Account, unless otherwise instructed in writing by Chandler and consistent with the investment objectives of Chandler as specified in Exhibit B, when it deems appropriate, may (i) buy, sell, exchange and otherwise

trade in any authorized investments, (ii) establish accounts and place orders for the execution of such securities transactions with or through such brokers, dealers or issuers as the Manager may select, (iii) execute, deliver, and file any agreements, instruments, certificates, or documents as Manager may deem necessary to facilitate any authorized investment, and (iv) take such actions and exercise all such rights and powers incidental or relating to ownership of investments in the Account as require the exercise of discretion and may be exercised by any owner of such securities.

- 2.2.4 Manager is authorized, as an agent of Chandler, to give instructions to Custodian as to deliveries of securities and payments of cash for the Accounts. Manager shall not take possession of or act as custodian for the cash, securities, or other assets in the Accounts and shall have no custodial responsibility for such assets or Accounts.
- 2.2.5 Manager shall take into account, and may rely upon, Chandler's, not less than three (3) business day, written notice concerning anticipated need to make cash withdrawals from the Accounts.
- 2.2.6 With respect to the Managed Assets, Manager shall vote proxies as Manager believes is in the best interest of Chandler as of the record date for voting such proxies. Chandler shall take all actions necessary to effect delivery of the proxy solicitations to Manager in a timely manner.
- 2.2.7 Chandler hereby authorizes Manager to sign I.R.S. Form W-9 on behalf of Chandler 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.

2.3 Prudent Investor Standard Applies. In investing and managing the Managed Assets, Manager shall exercise the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent investment expert would use in the conduct of an enterprise of like character and with like aims. Manager agrees that it is obligated to exercise good faith and candor in the performance of its duties under this Agreement. Except as otherwise provided in this Agreement, or as agreed to in writing between Manager and Chandler, Manager shall:

- 2.3.1 Refrain from self-dealing or other acts which might benefit it at the expense of Chandler; and
- 2.3.2 Subject to Section 4.2 of this Agreement, not engage in any actions or transactions that would violate its duty of loyalty or fiduciary duty to Chandler or, other than such conflicts disclosed in Manager's Form ADV, create a conflict of interest between Chandler on the one hand and Manager on the other hand.

2.4 Books, Records, Reporting, and Certification.

- 2.4.1 Manager shall keep accurate books and records relating to transactions made with

respect to the Accounts.

2.4.2 No less than monthly, Manager shall provide Chandler with written appraisals of the Accounts valued as of the last business day of the month, together with performance tabulations and a summary of purchases and sales.

2.4.3 Manager shall furnish such additional information to Chandler about the Accounts as Chandler may reasonably request in writing from time to time.

2.4.4 To the extent necessary to ensure the accuracy of the accounting and investing of the Managed Assets, Manager shall permit Chandler to inspect Manager's books and records relating to the Account upon advanced written notice of at least 10 business days.

2.4.5 At no cost to Chandler, Manager shall provide GASB compliant reports as Chandler may reasonably require from time to time.

2.5 Audit. During the term of this Agreement and for 5 years thereafter, and upon reasonable prior notice by Chandler, Manager shall make its books and records relating to the Managed Assets available to Chandler for review and audit at Manager's offices. Manager acknowledges that such books and records may be subject to examination and audit by Chandler's external auditors, and, to the extent it has the requisite jurisdiction and authority, the Auditor General of the State of Arizona, during the term of this Agreement and for 5 years thereafter. Any examination or audit of Manager performed by Chandler or its external auditors, or the Arizona Auditor General shall be confined to those matters solely relating to Manager's performance of its obligations under this Agreement. Manager shall reasonably cooperate with Chandler's examiners or auditors or their representatives in connection with any audit under this subsection. All costs associated with any audit will be borne by Chandler.

2.6 Attendance at Meetings. Upon reasonable request, Manager shall attend meetings with Chandler and related entities (i.e., Industrial Development Authority, Health Care Benefits Trust, Chandler Cultural Foundation).

2.7 Specialized Services. Manager shall provide Chandler with specialized services concerning the foregoing, including but not limited to conducting research or writing papers relating to investment strategies or philosophies, new investment vehicles or structures, economic conditions, portfolio management issues pertaining to an investment style or product, conducting educational presentations to Chandler, and providing general investment literature.

2.8 Disaster Recovery Program. Manager shall maintain a disaster recovery program designed to mitigate the impact of natural disasters and other acts, events or circumstances that may prevent it from complying with its other obligations under this Agreement.

2.9 Notice. Manager shall promptly notify Chandler of any of the following:

- 2.9.1 The institution of any litigation or government proceeding against Manager that may reasonably be expected to have a material adverse effect on Manager's ability to perform its duties under this Agreement, the Accounts, or the Managed Assets, and the basis of the claims made in such litigation or proceeding;
- 2.9.2 Any settlement, decree, judgment, award, or other material development relating to litigation against Manager of the type or nature contemplated by Section 2.9.1;
- 2.9.3 The incapacity of Manager or any development concerning Manager that is likely to result in a material adverse change in the Managed Assets or in Manager's ability to conduct business;
- 2.9.4 Any breach or failure by Manager to perform its material obligations that might have a material adverse effect on the Managed Assets or on Manager's ability to conduct business;
- 2.9.5 Any breach of any representation or warranty relating to Manager set forth in this Agreement; or
- 2.9.6 Any lawsuit or legal proceeding in which Manager has been named a party if, in the good-faith judgment of Manager, the lawsuit or proceeding is likely to have a material adverse effect on the Managed Assets or on Manager's ability to perform services according to this Agreement.

Section 3. Chandler's Responsibilities.

- 3.1 **Direction to Custodian.** Chandler shall provide such direction to Custodian as may be necessary to allow Manager to fulfill its responsibilities under this Agreement.
- 3.2 **Availability of Funds for the Next Fiscal Year.** Funds may not presently be available under this Agreement beyond the current fiscal year. No legal liability on the part of Chandler may arise under this Agreement beyond the current fiscal year until funds are made available for performance of this Agreement. Chandler may reduce services or terminate this Agreement without further recourse, obligation, or penalty in the event that insufficient funds are appropriated. In the event of such non-appropriation, Chandler shall promptly notify Manager in writing. Chandler's City Manager shall have the sole and unfettered discretion to determine the availability of funds.

Section 4. Compensation.

- 4.1 **Fee Schedule.** For services rendered under this Agreement, Manager shall be compensated in accordance with the fee schedule set forth on Exhibit C (the "Fee Schedule").
- 4.2 **Pool Compensation.** From time to time, Manager may invest Managed Assets in a money

market mutual fund or local government investment pool managed by Manager (either, individually, a "Pool") or in individual securities. Average daily net assets subject to the Fee Schedule include any assets invested in the Pool. Expenses of the Pool, including compensation for Manager and the Pool custodian, are described in the relevant prospectus or information statement and are paid from the Pool.

- 4.3 Other Compensation.** If and to the extent Chandler asks Manager to render services other than those to be rendered by Manager under this Agreement, such additional services shall be compensated separately on terms to be agreed upon between Manager and Chandler.
- 4.4 Expenses To Be Paid by Manager.** At its own expense, Manager shall furnish all necessary administrative services, office space, equipment, clerical personnel, telephone and other communication facilities, investment advisory facilities, and executive and supervisory personnel for managing the Managed Assets.
- 4.5 Expenses To Be Paid by Chandler.** Except as expressly provided otherwise in this Agreement, Chandler shall pay all of its own expenses, including but not limited to taxes, commissions, fees, and expenses of Chandler's independent auditors and legal counsel, if any, brokerage and other expenses connected with the execution of portfolio security transactions, insurance premiums, and fees and expenses of Custodian, including safekeeping of funds and securities and the keeping of books and accounts.

Section 5. Representations and Warranties.

- 5.1 By Manager.** By entering into this Agreement, Manager represents and warrants that:
- 5.1.1 It has full power and authority to enter into this Agreement, and that the undersigned has full power and authority to execute this Agreement on Manager's behalf.
 - 5.1.2 It is an investment adviser registered under the Investment Advisers Act of 1940.
 - 5.1.3 This Agreement has been duly authorized, executed, and delivered by Manager and constitutes its valid and binding obligation, enforceable against such Manager in accordance with its terms, except as such enforceability may be limited by bankruptcy, insolvency, moratorium or other similar laws affecting the enforcement of creditors' rights generally or by general principles of equity.
 - 5.1.4 Manager has obtained or will obtain all governmental authorizations, approvals, consents, licenses, or filings required in connection with the execution, delivery, or performance of its duties to Chandler under this Agreement.
 - 5.1.5 Manager has the power and authority under applicable law and the documents or instruments governing Manager to hold, manage, and invest the Managed Assets as well as the expertise, support staff, and facilities necessary to provide the services described in this Agreement and shall allocate such personnel and devote such efforts as are necessary for it to carry out its duties under this Agreement.

- 5.1.6 Except as expressly provided in this Agreement, as disclosed to Chandler in writing, or as otherwise agreed to from time to time between Manager and Chandler in writing, Manager does not have knowledge of any actual interests adverse to Chandler.
- 5.1.7 To the extent permitted by applicable law, Manager shall use all reasonable efforts to notify Chandler in writing as soon as reasonably practicable if (i) an investigation of Manager is commenced by any federal or state governmental or regulatory agency or (ii) a sanction is taken against Manager by any federal or state governmental or regulatory agency, **provided that** such investigation or sanction is out of the ordinary course and materially adversely affects Manager's ability to perform its duties under this Agreement.
- 5.1.8 The execution, delivery, and performance of this Agreement by Manager will not violate any provisions governing Manager and will not violate or result in any default under any material contract or other agreement to which Manager is a party or by which Manager or its assets may be bound or any applicable statute or any rule, regulation, or order of any government agency or body.
- 5.1.9 Manager has not violated any statute, regulation, law, order, or decree to which it is subject which would adversely affect its business or financial condition or impair its ability to carry out their obligations under this Agreement.
- 5.1.10 Except as otherwise disclosed to Chandler, there is no legal action, suit, or arbitration or other legal or administrative investigation, proceeding, or inquiry pending against Manager in a principal capacity regarding Manager's investment management or fiduciary activities.
- 5.1.11 Manager shall bear all taxes and payroll expenses of any kind and description resulting from its receipt of any sums or compensation from its management of the Accounts or otherwise received from Chandler.
- 5.1.12 Upon request by Chandler, Manager shall make its most current policies concerning insider trading, ethics, and compliance available for Chandler's review.
- 5.1.13 Manager has not entered into any contingent fee arrangement with any firm or person concerning this Agreement, nor has Manager received any incentive or special payment from Chandler (or any other person in connection with this Agreement) apart from the consideration specified in this Agreement.
- 5.1.14 Manager shall notify Chandler promptly if any of its representations or warranties ceases to be true.
- 5.1.15 To the best of Manager's knowledge, all representations made by Manager in any written materials provided by Manager to Chandler are accurate in all material respects, subject to any disclaimers or other disclosures included in such written materials or provided in

future disclosures that supersede prior disclosures. For the avoidance of doubt, any information provided by Manager to Chandler which originates from third-party sources shall not constitute representations for the purposes of this subsection 5.1.15.

5.1.16. Manager has not employed or retained any person to solicit or secure this Agreement upon an agreement or understanding for a commission, percentage, brokerage, or contingent fee. This Agreement is subject to Arizona Revised Statutes Section 38-511 which provides for cancellation of any Agreement within three years of its execution, without penalty or further obligation, made by a political subdivision of the State if any person significantly involved in initiating, negotiating, securing, drafting or creating the contract on behalf of the political subdivision is, at any time while the contract or any extension of the contract is in effect, an employee or agent of any other party to the contract in any capacity or a consultant to any other party of the contract with respect to the subject matter of the contract.

5.2 By Chandler. By entering into this Agreement, Chandler represents and warrants that:

5.2.1 It has full power and authority to enter into this Agreement and that the undersigned has full power and authority to execute this Agreement on Chandler's behalf.

5.2.2 It has full and unrestricted power to appoint the Manager to manage the Account on a discretionary basis and to perform Chandler's obligations under transactions entered into by the Manager for the Account.

5.2.3 Except as otherwise specified by Chandler's Chief Financial Officer, all Managed Assets are the sole property of Chandler and are free from any charge or encumbrance.

5.2.4 The execution, delivery, and performance of this Agreement by the City will not violate any provisions governing the City and will not violate or result in any default under any material contract or other agreement to which the City is a party or by which the City or its assets may be bound or any applicable statute or any rule, regulation, or order of any government agency or body.

5.2.5 It shall not remove assets from the Account without first giving reasonable written notice to Manager or terminating this Agreement in accordance with Section 9 herein.

5.2.6 It has received a copy of Part 2A and 2B of Manager's Form ADV (the "ADV").

Section 6. Custody of Assets.

6.1 Manager Not to Take Custody of Managed Assets. Nothing contained herein shall be deemed to authorize Manager to take or receive physical possession of any Managed Assets, it being intended that sole responsibility for safekeeping of the Managed Assets (in such investments as Manager may direct) and the consummation of all purchases, sales,

deliveries, and investments made pursuant to Manager's direction shall rest upon Custodian. Neither Chandler nor Manager shall have any liability with respect to the custody arrangements or the acts or omissions of Custodian.

- 6.2 Instructions to Custodian.** Chandler shall instruct Custodian to furnish such information about the Account and the Managed Assets to Manager as Manager may reasonably request in connection with the performance of its duties under this Agreement. Chandler acknowledges that Manager shall be relying on Custodian's identification of any assets contributed or liabilities allocated to the Accounts, as well as the availability of Managed Assets for sale. Manager may reasonably rely without further inquiry upon any information furnished to it by Custodian, and Manager shall not be responsible for any errors or omissions arising from any inaccuracies in such information.

Section 7. Not an Exclusive Contract.

- 7.1 Not Exclusive on the Part of Chandler.** Manager understands and acknowledges that this Agreement is nonexclusive and for the sole convenience of Chandler, which reserves the right to obtain like services from other sources for any reason.

- 7.2 Not Exclusive on the Part of Manager.** Manager acts as adviser to other clients and may give advice, and take action, with respect to any such client which may differ from the advice given, or the timing or nature of action taken, with respect to the Accounts. Chandler acknowledges that:

7.2.1 Manager shall have no obligation to purchase or sell for the Accounts, or to recommend for purchase or sale by the Accounts, any security which Manager, its principals, affiliates or employees may purchase or sell for themselves or for any other clients.

7.2.2 There may be occasions when portfolio transactions are executed as part of concurrent authorizations by Manager to purchase or sell the same security for other client accounts served by Manager. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to Manager's clients' accounts, they are effected only when Manager believes that to do so is in the interest of its respective clients' accounts. When such concurrent authorizations occur, the executions shall be allocated in an equitable manner among each of Manager's clients' accounts.

7.2.3 Transactions in a specific security may not be accomplished for all Manager's clients' accounts at the same time or at the same price.

7.2.4 Notwithstanding the foregoing and for the avoidance of doubt, Manager may not engage in transactions hereunder with its affiliates except to the extent permitted by law.

Section 8. Notices.

8.1 To One Party by the Other. All notices and other communications hereunder shall be in writing and shall be deemed given if delivered in person or by any other method in which evidence of receipt is obtained, including registered mail, facsimile transmission, or reputable messenger or overnight delivery service, to the parties at the following addresses or facsimile numbers (or at such other address or number as each respective party may specify in the future):

8.1.1 If to Chandler: Deputy City Manager | CFO
City of Chandler
P.O. Box 4008
Chandler, AZ 85244-4008

8.1.2 If to Manager: Allspring Global Investments, LLC
Attn: Stephen Koch, Client Relations Director
525 Market Street, 12th Floor
San Francisco, CA 94105

8.2 Effectiveness. Each such notice or other communication shall be effective (i) if given by facsimile or e-mail, when such is transmitted to the number specified in this section and the appropriate confirmation is received, and (ii) if given by any other means, when delivered at the address specified in this section.

Section 9. Term, Amendment, and Termination.

9.1 Term. This Agreement shall become effective on January 1, 2022 and shall continue thereafter for an initial term of one year ending on December 31, 2022. During this term, this Agreement may be terminated as described herein. The City and the Contractor may mutually agree to extend the Agreement for up to four additional terms of one year each, or portions thereof. The City reserves the right, at its sole discretion, to extend the Agreement for up to 60 days beyond the expiration of any extension term.

9.2 Amendment. Any amendment to this Agreement shall be written and signed by both parties.

9.3 Termination by Chandler for Convenience. Chandler may terminate this Agreement upon 30 days' prior written notice. In the event of such termination, Manager shall immediately stop all work under this Agreement and shall immediately cause any of its subcontractors to cease such work. As compensation in full for services performed to the date of such termination, Manager shall receive a fee for the percentage of services actually performed. This fee shall be in the amount to be mutually agreed upon by Manager and Chandler. If there is no mutual agreement, the Chief Financial Officer shall determine the percentage of work performed for each task detailed in this Agreement. Manager's compensation shall be based upon such determination and the Fee Schedule.

9.4 Termination by Chandler for Cause. Chandler may terminate this Agreement for cause immediately upon the occurrence of any one or more of the following events:

- 9.4.1 If Manager is adjudged bankrupt or insolvent.
- 9.4.2 If Manager makes a general assignment for the benefit of creditors.
- 9.4.3 If a trustee or receiver is appointed for Manager or for any of Manager's property.
- 9.4.4 If Manager files a petition to take advantage of any debtor's act or to reorganize under the bankruptcy or similar laws.
- 9.4.5 If Manager disregards laws, ordinances, rules, regulations or orders relating to the performance of this Agreement of any public body having jurisdiction over Manager.

Where this agreement has been so terminated by Chandler, the termination shall not affect any rights of Chandler against Manager then existing or which may thereafter accrue.

- 9.5 Cancellation by Chandler for Improper Influence.** Pursuant to Arizona Statutes §38-511, Chandler may cancel this Agreement at any time within 3 years after this Agreement's execution, without penalty or further obligation, if any person significantly involved in initiating, negotiating, securing, drafting, or creating this Agreement on Chandler's behalfs or becomes at any time while this Agreement (or any extension thereof) is in effect, an employee, agent, or consultant to Manager with respect to the subject matter of this Agreement. The cancellation shall be effective when Manager receives written notice of the cancellation, unless the notice specifies a later time.
- 9.6 Termination by Manager.** Manager may terminate this Agreement immediately upon material breach of its terms by Chandler, or at any time upon **30 days'** prior written notice to Chandler. There shall be no penalty for such termination, and the fee for the final period shall be adjusted proportionately.
- 9.7 Manager Cooperation Following Termination.** Following termination of this Agreement, Manager shall take such action as may be necessary to provide Chandler with full controlover the Managed Assets and to enable the Managed Assets to be preserved to the fullest extent possible.
- 9.8** Termination of this Agreement will not affect (a) the validity of any actions Manager has previously taken, (b) Chandler's or Manager's liabilities or obligations for transactions started before termination, (c) Manager's obligation to pay Manager's fees through termination date, or (d) any provision, obligation or right that is specifically designated herein to survive such termination.

Section 10. Indemnification and Insurance.

- 10.1 Indemnification.** Manager agrees to indemnify, defend, and save harmless Chandler, its Mayor and Council, appointed boards and commissions, officials, officers, and employees, individually and collectively, from all losses, claims, suits, actions, payments and judgments, demands, expenses, reasonable attorneys' fees and defense costs, or actions of any kind and nature

resulting from personal injury to any person, including employees of Manager or of any subcontractor engaged or employed by Manager (including bodily injury and death) or damages to any property, to the extent arising or alleged to have arisen out of the negligent acts, or the willful or intentional misconduct, of Manager under this Agreement or breach by the Manager of the standard of care set forth in Section 2.3 of this Agreement. The amount and type of insurance coverage requirements set forth below shall not be construed as limiting the scope of the indemnity in this paragraph.

10.2 Insurance. Manager shall provide and maintain the insurance coverage set forth on Exhibit D.

10.3 For the avoidance of doubt, in the event of a breach of the Agreement or a violation of the Policy by the Manager, the parties acknowledge that in no event shall Manager be liable to Chandler for any lost investment opportunity, profits or earnings, or any related consequential or incidental damages.

Section 11. Disclosure.

11.1 Periodic Disclosure by Chandler. Chandler may disclose the following information concerning the Accounts and the Managed Assets to the general public: (i) the name of any such investments; (ii) the date of Chandler's initial investment; (iii) the amount of any such investment; (iv) the fees paid by Chandler to Manager; and (v) the market value of such investments, including the net rate of return to Chandler from such investments, and the investment multiple of such investments. Manager consents in advance to such disclosures and agrees that such disclosures shall not constitute a breach of this Agreement.

11.2 Disclosures by Chandler to General Public as Required by Law. Manager acknowledges that Chandler may be required to disclose information to the general public pursuant to state or local law or regulation, specifically, the Arizona Public Records Law, Arizona Revised Statutes, A.R.S. sections 39-121 to 39-121.03. Manager may mark information that it provides to Chandler as "confidential." If material marked "Confidential" is the subject of a Public Records request, Chandler shall notify Manager of the disclosure as soon as reasonably practicable, **provided that** such notice is not restricted or prohibited by applicable law, and Manager shall be allowed five (5) working days to obtain injunctive relief in Maricopa County Superior Court, or Chandler will release the requested documents. Manager is completely responsible for challenging any applicable Public Records request. Chandler shall have no responsibility to challenge a Public Records request relating to any documents or any other information relating to this Agreement; provided, however, Chandler may provide reasonable assistance to Manager as Chandler deems appropriate.

11.3 Disclosures by Chandler to Authorities. Chandler may be subject to investigation and audit by various regulatory agencies and other governmental authorities, including but not limited to the Arizona Attorney General and the Arizona Auditor General's Office (collectively, "Authorities"). Such investigations or audits may, under applicable law or regulation, require access to confidential information provided by Manager to Chandler. Manager agrees that, upon five (5) working days advance notice to Manager (**provided that** such notice is reasonably practicable and not restricted or prohibited by applicable law), Chandler may provide such

information to the Authorities.

11.4 Disclosure by Manager of Confidential Documents Provided by Chandler. Manager shall maintain in strict confidence, and shall use and disclose only as authorized by Chandler, all information of a competitively sensitive or proprietary nature that it receives in connection with the work performed for Chandler hereunder. Manager shall require its personnel and any subcontractor to agree to do likewise. Chandler shall take reasonable steps to identify for the benefit of Manager, its personnel and any subcontractor, any information Chandler considers to be competitively sensitive or proprietary nature, including by using confidentiality notices in written material where appropriate. These restrictions shall not be construed to apply to (a) information generally available to the public; (b) information released by Chandler generally without restriction; (c) information independently developed or acquired by Manager, its personnel or any subcontractor without reliance in any way on other protected information of Chandler; or (d) information approved for the use and disclosure of Manager, its personnel or any subcontractor without restriction. Notwithstanding the foregoing restrictions, Manager, its employees and any subcontractor may use and disclose any information (i) to the extent required by an order of any court or other governmental authority, or (ii) as necessary for it or them to protect their interest under this Agreement, but in each case only after Chandler has been so notified (**provided that** such notice is reasonably practicable and not restricted or prohibited by applicable law) and has had the opportunity, if possible, to obtain reasonable protection for such information in connection with such disclosure. All reports and other written products provided to Manager in connection with work performed under this Agreement shall be considered confidential.

Section 12. State and Federal Law.

12.1 Immigration Warranty.

- 12.1.1 Pursuant to A.R.S. § 41-4401, Manager hereby warrants that Manager and each of its subcontractors who perform service under this Agreement ("Subcontractors") shall comply with all federal immigration laws and regulations that relate to the immigration status of their employees and the requirement to use E-Verify set forth in A.R.S. § 23-214(A) (the "Contractor Immigration Warranty").
- 12.1.2 A breach of the Contractor Immigration Warranty shall constitute a material breach of this Agreement that is subject to penalties up to and including termination of this Agreement.
- 12.1.3 Chandler retains the legal right to inspect the papers of any employee of Manager or of Subcontractors who works on this Agreement to ensure that Manager and its Subcontractors are complying with the Contractor Immigration Warranty. Manager agrees to assist Chandler in the conduct of any such inspections.
- 12.1.4 Chandler may, at its sole discretion, conduct random verifications of the employment records of Manager and its Subcontractors to ensure compliance with the Contractor Immigration Warranty. Manager agrees to assist Chandler in performing any such

random verifications.

12.1.5 The provisions of this subsection must be included in any contract Manager enters into with any and all of its Subcontractors. "Services" are defined as furnishing labor, time, or effort in the State of Arizona by a contractor or subcontractor. Services include construction or maintenance of any structure, building, or transportation facility or improvement to real property.

12.2 No Israel Boycott. By entering into this Agreement, Manager certifies that Manager is not currently engaged in, and agrees for the duration of the Agreement, not to engage in a boycott of Israel as defined by state statute.

12.3 Nondiscrimination. Neither Manager nor any officer, agent, employee, servant or subagent of Manager shall discriminate in the treatment or employment of any individual or groups of individuals on the grounds of race, color, religion, national origin, age, or sex, either directly, indirectly, or through contractual or other arrangements. This Agreement is subject to A.R.S. § 41-4401, which is incorporated by this reference, with the obligations of the "State Contractor" or "Contractor" as set forth therein respectively applying to Manager.

12.4 Corrupt Practices Act. During the term of this Agreement, Manager shall not make any payment to any person that, to Manager's knowledge, is in violation of the United States Foreign Corrupt Practices Act, as amended.

12.5 AML Laws. Manager acknowledges that to the extent that it is subject to and (to its knowledge) is in compliance with all applicable United States laws and regulations relating to anti-money laundering, including the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (the "Patriot Act") and the Bank Secrecy Act, as amended by the Patriot Act (the "BSA") (collectively, the "U.S. AML Laws and Regulations"). Manager represents and warrants that in order to facilitate compliance with the U.S. AML Laws and Regulations, it has developed and shall maintain a written anti-money-laundering prevention program reasonably designed to comply with the requirements of the U.S. AML Laws and Regulations.

12.6 SEC Rule 206(4)-5. In the event Manager is an investment adviser registered under (or is otherwise subject to) the Investment Advisers Act of 1940 [15 U.S.C. §§ 80(b) et seq.] (the "Act"), Manager certifies its compliance with Securities and Exchange Commission ("SEC") Rule 206(4)-5 [17 C.F.R. 275.206(4)-5] and the amendments to SEC Rules 204-2 [17 C.F.R. 275.204-2] and 206(4)-3 [17 C.F.R. 275.206(4)-3] of the Act with respect to Chandler's investments.

12.7 Immunities and Defenses. Chandler reserves all immunities, defenses, rights, or actions arising out of its sovereign status, including those under the Eleventh Amendment to the United States Constitution. No provision of this Agreement shall be construed as a waiver or limitation of the immunities, defenses, rights, or actions described in the previous sentence. Chandler acknowledges that this paragraph in no way limits its obligation to make any payments or return

any amounts required to be paid or returned under this Agreement.

Section 13. Dispute Resolution.

- 13.1 Arizona Law.** This Agreement shall be governed and interpreted according to the laws of the State of Arizona.
- 13.2 Alternative Dispute Resolution.** The parties hereby agree there shall be a 60-day moratorium on litigation commencing on the day that a claim is filed by Manager pursuant to A.R.S. § 12-821.01, during which time the parties shall negotiate in good faith to resolve the dispute and evaluate the viability of pursuing alternative dispute resolution procedures such as mediation and arbitration.
- 13.3 Jurisdiction and Venue.** Any lawsuits between the parties arising out of this Agreement shall be brought and concluded in the courts of Maricopa County in the State of Arizona, which shall have exclusive jurisdiction over such lawsuits.
- 13.4 Fees and Costs.** Except as otherwise agreed by the parties, the prevailing party in any adjudicated dispute relating to this Agreement is entitled to an award of reasonable attorneys' fees and costs, including expert witness fees and costs and arbitrator fees and costs; ***provided, however, that*** no award of attorneys' fees shall exceed ten percent (10%) of the damages awarded the prevailing party unless the non-prevailing party has been determined to have acted in bad faith or in a frivolous manner during the adjudication.

Section 14. Miscellaneous.

- 14.1 Cooperative Use of Contract.** Subject to the prior written approval of Manager, this Agreement may be extended for use by other municipalities, school districts, and government agencies of the State of Arizona. Any such usage by other entities must be in accordance with the ordinance, charter and/or procurement rules and regulations of the political entity.
- 14.2 Good Faith by Chandler.** Chandler shall have no liability to Manager for any action or omission occurring in good-faith, without negligence and in accordance within their legal authority under this Agreement and applicable laws. This Section shall survive termination of this Agreement.
- 14.3 Non-assignability.** Neither Chandler nor Manager may assign this Agreement without the prior written consent of the other. This Agreement shall be binding upon, and shall inure to the benefit of, the permitted successors and assigns of Manager.
- 14.4 Force Majeure.** Neither party shall be liable for any failure, delay, or interruption in the performance of its obligations under this Agreement, if such failure, delay, or interruption results from the occurrence of any acts, events, or circumstances beyond that party's reasonable control. In such case, the terms of this Agreement shall continue in full force and effect and the party's obligations shall be performed or carried out as soon as legally and practicably possible after the cessation of such acts, events, or circumstances.

- 14.5 Waiver.** No waiver of any provision of this Agreement shall be effective unless it is in writing and signed by the party waiving its rights. Such a waiver shall be effective only in the specific instance and for the specific purpose for which it is given. A party's failure to exercise or delay in exercising any right, remedy, power, or privilege under this Agreement shall not operate as a waiver. Nothing in this Agreement shall constitute a waiver or limitation of any right that Chandler may have under any federal or state securities laws or other applicable law.
- 14.6 Independent Contractor.** In the performance of all services under this Agreement, Manager shall be an independent contractor and not an agent or employee of Chandler. Manager has and retains the right to exercise full supervision and control of the manner and methods of providing all services to Chandler under this Agreement. Manager retains full supervision and control over the employment, direction, compensation, and discharge of all persons assisting it in the provision of services under this Agreement. With respect to Manager's employees, Manager shall be solely responsible for payment of wages, benefits, and other compensation, compliance with all occupational safety, welfare, and civil rights laws, tax, withholding, and payment of employee taxes of whatever nature, and compliance with any other laws regulating employment.
- 14.7 Limitation to Manager's Authority.** Except as otherwise authorized herein or pursuant hereto, it is understood that in Manager's performance of any and all duties and services under this Agreement, Manager has no authority to bind Chandler to any contracts or undertakings.
- 14.8 Non-collusion Covenant.** Chandler and Manager each represent and agree that they have not entered into any contingent fee arrangement with any firm or person concerning this Agreement. Chandler and Manager each represent and agree that Manager has not received any incentive or special payment from Chandler or any other person apart from the consideration specified in this Agreement or any other written agreements between the parties.
- 14.9 Remedies.** No right or remedy conferred on or reserved to Chandler or Manager by this Agreement is exclusive of any other right or remedy under this Agreement, at law, or in equity. Each right and remedy available to the parties shall be cumulative of every other right or remedy and may be enforced concurrently or from time to time.
- 14.10 Ownership of Documents.** All documents (including but not limited to data compilations, reports and materials, whether in written, analog, digital, film, or electronic form) that relate directly and exclusively to Chandler, are prepared by Manager pursuant to this Agreement, and are delivered to Chandler shall be the property of Chandler, unless the parties otherwise agree in writing. All documents (including but not limited to data compilations, reports and materials, whether in written, analog, digital, film, or electronic form) and other information that are delivered by Manager to Chandler shall be the property of Chandler, unless the parties otherwise agree in writing. Chandler shall have no obligation to return the originals or copies of the foregoing items to Manager upon termination of this Agreement.
- 14.11 Necessary Parties.** All of the understandings, agreements, representations, and warranties contained herein are solely for the benefit of Chandler and Manager, and there are no other

parties who are intended to be benefited in any way whatsoever by this Agreement.

- 14.12 Power of Attorney.** Any power of attorney granted by Chandler to Manager shall automatically be revoked if it files a petition in bankruptcy, is dissolved, or is no longer Manager pursuant to this Agreement, in each case upon the occurrence of any such event.
- 14.13 Severability.** Should any part, term, portion, or provision of this Agreement be decided finally to be in conflict with any law of the United States or the State of Arizona, or otherwise be unenforceable or ineffectual, the validity of the remaining parts, terms, portions, or provisions shall be deemed severable and shall not be affected thereby, ***provided that*** such remaining portions or provisions can be construed in substance to constitute the agreement which the parties intended to enter into in the first instance.
- 14.14 Headings and Recitals.** Section headings in this Agreement are used solely for convenience and shall be wholly disregarded in the construction of this Agreement. No provision of this Agreement shall be interpreted for or against a party hereto because that party or its legal representative drafted such provision, and this Agreement shall be construed as if jointly prepared by the parties. The Recitals set forth in this Agreement are hereby incorporated into and made part of this Agreement.
- 14.15 Entire Agreement.** This Agreement, including its Exhibits, represents the entire understanding of the parties hereto and supersedes all prior written or oral agreements with respect to the subject matter hereof.
- 14.16 Counterparts.** This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

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

FOR THE CITY

Allspring Global Investments, LLC

By: _____

By: Anthony Reading-Brown

Its: Mayor

Its: VP, Head of Contract Administration

APPROVED AS TO FORM:

By: _____
City Attorney 

ATTEST:

By: _____
City Clerk

EXHIBIT A
ACCOUNTS

Allspring Global Investments, LLC Account
City of Chandler

xxxx4800

EXHIBIT B INVESTMENT POLICY

The City of Chandler Investment Policy can be found at the following website:

https://www.chandleraz.gov/sites/default/files/documents/imported/Budget_Investment_Jan16.pdf

DEFINITIONS:

Agency - A debt security issued by a government-sponsored enterprise (GSE). While not explicitly guaranteed by the government, GSEs are generally traded with an "implied" guarantee. An example of a GSE is the Federal National Mortgage Association (FNMA).

Commercial Paper - An unsecured short-term promissory note issued by corporations, with maturities ranging from 2 to 270 days.

Credit Quality - The measurement of the financial strength of a bond issuer. This measurement helps an investor to understand an issuer's ability to make timely interest payments and repay the loan principal upon maturity. Generally, the higher the credit quality of a bond issuer, the lower the interest rate paid by the issuer because the risk of default is lower. Credit quality ratings are provided by nationally recognized rating agencies.

Current Yield Current Return - A yield calculation determined by dividing the annual interest received on a security by the current market price of that security.

Delivery Versus Payment (DVP) - A type of securities transaction in which the purchaser pays for the securities when they are delivered to the purchaser or the custodian.

Discount - The amount by which the par value of a security exceeds the price paid for the security.

Diversification - A process of investing assets among a range of security types by sector, maturity, and quality rating.

Duration - A measure of the timing of the cash flows, such as the interest payments and the principal repayment, to be received from a given fixed-income security.

Fair Value - The amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Government Securities - An obligation of the U.S. government, backed by the full faith and credit of the government. These securities are regarded as the highest quality of investment securities available in the U.S. securities market. See "Treasury Bills, Notes, and Bonds".

Investment Policy - A concise and clear statement of the objectives and parameters formulated by an investor or investment manager for a portfolio of investment securities.

Local Government Investment Pool (LGIP) -An investment by local governments in which their money is pooled as a method for managing local funds.

Par - Face value or principal value of a bond, typically \$1,000 per bond.

Premium - The amount by which the price paid for a security exceeds the security's par value

Principal - The face value or par value of a debt instrument. Also may refer to the amount of capital invested in a given security.

Prudent Person Rule - An investment standard outlining the fiduciary responsibilities of public funds investors relating to investment practices.

Total Return - The sum of the portfolio interest earnings plus amortization/accretion plus realized gains plus unrealized gains minus fees divided by the average portfolio value during the period.

Treasury Bills - Short-term U.S. government non-interest bearing debt securities with maturities of no longer than one year and issued in minimum denominations of \$10,000.

Treasury Notes - Intermediate U.S. government debt securities with maturities of one to ten years and issued in denominations ranging from \$1,000 to \$1 million or more.

Treasury Bonds - Long-term U.S. government debt securities with maturities of ten years or longer and issued in minimum denominations of \$1,000.

Yield - The current rate of return on an investment security generally expressed as a percentage of the security's current price.

EXHIBIT C
FEE SCHEDULE

For services provided by Manager pursuant to this Agreement, Chandler shall pay Manager an annual fee, in monthly installments, based on the daily net assets of the Managed Assets, at the following annual rates:

Portfolio Market Value (\$ millions)	Annual Fee Rate (100 bps = 1%)
All Assets	8 bps or .08%

Manager will bill Chandler monthly for service performed under this Agreement, said bill to include a statement indicating the basis upon which the fee was calculated.

Chandler authorizes Manager to present invoices for such fees to Custodian for payment. Chandler hereby instructs Custodian to disburse funds from such account for the payment of fees to Manager.

EXHIBIT D INSURANCE

1. Manager, at its own expense, shall purchase and maintain insurance or reinsurance of the types and amounts required in this section, with companies possessing a current A.M. Best, Inc. rating of B++6, or better and legally authorized or permitted to do business in the State of Arizona with policies and forms satisfactory to Chandler.
2. Policies written on a "Claims made" basis are not acceptable without written permission from Chandler's Risk Management Department. Provided, however, the City hereby provides pre-approval for Manager to maintain any professional liability policies on a "claims made" basis during the life of this Agreement.
3. All insurance required herein shall be maintained in full force and effect until all work or services required to be performed under the terms of this agreement is satisfactorily completed and formally accepted. Failure to do so may, at the sole discretion of Chandler, constitute a material breach of this agreement and may result in termination of this agreement.
4. If any of the insurance policies are not renewed prior to expiration, payments to Manager may be withheld until these requirements have been met.
5. All insurance policies, except Workers' Compensation, Professional Liability, and Financial Institution Bond required by this Agreement, and self-insured retention or deductible portions, shall name, to the fullest extent permitted by law for claims arising out of the performance of this agreement, the City of Chandler, its agents, representatives, officers, directors, officials and employees as Additional Insureds.
6. Manager's insurance shall be primary insurance over any insurance available to Chandler and as to any claims resulting from this agreement, it being the intention of the parties that the insurance policies so effected shall protect both parties and be primary coverage for any and all losses covered by the described insurance.
7. The insurance policies, except Workers' Compensation, Professional Liability, and Financial Institution Bond, shall contain a waiver of transfer rights of recovery (subrogation) against Chandler, its agents, representatives, officers, directors, officials and employees for any claims arising out of Manager's acts, errors, mistakes, omissions, work or service.
8. The insurance policies may provide coverage, which contain deductibles or self-insured retentions. Such deductible and/or self-insured retentions shall be assumed by and be for the account of, and at the sole risk of Manager. Manager shall be solely responsible for the deductible and/or self-insured retention.
9. Manager shall provide Chandler with no less than thirty (30) days written notice prior to any cancellation or expiration of any policy that results in non-compliance with the insurance requirements outlined herein. Manager agrees that during the term of this agreement, Manager shall not reduce any coverage amount below the limits specified in this agreement.

10. Information concerning reduction of coverage on account of revised limits or claims paid under the General Aggregate, or both, shall be furnished by Manager with reasonable promptness in accordance with Manager's information and belief if the action results in non-compliance with the insurance requirement outlined herein.
11. In the event that claims in excess of the insured amounts provided herein, are filed by reason of any operations under this agreement, the amount of excess of such claims, or any portion thereof, may be withheld from payment due or to become due Manager until such time as Manager shall furnish such additional security covering such claims as may be determined by Chandler.

D.1 PROOF OF INSURANCE - CERTIFICATES OF INSURANCE

1. Prior to commencing work or services under this agreement, Manager shall furnish to Chandler Certificates of Insurance, issued by Manager's insurer(s), as evidence that policies providing the required coverages, conditions and limits required by this agreement are in full force and effect and obtain from Chandler's Risk Management Division approval of such Certificates.
2. If a policy does expire during the life of this agreement, a renewal certificate must be sent to Chandler five (5) days after the expiration date.
3. All Certificates of Insurance shall identify the policies in effect on behalf of Manager, their policy period(s), and limits of liability. Each Certificate shall include the job site and project number and title. Coverage shown on the Certificate of Insurance must coincide with the requirements in the text of the agreement documents. Information required to be on the Certificate of Insurance may be typed on the reverse of the Certificate and countersigned by an authorized representative of the insurance company.
4. In the event of a claim arising out of the performance of the contracted services under this agreement and which names Chandler or its agents, representatives, officers, directors, officials or employees as a codefendant, Manager agrees to make the applicable insurance policy available for review in a secured format.

D.2 REQUIRED COVERAGE

1. Such insurance shall protect Manager from claims set forth below which may arise out of or result from the operations of Manager under this agreement and for which Manager may be legally liable, whether such operations be by Manager or by a subcontractor or by anyone directly or indirectly employed by any of them, or by anyone for whose acts any of them may be liable. Coverage under the policy will be at least as broad as Insurance Services Office, Inc., policy form CG0001 1093 or equivalent thereof, including but not limited to severability of interest and waiver of subrogation clauses.
2. Claims under workers' compensation, disability benefit and other similar employee benefit acts which are applicable to the work to be performed;

3. Claims for damages because of bodily injury, occupational sickness or disease, or death of Manager's employees;
4. Claims for damages because of bodily injury, sickness or disease, or death of any person other than Manager's employees;
5. Claims for damages insured by usual personal injury liability coverage;
6. Claims for damages, other than to work itself, because of injury to or destruction of tangible property, including loss of use resulting therefrom;
7. Claims for damages because of bodily injury, death of a person or property damage arising out of ownership, maintenance or use of a motor vehicle. Coverage will be at least as broad as Insurance Service Office, Inc., coverage Code "I" "any auto" policy form CA000I 1293 or equivalent thereof.
8. Claims for bodily injury or property damage arising out of completed operations;
9. Claims involving contractual liability insurance applicable to Manager's obligations under the Indemnification Agreement;
10. Claims for injury or damages in connection with one's professional services;

D.2.1 Commercial General Liability - Minimum Coverage Limits

The Commercial General Liability insurance required herein shall be written for not less than \$2,000,000 limits of liability or ten percent (10%) of the agreement price, whichever coverage is greater. Any combination between general liability and excess general liability alone amounting to a minimum of \$2,000,000 per occurrence (or 10% per occurrence) and an aggregate of \$4,000,000 (or 20% whichever is greater) in coverage will be acceptable. The Commercial General Liability additional insured endorsement shall be as broad as the Insurance Services, Inc's (ISO) Additional Insured, Form B, CG 20101001, and shall include coverage for Manager's operations and products, and completed operations.

D.2.2 General Liability - Minimum Coverage Limits

The General Liability insurance required herein, including, Comprehensive Form, Premises-Operations, Explosion and Collapse, Underground Hazard, Products/Completed Operations, Contractual Insurance, Broad Form Property Damage, and Personal Injury shall be written for Bodily Injury and Property Damage Combined shall be written for not less than \$2,000,000 or 10% of the agreement cost and with a \$4,000,000 aggregate.

D.2.3 Automobile Liability

Manager shall maintain Commercial/Business Automobile Liability insurance with a

combined single limit for bodily injury and property damage of not less than \$1,000,000 each occurrence with respect to any owned, hired, and non-owned vehicles assigned to or used in performance of Manager's work. Coverage shall be at least as broad as coverage code 1, "any auto", (Insurance Service Office, Inc. Policy Form CA 00011293, or any replacements thereof).

D.2.4 Worker's Compensation and Employer's Liability

Manager shall maintain Workers' Compensation insurance to cover obligations imposed by federal and state statutes having jurisdiction over Manager's employees engaged in the performance of the work or services; and, Employer's Liability insurance of not less than \$1,000,000 for each accident, \$1,000,000 disease coverage for each employee, and \$1,000,000 disease policy limit.

In case any work is subcontracted, Manager will require the Subcontractor to provide Workers' Compensation and Employer's Liability to at least the same extent as required of Manager.

D.2.5 Professional Liability

Manager shall maintain Professional Liability insurance covering acts, errors, mistakes and omissions arising out of the work or services performed by Manager, or any person employed by Manager, with a claims made policy limit of not less than \$1,000,000.

D.2.6 Financial Institution Bonds

Manager shall maintain Financial Institution coverage, including but not limited to, Computer Crime, Employee Dishonesty and Theft, Robbery and Burglary On and Off Premises coverage. Limits of Liability shall be at least Fifteen Million Dollars (\$15,000,000) per occurrence.