

CITY OF MARYSVILLE AGENDA BILL

EXECUTIVE SUMMARY FOR ACTION

CITY COUNCIL MEETING DATE: 05/08/2017

AGENDA ITEM:	
Consider Banking Services Agreement with KeyBank	
PREPARED BY:	DIRECTOR APPROVAL:
Jan Berg	
DEPARTMENT:	
Finance	
ATTACHMENTS:	
Updated PSA, Cost Proposal Forms, Key Staff Members & Cash Management Services Master Agreement	
BUDGET CODE:	AMOUNT:
Various	
SUMMARY:	

The attached Professional Services Agreement has been updated from the City Council's workshop to better coordinate the agreement with KeyBank's Cash Management Services Master Agreement. The revisions and the Cash Management Services Master Agreement have both been reviewed by the City Attorney's office.

RECOMMENDED ACTION: Staff recommends the Council Authorize the Mayor to sign the Professional Services Agreement with KeyBank National Association as revised.

**PROFESSIONAL SERVICES AGREEMENT BETWEEN
CITY OF MARYSVILLE
AND KEYBANK NATIONAL ASSOICATION**

THIS AGREEMENT (“Agreement”) is made and entered into this 8th day of May, 2017, by and between the City of Marysville, a Washington State municipal corporation (“City”), and KeyBank National, a national banking association organized under the laws of the United States of America, located and doing business at 127 Public Square, Cleveland Ohio 44114 (“Consultant”).

In consideration of the terms, conditions, covenants, and performances contained herein, the parties hereto agree as follows:

1. **SCOPE OF SERVICES.** The Consultant shall provide the work and services described in the attached Exhibit A, incorporated herein by this reference (the “Services”). All services and materials necessary to accomplish the tasks outlined in the Scope of Services shall be provided by the Consultant unless noted otherwise in the Scope of Services or this Agreement. All such services shall be provided in accordance with the standards of the Consultant’s profession.

2. **TERM.** The term of this Agreement shall commend on May 15, 2017 and shall terminate at midnight on May 14, 2020. The parties may extend for two additional three year terms of this Agreement by executing a written supplemental ameudment.

3. **COMPENSATION.** The Consultant shall be paid by the City for Services rendered under this Agreement as described in Exhibit A Proposal for Banking Services and as provided in this section. In no event shall the compensation paid to Consultant under this Agreement exceed costs stated in the attached exhibits within the term of the Agreement, including extensions, without the written agreement of the Consultant and the City. Such payment shall be full compensation for the Services and for all labor, materials, supplies, equipment, incidentals, and any other expenses necessary for completion.

The Consultant shall submit a monthly invoice to the City for Services performed in the previous calendar month in a format acceptable to the City. The Consultant shall maintain time and expense records and provide them to the City upon request.

The City will pay timely submitted and approved invoices received before the 20th of each month within thirty (30) days of receipt.

4. **CONSULTANT’S OBLIGATIONS.**

4.1 **MINOR CHANGES IN SCOPE.** The Consultant agrees to accept minor changes, amendments, or revisions to the scope of the Services, as may be required by the City, when such

changes, amendments, or revisions will not have any impact on the cost of the Services or the proposed delivery schedule.

4.2 ADDITIONAL WORK. The City may desire to have the Consultant perform additional work or services which are not identified in the scope of the Services. If the parties agree to the performance of additional work or services, the parties will execute a written supplemental amendment detailing the additional work or services and compensation therefore. In no event will the Consultant be compensated for preparing proposals for additional work or services. In no event shall the Consultant begin work contemplated under a supplemental amendment until the supplemental amendment is fully executed by the parties.

4.3 WORK PRODUCT AND DOCUMENTS. The work product and all documents produced under this Agreement shall be furnished by the Consultant to the City, and upon completion of the Services shall become the property of the City, except that the Consultant may retain one copy of the work product and documents for its records. The Consultant will be responsible for the accuracy of the Services, the work product, and all documents produced under this Agreement, even though the Services have been accepted by the City.

In the event that the Consultant defaults on this Agreement or in the event that this Agreement is terminated prior to the completion of the Services or the time for completion, all work product and all documents and other materials produced under this Agreement, along with a summary of work as of the date of default or termination, shall become the property of the City. The summary of Services provided shall be prepared at no additional cost to the City. Upon request, the Consultant shall tender the work product, all documents, and the summary to the City within five (5) business days. Tender of said work product shall be a prerequisite to final payment under this Agreement.

The Consultant will not be held liable for reuse of work product or documents produced under this Agreement or modification of the work product or documents for any purpose other than those identified in this Agreement without the written authorization of the Consultant.

4.4 PUBLIC RECORDS ACT. Consultant acknowledges that the City is subject to the Public Records Act, chapter 42.56 RCW (the "PRA"). All records owned, used, or retained by the City are public records subject to disclosure unless exempt under the PRA, whether or not the records are in the possession or control of the City or Consultant. All exemptions to the PRA are narrowly construed.

a. **Confidential Information.** Any records provided to the City by the Consultant which contain information that the Consultant in good faith believes is not subject to disclosure under the PRA shall be marked "Confidential" and shall identify the specific information that the Consultant in good faith believes is not subject to disclosure under the PRA and a citation to the statutory basis for non-disclosure.

b. **Responding to Public Records Requests.** The City shall exercise its sole legal judgment in responding to public records requests.

- (1) The City may rely upon the lack of notification from the Consultant in releasing any records that are not marked "Confidential."
- (2) If records identified as "Confidential" by the Consultant are responsive to a PRA request, the City will seek to provide notice to Consultant at least ten (10) business days before the date on which the City anticipates releasing records. The City is under no obligation to assert any applicable exemption on behalf of the Consultant. The Consultant may seek, at its sole cost, an injunction preventing the release of information which it believes is protected. In no event will the City have any liability to Consultant for any failure of the City to provide notice prior to release.
- (3) If the City, in its sole legal judgment, believes that the Consultant possesses records that (1) are responsive to a PRA request and (2) were used by the City, the City will request the records from the Consultant. The Consultant will, within ten (10) business days:
 - i. Provide the records to the City in the manner requested by the City;
 - ii. Obtain a court injunction, in a lawsuit involving the requester, covering all, or any confidential portion of, the records and provide any records not subject to the court injunction; or
 - iii. Provide an affidavit, in a form acceptable to the City Attorney, specifying that the Consultant has made a diligent search and did not locate any requested documents.

c. **Indemnification.** In addition to its other indemnification and defense obligations under this Agreement, subject to all terms and conditions set forth in Section 8 of the CMS Master Agreement (as hereinafter defined), the Consultant shall indemnify and defend the City from and against any and all losses, penalties, fines, claims, demands, expenses (including, but not limited to, attorneys fees and litigation expenses), suits, judgments, or damages (collectively "Damages") arising from or relating to any request for records related to this Agreement, to the extent such Damages are caused by action or inaction of the Consultant. This indemnification and defense obligation shall survive the expiration or termination of this Agreement.

4.5 MAINTENANCE/INSPECTION OF RECORDS. The Consultant shall maintain all books, records, documents, and other evidence pertaining to the costs and expenses allowable under this Agreement in accordance with generally accepted accounting practices. All such books and records required to be maintained by this Agreement shall be subject to inspection and audit by representatives of the City and/or the Washington State Auditor at all reasonable

times, and the Consultant shall afford the proper facilities for such inspection and audit. Representatives of the City and/or the Washington State Auditor may copy such books, accounts, and records where necessary to conduct or document an audit. The Consultant shall preserve and make available all such books of account and records for a period of three (3) years after final payment under this Agreement. In the event that any audit or inspection identifies any discrepancy in such financial records, the Consultant shall provide the City with appropriate clarification and/or financial adjustments within thirty (30) calendar days of notification of the discrepancy.

4.6 INDEMNITY.

a. **Indemnification and Hold Harmless.** Subject to all of the terms and conditions set forth in Section 3 of the CMS Master Agreement. The Consultant shall defend, indemnify, and hold the City, its officers, officials, employees, and volunteers harmless from any and all claims, injuries, damages, losses, or suits including attorney fees, directly arising out of or resulting from the acts, errors, gross negligence or omissions/willful misconduct of the Consultant in performance of this Agreement, except for injuries and damages caused by the sole negligence of the City.

b. Should a court of competent jurisdiction determine that this Agreement is subject to RCW 4.24.115, then, in the event of liability for damages arising out of bodily injury to persons or damages to property caused by or resulting from the concurrent negligence of the Consultant and the City, its officers, officials, employees, and volunteers, the Consultant's liability, including the duty and cost to defend, hereunder shall be only to the extent of the Consultant's negligence.

c. The provisions of this Section 4.6 shall survive the expiration or termination of this Agreement.

d. The Consultant hereby knowingly, intentionally, and voluntarily waives the immunity of the Industrial Insurance Act, Title 51 RCW, solely for the purposes of the indemnity contained in subpart "a" of this Section 4.6. This waiver has been mutually negotiated by the parties.

_____(initials) _____(initials)

4.7 INSURANCE.

a. **Insurance Term.** The Consultant shall procure and maintain for the duration of the Agreement, insurance against claims for injuries to persons or damage to property which may arise from or in connection with the performance of the Services hereunder by the Consultant, its agents, representatives, or employees.

b. **No Limitation.** Consultant's maintenance of insurance as required by the Agreement shall not be construed to limit the liability of the Consultant to the coverage provided by such insurance, or otherwise limit the City's recourse to any remedy available

at law or in equity.

c. **Minimum Scope of Insurance.** Consultant shall obtain insurance of the types and coverage described below:

- (1) Commercial General Liability insurance shall be at least as broad as ISO occurrence form CG 00 01 and shall cover liability arising from premises, operations, stop-gap independent contractors and personal injury and advertising injury. The City shall be named as an additional insured under the Consultant's Commercial General Liability insurance policy with respect to the Services performed for the City using an additional insured endorsement at least as broad as ISO CG 20 26.
- (2) Workers' Compensation coverage as required by the Industrial Insurance laws of the State of Washington.
- (3) Consultants Errors or Omissions or Professional Liability.
- (4) Bankers Professional Liability Insurance with All Risk Coverage.
- (5) Electric Funds Transfer and Computer Fraud Insurance.
- (6) Directors & Officers Liability Insurance.

d. **Minimum Amounts of Insurance.** Consultant shall maintain the following insurance limits:

- (1) Commercial General Liability insurance shall be written with limits no less than \$1,000,000 each occurrence, \$2,000,000 general aggregate.
- (2) Consultants Errors or Omissions or Professional Liability insurance shall be written with limits no less than \$10,000,000 per occurrence.
- (3) Bankers Professional Liability Insurance with All Risk Coverage shall be written with limits no less than \$10,000,000 per occurrence.
- (4) Electric Funds Transfer and Computer Fraud Insurance shall be written with limits no less than \$10,000,000 per occurrence.
- (5) Directors & Officers Liability Insurance shall be written with limits no less than \$10,000,000 per occurrence.

e. **Other Insurance Provision.** To the extent possible, the Consultant's insurance policies are to contain, or be endorsed to contain, that they shall be primary insurance as respect the City. Any insurance, self-insurance, or self-insured pool coverage maintained by the City shall be excess of the Consultant's insurance and shall not contribute with it.

f. **Acceptability of Insurers.** Insurance is to be placed with insurers with a current A.M. Best rating of not less than A:VII.

g. **Verification of Coverage.** The Consultant shall furnish the City with original certificates and a copy of the amendatory endorsements, including but not necessarily limited to the additional insured endorsement, evidencing the insurance requirements of the Consultant before commencement of the Services.

h. **Notice of Cancellation.** The Consultant shall provide the City with written notice of any policy cancellation within two business days of the Consultant's receipt of such notice.

i. **Failure to Maintain Insurance.** Failure on the part of the Consultant to maintain the insurance as required shall constitute a material breach of contract, upon which the City may, after giving five (5) business days notice to the Consultant to correct the breach, immediately terminate the Agreement or, at its discretion, procure or renew such insurance and pay any and all premiums in connection therewith, with any sums so expended to be repaid to the City on demand, or at the sole discretion of the City, offset against funds due the Consultant from the City.

j. **Insurance to be Occurrence Basis.** Unless approved by the City all insurance policies shall be written on an "Occurrence" policy as opposed to a "Claims-made" policy. The City may require an extended reporting endorsement on any approved "Claims-made" policy.

k. **City Full Availability of Consultant Limits.** If the Consultant maintains higher insurance limits than the minimums shown above, the City shall be insured for the full available limits of Commercial General and Excess or Umbrella liability maintained by the Consultant, irrespective of whether such limits maintained by the Consultant are greater than those required by this Agreement or whether any certificate of insurance furnished to the City evidences limits of liability lower than those maintained by the Consultant.

4.8 LEGAL RELATIONS. The Consultant shall comply with all federal, state, and local laws, regulations, and ordinances applicable to the Services to be performed under this Agreement. The Consultant represents that it and all employees assigned to perform any of the Services under this Agreement are in full compliance with the statutes of the State of Washington governing the Services and that all personnel to be assigned to the Services are fully qualified and properly licensed to perform the work to which they will be assigned.

4.9 INDEPENDENT CONTRACTOR.

a. The Consultant and the City understand and expressly agree that the Consultant is an independent contractor in the performance of each and every part of this Agreement. The Consultant expressly represents, warrants, and agrees that the Consultant's status as an independent contractor in the performance of the Services required under this Agreement is consistent with and meets the six-part independent

contractor test set forth in RCW 51.08.195 or as hereafter amended. The Consultant, as an independent contractor, assumes the entire responsibility for carrying out and accomplishing the Services required under this Agreement. The Consultant shall not make a claim of City employment and shall not claim any related employment benefits, social security, and/or retirement benefits.

b. The Consultant shall be solely responsible for paying all taxes, deductions, and assessments, including but not limited to federal income tax, FICA, social security tax, assessments for unemployment and industrial injury, and other deductions from income which may be required by law or assessed against either party as a result of this Agreement. In the event the City is assessed a tax or assessment as a result of this Agreement, the Consultant shall pay the same before it becomes due.

c. The City may, during the term of this Agreement, engage other independent contractors to perform the same or similar work to the Services that the Consultant performs under this Agreement.

d. Prior to commencement of Services, the Consultant shall obtain a business license from the City.

4.10 EMPLOYMENT.

a. The term "employee" or "employees" as used herein shall mean any officers, agents, or employee of the Consultant.

b. Any and all employees of the Consultant, while performing any Services under this Agreement, shall be considered employees of the Consultant only and not of the City. The Consultant shall be solely liable for: (1) any and all claims that may or might arise under the Workman's Compensation Act, Title 51 RCW, on behalf of any said employees while performing any Services under this Agreement, and (2) any and all claims made by any third party as a consequence of any negligent act or omission on the part of the Consultant or its employees while performing any Services under this Agreement.

c. The Consultant represents, unless otherwise indicated below, that all employees of the Consultant that will perform any Services under this Agreement have never been retired from a Washington State retirement system, including but not limited to Teacher (TRS), School District (SERS), Public Employee (PERS), Public Safety (PSERS), law enforcement and fire fighters (LEOFF), Washington State Patrol (WSPRS), Judicial Retirement System (JRS), or otherwise. *(Please use initials to indicate No or Yes below.)*

_____ No, employees performing the Services have never been retired from a Washington state retirement system.

_____ Yes, employees performing the Services have been retired from a Washington state retirement system.

In the event the Consultant checks “no”, but an employee in fact was a retiree of a Washington State retirement system, and because of the misrepresentation the City is required to defend a claim by the Washington State retirement system, or to make contributions for or on account of the employee, or reimbursement to the Washington State retirement system for benefits paid, the Consultant hereby agrees to save, indemnify, defend and hold the City harmless from and against all expenses and costs, including reasonable attorney fees incurred in defending the claim of the Washington State retirement system and from all contributions paid or required to be paid, and for all reimbursement required to the Washington State retirement system. In the event the Consultant checks “yes” and affirms that an employee providing work has ever retired from a Washington State retirement system, every said employee shall be identified by the Consultant and such retirees shall provide the City with all information required by the City to report the employment with Consultant to the Department of Retirement Services of the State of Washington.

4.11 NONASSIGNABLE. Except as provided in Exhibit B or in Section 13 of the CMS Master Agreement, the Services to be provided by the Consultant shall not be assigned or subcontracted without the express written consent of the City.

4.12 SUBCONTRACTORS AND SUBCONSULTANTS.

a. The Consultant is responsible for all work or services performed by subcontractors or subconsultants pursuant to the terms of this Agreement.

b. The Consultant must verify that any subcontractors or subconsultants the Consultant directly hires meet the responsibility criteria for the Services. Verification that a subcontractor or subconsultant has proper license and bonding, if required by statute, must be included in the verification process. If the parties anticipate the use of subcontractors or subconsultants, the subcontractors or subconsultants are set forth in Exhibit B.

c. Except as provided in Section 13 of the CMS Master Agreement The Consultant may not substitute or add subcontractors or subconsultants without the written approval of the City.

d. All subcontractors or subconsultants shall have the same insurance coverage and limits as set forth in this Agreement and the Consultant shall provide verification of said insurance coverage.

4.13 CONFLICTS OF INTEREST. The Consultant agrees to and shall notify the City of any potential conflicts of interest in Consultant’s client base and shall obtain written permission from the City prior to providing services to third parties when a conflict or potential conflict of interest exists. If the City determines in its sole discretion that a conflict is irreconcilable, the City

reserves the right to terminate this Agreement.

4.14 CITY CONFIDENCES. The Consultant agrees to and will keep in strict confidence, and will not disclose, communicate, or advertise to third parties without specific prior written consent from the City in each instance, the confidences of the City or any information regarding the City or the Services provided to the City.

4.15 DISCRIMINATION PROHIBITED AND COMPLIANCE WITH EQUAL OPPORTUNITY LEGISLATION. The Consultant agrees to comply with equal opportunity employment and not to discriminate against any client, employee, or applicant for employment or for services because of race, creed, color, religion, national origin, marital status, sex, sexual orientation, age, or handicap except for a bona fide occupational qualification with regard, but not limited to, the following: employment upgrading; demotion or transfer; recruitment or any recruitment advertising; layoff or terminations; rates of pay or other forms of compensation; selection for training; or rendition of services. The Consultant further agrees to maintain (as appropriate) notices, posted in conspicuous places, setting forth its nondiscrimination obligations. The Consultant understands and agrees that if it violates this nondiscrimination provision, this Agreement may be terminated by the City, and further that the Consultant will be barred from performing any services for the City now or in the future, unless a showing is made satisfactory to the City that discriminatory practices have been terminated and that recurrence of such action is unlikely.

4.16 UNFAIR EMPLOYMENT PRACTICES. During the performance of this Agreement, the Consultant agrees to comply with RCW 49.60.180, prohibiting unfair employment practices.

5. CITY APPROVAL REQUIRED. Notwithstanding the Consultant's status as an independent contractor, the Services performed pursuant to this Agreement must meet the approval of the City, which shall not be unreasonably withheld if the Services have been completed in compliance with the Scope of Services and City requirements.

6. GENERAL TERMS.

6.1 NOTICES. Receipt of any notice shall be deemed effective three (3) calendar days after deposit of written notice in the U.S. mail with proper postage and address.

Notices to the City shall be sent to the following address:

CITY OF MARYSVILLE
Jan Berg, Assistant Finance Director/City Clerk
1049 State Avenue
Marysville, WA 98270

Notices to the Consultant shall be sent to the following address:

KEYBANK NATIONAL ASSOCIATION

Robbi Stedman Vice President

1301 5th Ave

Seattle, WA 98101

6.2 TERMINATION. The City may terminate this Agreement in whole or in part at any time by sending written notice to the Consultant. As per Section 6.1, the Consultant is deemed to have received the termination notice three (3) calendar days after deposit of the termination notice in the U.S. mail with proper postage and address. The termination notice is deemed effective seven (7) calendar days after it is deemed received by the Consultant.

If this Agreement is terminated by the City for its convenience, the City shall pay the Consultant for satisfactory Services performed through the date on which the termination is deemed effective in accordance with payment provisions of Section 3, unless otherwise specified in the termination notice. If the termination notice provides that the Consultant will not be compensated for Services performed after the termination notice is received, the City will have the discretion to reject payment for any Services performed after the date the termination notice is deemed received.

6.3 DISPUTES. The parties agree that, following reasonable attempts at negotiation and compromise, any unresolved dispute arising under this Agreement may be resolved by a mutually agreed-upon alternative dispute resolution of arbitration or mediation.

6.4 EXTENT OF AGREEMENT/MODIFICATION. This Agreement, together with exhibits, attachments, and addenda, represents and the Consultant's Cash Management Services Master Agreement (together with exhibits, attachments, and addenda, the "CMS Master Agreement") and the related Automated Clearing House Debit Protection EPA Service Schedule, ACH Direct Service Schedule, Automated Clearing House Electronic Data Interchange Service Schedule, Executive Pay Service Schedule, Key Capture Service Schedule, Wire Transfer Service Schedule, Key Image Cash Letter Service Schedule, Key?Prepaid Client Services Agreement, Universal Payment Identification Code Service Schedule (together with exhibits, attachments, and addenda, collectively, the "Service Schedules") and Deposit Account Agreement and Funds Availability Policy ("Deposit Account Agreement"), the entire and integrated Agreement between the parties and supersedes all prior negotiations, representations, or agreements, either written or oral. This Agreement may be amended, modified, or added to only by a written supplemental amendment properly signed by both parties. To the extent there is any conflict among this Agreement, on the one hand, and the CMS Master Agreement or the Service Schedules, on the other, the terms of this Agreement shall control. To the extent there is any conflict between this Agreement, on the one hand, and the Deposit Account Agreement, on the other, the terms of the Deposit Account Agreement shall control. Notwithstanding anything to the contrary set forth in the CMS Master Agreement and Service Schedules, this Agreement, each of

the CMS Master Agreement and Service Schedules shall be governed by the laws of the State of Washington (without regard for conflict of law rules) and applicable federal law, but with respect to all fees and charges related to your Accounts and the Services (each as defined in the CMS Master Agreement), federal law alone shall control.

6.5 SEVERABILITY.

a. If a court of competent jurisdiction holds any part, term, or provision of this Agreement to be illegal or invalid, in whole or in part, the validity of the remaining parts, terms, or provisions shall not be affected, and the parties' rights and obligations shall be construed and enforced as if the Agreement did not contain the particular part, term, or provision held to be invalid.

b. If any part, term, or provision of this Agreement is in direct conflict with any statutory provision of the State of Washington, that part, term, or provision shall be deemed inoperative and null and void insofar as it may conflict, and shall be deemed modified to conform to such statutory provision.

6.6 NONWAIVER. A waiver by either party of a breach by the other party of any covenant or condition of this Agreement shall not impair the right of the party not in default to avail itself of any subsequent breach thereof. Leniency, delay, or failure of either party to insist upon strict performance of any agreement, covenant, or condition of this Agreement, or to exercise any right herein given in any one or more instances, shall not be construed as a waiver or relinquishment of any such agreement, covenant, condition, or right.

6.7 FAIR MEANING. The terms of this Agreement shall be given their fair meaning and shall not be construed in favor of or against either party hereto because of authorship. This Agreement shall be deemed to have been drafted by both of the parties.

6.8 GOVERNING LAW. This Agreement shall be governed by and construed in accordance with the laws of the State of Washington.

6.9 VENUE. The venue for any action to enforce or interpret this Agreement shall lie in the Superior Court of Washington for Snohomish County, Washington.

6.10 COUNTERPARTS. This Agreement may be executed in one or more counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same Agreement.

6.11 AUTHORITY TO BIND PARTIES AND ENTER INTO AGREEMENT. The undersigned represent that they have full authority to enter into this Agreement and to bind the

parties for and on behalf of the legal entities set forth herein.

DATED this _____ day of _____, 20_____.

CITY OF MARYSVILLE

KeyBank National Association

By: _____
Jon Nehring, Mayor

By: _____
Robbi Stedman
Its: Vice President

Attested/Authenticated:

April O'Brien, Deputy City Clerk

Approved as to form:

Jon Walker, City Attorney

Cost Proposal Forms

General Account Services



BALANCE RELATED SERVICES:

FDIC ASSESSMENT

10,073,227	0.0000	-
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GLOSSARY INDEX	DEPOSITORY SERVICES:			
1	ACCOUNT MAINTENANCE	8	10.0000	80.00
9	BANKING CENTER DEPOSIT	2	1.0000	1.67
25	VAULT DEPOSIT	125	1.0000	124.67
	CHECK DEPOSIT PAPER	1	1.0000	1.00
16	DEBITS POSTED - OTHER	1	0.0000	-
18	DEPOSIT CORRECTION - NON CASH	1	7.0000	9.80
26	ZBA MASTER ACCOUNT MAINTENANCE	1	10.0000	10.00
27	ZBA SUBSIDIARY ACCOUNT MAINTENANCE	2	10.0000	19.17
	ZBA PER TRANSACTION	37.41666667	0.0000	-
22	RETURNS - CHARGEBACK	5	3.0000	15.82
23	RETURNS - RECLEAR	7	2.0000	13.17
	RETURNS - RECLEAR SVC	1	0.0000	-
	CHECKS DEPOSIT UN-ENCODED ITEMS	134	0.0500	6.70
	CHECKS DEPOSIT UN-ENCODED ITEMS	1,245	0.0500	62.26
	CHECKS DEPOSIT FOREIGN ITEMS	1	3.0000	3.00
15	DEBITS POSTED - ELECTRONIC	32	0.0000	-
12	CREDITS POSTED - ELECTRONIC	289	0.0000	-
	DEPOSIT ACCT STMT	8	0.0000	-
24	STOP PAY MANUAL <=12 MONTHS	1	25.0000	25.00
	GCS-STOP PAY	1	5.0000	5.00
	TRANSMISSION MAINTENANCE	1	0.0000	-

	GEN DISB CKS PD-IS FRONT IMG	776	0.0000	-
	GEN DISB CKS PD-IS FRT BK IMG	41	0.0000	-

COMMERCIAL DEPOSITS - CASH VAULT:

17	DEPOSIT CORRECTION - CASH	1	0.0000	-
13	CURR/COIN DEP/\$100-BKG CTR	30	0.0020	0.06
14	CURR/COIN DEP/\$100-VLT	1,315	0.0010	1.31
	DEP CONDITIONING-SURCHG-VAULT	2	0.0000	-
19	SUPPLIES-DEPOSIT BAGS	2	0.0000	-
	SUPPLIES-DEPOSIT BAGS	1	0.0000	-
	SUPPLIES-DEPOSIT TICKETS	1	0.0000	-
	MAIL NOTIFICATION-DON OR RECEIPT-VLT	91	1.0000	90.92

GENERAL ACH SERVICES:

	ACH DELETE/REVERSAL	1	25.0000	25.00
7	ACH RETURN ITEM	2	2.0000	3.75
5	ACH MONTHLY MAINTENANCE	2	25.0000	50.00
4	ACH INPUT-FILE	2	10.0000	19.17
4	ACH INPUT-FILE	5	10.0000	54.17
6	ACH NOTIFICATION OF CHANGE (NOC)	1	2.0000	2.00
8	ACH STANDARD REPORTS	2	10.0000	16.36
11	ACH CONSUMER ON US CREDITS	96	0.0800	7.70
10	ACH CONSUMER OFF US CREDITS	564	0.0800	45.11
	ACH CONSUMER ON US DEBITS	46	0.0800	3.65
	ACH CONSUMER OFF US DEBITS	217	0.0800	17.36
	ACH CREDIT RECEIVED ITEM	1	0.0800	0.08
2	ACH CREDIT RECEIVED ITEM	286	0.0800	22.85
3	ACH DEBIT RECEIVED ITEM	34	0.0800	2.75

WIRE TRANSFER:

	CPO GP MTHLY MAINT BASIC	1	25.0000	25.00
	PHONE WIRE OUT - DOMESTIC	2	20.0000	30.00
	MANUAL WIRE OUT - DOMESTIC	2	20.0000	37.14
	MANUAL WIRE BOOK DEBIT	1	25.0000	25.00
20	INCOMING DOMESTIC WIRE	3	11.0000	34.00

PH OR STND ORDER TEMP STORE	2	0.0000	-
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ACCOUNT RECONCILIATION:

	PAYEE POSTIVE PAY-ISSUE MATCH	783	0.0200	15.65
	ARP PPAY INPUT FILE-TRANS	5	10.0000	46.67
	ARP FULL PPAY MAINT PAPER RPT	2	25.0000	50.00
	ARP FULL PPAY INPUT PER ITEM	783	0.0350	27.39
	ARP VOID CANCEL ITEMS	7	0.0000	-
	ARP VOID CANCEL ITEMS	2	0.0000	-
	ARP PPAY MAINT-NO RECON	1	0.0000	-
	ARP PPAY NO RECON INPUT ITEM	45	0.0200	0.91
21	PAYEE POSITIVE PAY MAINT	2	10.0000	20.00
	POSITIVE PAY EXCEPTIONS	1	0.0000	-
	ARP POSITIVE PAY RETURN-OTHER	1	0.0000	-

INFORMATION SERVICES:

	CPO ARP POSITIVE PAY NOTIF	42	0.0000	-
	CPO ARP ISSUE NOT RECD NOTIF	22	0.0000	-
	CPO ARP ISSUE POSTED NOTIF	7	0.0000	-
	CPO ARP ISSUE RECD NOTIF	6	0.0000	-
	CPO ONLINE SUBSCRIPTION	1	0.0000	-
	CPO IR MAINT	1	25.0000	25.00
	CPO PDR ACCOUNT	2	25.0000	50.00
	CPO PDR ITM STORED	556	0.0500	27.79
	CPO PRESEARCH ITEM	5	0.0000	-
	CPO PER IMAGE ACCESS	2	0.0000	-
	GCS TRANSACTION HISTORY	2	0.0000	-

IMAGE

	IMAGE ARCHIVE-90 DAYS	757	0.0000	-
	IMAGE MAINTENANCE CPO	2	12.0000	24.00

MISCELLANEOUS:

	CHECK COPY	1	10.0000	10.00
	PHOTOCOPY-MANUAL	1	10.0000	10.00

OTHER REQUIRED SERVICES NOT PREVIOUSLY LISTED:

	0.0000	-
ACH Addenda Record	0.0400	0.04
ACH DIRECT EPA AUTHORIZATION	5.0000	5.00
ACH DIRECT MONTHLY MAINT	25.0000	25.00
EPA ADMIN FEE W/ACH DIRECT	10.0000	10.00
RDC MONTHLY FEE	25.0000	25.00
RDC REPORTING MODULE	10.0000	10.00
RDC SCANNED ITEM	0.0300	0.03
KTT WIRE MAINTENANCE	0.0000	-
KTT ZBA REPORT	0.0000	-
		-
		-
		-
		-

Total		\$ 1,273.12
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SUBMITTALS

Submittal 1: BASIC COST ALLOCATIONS

Financial Institution Name: KeyBank N.A.

BASIC SERVICE COST ALLOCATIONS

We agree to furnish the required services identified in the attached form to be used in computing a required monthly compensating balance:

B. COMPENSATING BALANCE AND INTEREST RATE

CALCULATIONS Required compensating balance \$

Approximately \$9,000,000 @ 0.20% Earnings Credit Rate.

*Please note Earnings Credit Rating is subject to change.

Calculation of Earnings Credit

Earnings Credit Rate divided by 100 to create decimal	0.00200
Multiplied by days in month (30)	0.06200
Divided by days in year (365)	0.000169863
Truncated at 5 decimals	0.00016
Multiplied by the Balance Available to Support Services (\$9,000,000) *	\$ 1,440.00
Line Above = Earnings Credit Allowance	

Information contained in your statement will include: average ledger balance; average float; average collected balance; total depository and treasury management services used; total of all service charges for your relationship; and a client history with a summary of balances and service charge activity.

2. Resource Personnel

The financial institution shall identify personnel in both the City of Marysville branch and main office who are available during normal working hours to answer questions pertaining to transactions, requiring more detailed explanation. These personnel shall be familiar with the City's account(s) and the Banking Services Contract.

Your Key Team

Your Key Team members are dedicated to establishing a close relationship with the City. They will provide you with a personal and hands-on approach, beginning with implementation of any new services and lasting throughout the relationship.

Each team member will be familiar with the City's proposed banking relationship with Key. As such, in the event that one of your main contacts is not available, the other qualified members of your Key Team are ready to step in seamlessly and assist you. The City's Key Team members are as follows:

Contact	Expertise/Role	Address/Phone/Email
Remy Loges	Sales Associate Public Sector	1301 5th Avenue Seattle, WA 98101 Phone: 206-689-5722 Remy.Loges@key.com
Debbie Rivetts	Vice President Senior Client Manager ECP - Public Sector	1301 5th Avenue Seattle, WA 98101 Phone: 206-343-6961 Debbie_A_Rivetts@KeyBank.com
Robbi Stedman	Vice President Senior Relationship Manager Public Sector Banking KeyBanc Capital Markets	1301 5th Avenue Seattle, WA 98101 Phone: 206-343-6970 Robbi.Stedman@Key.com
Susie Todaro	Vice President Senior Payments Advisor Enterprise Commercial Payments	127 Public Square Cleveland, OH 44114 Phone: 216-689-4411 STodaro@Key.com

Experience and Responsibilities

Robbi Stedman will be the primary contact for the City's account management. She will work with you collaboratively to ensure your complete satisfaction with the relationship, as well as act as a partner in helping you accomplish your financial objectives. Robbi will make certain that all contract requirements are met and educate you about new solutions and services that are available to meet your changing needs. She will work in

For Bank Use Only
TIN # (required):
Account # (optional):
Document Type: Treasury Services Agreement
Aux Doc Type: Client Master Agreement
Contact Name: Debbe Rivetts
Phone: 206 343 6961
Agreement Modified Yes or No

CASH MANAGEMENT SERVICES MASTER AGREEMENT

KEYBANK NATIONAL ASSOCIATION ("Bank")

127 Public Square
Cleveland, Ohio 44114

Client Name ("Client"): City of Marysville
Client Street Address: 1049 State Avenue
City, State, ZIP: Marysville, WA 98270

Bank, or any Bank Affiliate(s), as the case may be, agree to perform, and Client agrees to purchase, cash management Service(s), as defined below. Client understands and agrees that Bank, in providing Services to Client from time to time, is relying on Client's representations, warranties and agreements herein, and all Services shall be and remain subject to this Master Agreement whether Services were purchased prior to the date hereof, on the date hereof, or after the date hereof. Client and Bank agree to the terms and conditions below.

1. Definitions.

(a) "Bank" shall mean KeyBank National Association and any Bank Affiliate(s), which may, from time to time, provide Service(s) for the Client.

(b) "Bank Affiliate(s)" shall mean any direct or indirect subsidiary (other than the Bank) of KeyCorp and its successors.

(c) "Banking day" shall mean any day other than a Saturday, Sunday, or a day on which Bank is authorized or required to close according to applicable law.

(d) "Client" shall mean the entity identified above as "Client" and shall include all entities listed on Exhibit A attached hereto and made a part hereof.

(e) "Client Affiliate" shall mean any entity that is a subsidiary of, or is affiliated with, Client, as identified on Exhibit A attached hereto and made a part hereof.

(f) "Deposit Account Agreement" shall mean the Deposit Account Agreement and Funds Availability Policy and Deposit Account Fees and Disclosures as amended from time to time governing the Client's deposit account with the Bank.

(g) "Internet" means the global, publicly accessible, network of interconnected computer networks that transmit data using the standard internet protocol.

(h) "Master Agreement" shall mean this Master Agreement, any Service Schedules and the Deposit Account Agreement.

(i) "MICR" shall mean magnetic ink character recognition.

(j) "Service(s)" shall mean any cash management services undertaken by the Bank for the Client, now or in

the future, including, without limitation, services with separate Service Schedules, and services without separate documentation.

(k) "Service Schedule(s)" shall mean a written agreement other than the Master Agreement, including without limitation service agreements or schedules by which Bank undertakes to provide Services to the Client, regardless of whether such Service Schedule is executed at the same time as this Master Agreement or at an earlier or later date.

2. Account Documentation. Client will execute and deliver to Bank such account documentation as Bank deems necessary. Bank will, in its sole discretion, determine the adequacy of such documentation, and may refuse to provide the Service(s) until such documentation is received by Bank. Client agrees promptly to notify Bank of any changes to any information presented in the account documentation. Client has received a copy of Bank's Deposit Account Agreement and agrees that such terms shall govern the deposit account servicing provided by Bank.

3. Client's Records and Media. Prior to the implementation of the Service(s), Client agrees to provide to Bank all records and data processing media necessary to perform the Service(s). The records will be legible, correct, complete and in the format specified in the Service Schedule(s), service manual(s) and related schedules. Checks will be MICR encoded according to the Bank's specifications. Bank will, in its sole discretion, determine the adequacy of the information and the format in which it is submitted, and may refuse to provide the Service(s) until such information and/or format is deemed satisfactory.

4. Software Provided in Connection with Performance of Service(s). All software, specifications, tapes or other media, programs and procedures owned by the Bank or its service

providers and used in connection with the performance of the Service(s), will be and remain the sole property of the Bank and will not be modified or altered in any way or used for any other purpose by the Client. The terms of all license and copyright notice requirements shall be complied with by the Client.

5. Client Failure to Furnish Satisfactory Records and Media. The Bank's performance under this Master Agreement is subject to the Bank's receiving timely, accurate and complete data for each Service, in form and on media specified by the Bank. If any of these requirements are not met by Client, the Bank shall: a) no longer be bound to any delivery schedule set forth in the Service Schedule(s), and b) be authorized to deliver as complete and finished whatever portion of the Service(s) that can be performed with the data available.

6. Client's Duty to Inspect. Client must inspect all Service(s) performed and notify the Bank within thirty (30) days after the material containing the error or of a report or statement reflecting the error is mailed or otherwise made available. Except to the extent required by law, failure to notify the Bank of errors within this time will relieve the Bank of any and all liability.

7. Confidentiality. Each party understands and acknowledges that the other party may gain access to software or documentation owned or licensed by, or to certain information, material or data of a confidential nature, including, without limitation, trade secrets relating to, such party or its businesses or operations. Each party agrees to keep all such information, material, or data confidential.

8. Limitation of Liability; Disclaimer of Warranties. Except to the extent required by law, the Bank's duties and liabilities will be limited to those set forth herein. The Bank will exercise reasonable care in providing the Services. The Bank's liability shall be limited to actual damages sustained by Client and only to the extent such damages are a direct result of the Bank's gross negligence or willful misconduct. The liability of the Bank in all these instances shall not exceed the recovery of funds erroneously processed or not processed. The Bank shall not be liable for damages caused by any act or omission of any third party, or for any charges imposed by any third party. In no event shall the Bank be liable for special, incidental, punitive or consequential loss or damage of any kind including, but not limited to, lost profits (whether or not the Bank has been advised of the possibility of such loss or damage). Bank shall have no liability hereunder to any third party. The Bank shall be relieved of liability where the Bank performs any Service in accordance with any instruction or information provided by Client or Service Schedule(s), and the Bank may rely on the accuracy of any information set forth in the Service Schedule(s). Bank does not make any warranties, expressed or implied, with respect to the Service(s), Client's direct access thereto, or the software, components, systems, specifications, programs, documentation, manuals and accessories used in conjunction therewith.

BANK HEREBY EXPRESSLY DISCLAIMS ALL WARRANTIES, EXPRESS OR IMPLIED, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE TO CLIENT OR ANY OTHER PARTY.

9. Fees. Client shall compensate the Bank for Service(s) in accordance with the Bank's standard fee schedule, unless otherwise agreed in writing, and shall be liable for all taxes applicable to the Service(s). The Bank may amend the fee schedule at any time and will give written notice to Client of changes in fees for Service(s) then used by Client. Bank may debit Client's account for payment of charges then due unless

Client arranges for another payment procedure acceptable to Bank.

10. Overdrafts; Set-off. In the event any actions by Client should result in an overdraft in any of its accounts, Client is responsible for repaying the overdraft immediately, without notice or demand, together with interest thereon at a rate determined in accordance with Bank's fee schedule in effect from time to time. Bank has the right, in addition to all other rights and remedies available to it, to set off the unpaid balance of any amount owed it in connection with the Service(s) against any debt or deposit owing to the Client by the Bank or any Bank Affiliate, or property of Client in Bank's or Bank Affiliate's possession or control.

11. Financial Condition and Credit Limits. The Client agrees to provide financial statements (the quality of which to be defined by the Bank) for any time period requested by the Bank. The Client also authorizes the Bank to obtain credit reports on the Client at any time. In the event the Service(s) selected by Client result in unacceptable credit exposures to the Bank or affect the amount of capital required or expected to be maintained by the Bank or its parent under any law, regulation, guideline, or request from any central bank or governmental authority, or if the Client fails to provide the Bank with any credit, financial or other information the Bank may require from time to time, the Bank may, in its discretion, immediately cancel the Services contemplated herein, or limit Client's transaction volume or dollar amount.

12. Security Procedures. If the Service(s) are subject to security procedures, Client agrees that it shall be solely responsible to assure that such security procedures are followed by Client, as they may be amended from time to time. If such procedures are violated, Client agrees to promptly notify Bank of any such violation or breach. Client acknowledges that it has reviewed all applicable security procedures, has selected its preferred security procedure where applicable, and has determined that such procedures are commercially reasonable. Client agrees that it will keep the security procedures strictly confidential and will take all steps to make sure neither Client nor any agent, employee, representative or any other affiliated party of Client reveals or provides access to any confidential information or security procedures to anyone other than Client's authorized users, and then only within Client's use of the Services for purposes of conducting transactions. Client shall be responsible for any unauthorized use or disclosure of any security procedures and all security procedure materials entrusted to it. Client agrees to regularly read the security messages on the Bank's websites (including without limitation KTT) and to implement and maintain safe and secure computing practices. Bank shall not be liable for any loss, damage, or liability which may arise from the unauthorized use of the security procedure. Client shall notify Bank immediately if Client or any of its agents have reason to believe that any security procedure has or may become known to an unauthorized person.

13. Third Party Provider. Client agrees that Bank may arrange for some or all of the Services and/or software to be provided or performed by third party providers including Bank Affiliates (each a "Provider"). The use of a Provider to perform Services shall not relieve Bank of its obligations under this Agreement.

14. Indemnification. The Client shall defend, indemnify and hold the Bank harmless from any and all liabilities, losses, damages, costs, and expenses of any kind (including, without limitation, the reasonable fees and disbursements of counsel) asserted by a third party relating to or arising out of this Master Agreement or any Service Schedule(s); provided, however, that

the Bank shall have no right to be indemnified hereunder for its own bad faith, gross negligence, or willful misconduct as determined by a court of competent jurisdiction.

15. Internet. Certain of the Services or functionality of the Services may be provided through the Internet. Bank recommends that Client have appropriate security measures for Internet use, including, a proxy server and/or firewalls to control and protect Internet access. In no event will Bank have any liability in connection with and shall not be responsible for (a) inability to connect to or use any Service via the Internet or inability to communicate with Bank via the Internet or any website resulting from a problem with an Internet service provider or online service provider, failure of Client's systems or otherwise, (b) unknown hazards of Internet use, including, but not limited to interception of any information relating to Client or its transactions, or any application errors in or security breaches of any Internet browser, or (c) any data that is lost or destroyed in connection with the use of the Internet.

16. Key Total Treasury. Key Total Treasury is Bank's online banking system ("KTT"). After completion of the appropriate documentation, acceptance of applicable online agreements, and upon notice from Bank, Client may communicate instructions and other information, enter into transactions and access Services by accessing the Internet. Client acknowledges receipt of the security procedures for KTT and agrees that they are commercially reasonable for the instructions, transactions, communications and Services accessed by Client using KTT. Client agrees that it is responsible for each request, transaction, or other communication initiated using Client identifiers and security procedures issued by Bank to Client. Client covenants and agrees that Client may only use KTT to initiate funds transfers on its own behalf and in Client's own name. Client will not use KTT to initiate funds transfers on behalf of Client's customers or other third parties.

17. E-mail. Client acknowledges that Bank may provide email notifications relating to Client's use of KTT or otherwise regarding the Services ("E-mail Notices"). Except as set forth in Section 30 regarding Electronic Records Disclosures below, Client agrees that Bank provides E-mail Notices as a courtesy only to Client and that it is Client's responsibility to access KTT in order to view transactions and information regarding activity in KTT and to monitor Client's Services and accounts hereunder. Client's receipt or lack of receipt of any E-mail Notice has no effect as to the transactions or information. Unencrypted e-mail is not secure. Client agrees not to rely on e-mail if Client needs to communicate with Bank immediately. Client should not use e-mail, or reply to any e-mail, to send Bank Client's confidential information. Bank will not take action based on Client's e-mail request until Bank actually receives Client's message and has a reasonable opportunity to act. Client agrees to update its e-mail address on Bank's records and to maintain at all times a valid and active e-mail address at an Internet service provider. Client waives any claim based on any erroneous or incomplete E-mail Notice, Client's failure to receive an E-mail Notice, or Bank's failure to send any E-mail Notice.

18. Term. Either party may terminate this Agreement or any Service Schedule at any time for any reason or no reason upon written notice to the other party, provided, however, unless otherwise stated in the notice, such termination shall not be effective until thirty (30) days after receipt of such notice by the receiving party. In the event of any termination, all fees incurred under this Agreement so terminated shall become immediately due and payable. All warranties of the Client made herein and obligations of Client that arose prior to termination shall survive the termination of this Agreement and the processing of any

item, entry or payment order which may be applicable thereto, shall bind the successors and permitted assigns of the Client and shall inure to the benefit of Bank, its successors and assigns.

19. Force Majeure. The Bank shall bear no responsibility for non-performance of one or more Service(s) caused by an event beyond its reasonable control, such as: fire, casualty, breakdown in equipment or failure of telecommunications or data processing services, lockout, strike, unavoidable accident, act of God, riot, war or the enactment, issuance or operation of any adverse governmental law, ruling, regulation, order or decree, or an emergency that prevents the Bank from operating normally.

20. Severability. If any provision of this Master Agreement or any Service Schedule(s) shall be determined by a court of competent jurisdiction to be unenforceable, that provision shall be interpreted so as to achieve, as much as possible, the purposes intended by the original provision, and the remaining provisions of the Service Schedule(s) and this Master Agreement shall continue intact.

21. Governing Law. This Agreement and Service Schedule(s), and all deposit accounts ("Accounts") held at Bank shall be governed by the laws of the State of Ohio (without regard for conflict of law rules) and applicable federal law, but with respect to all fees and charges related to your Account(s) and the Services provided herein, federal law alone shall control.

22. Other Agreements. The parties agree that the Service Schedule(s), Deposit Account Agreement and this Master Agreement constitute the terms and conditions for the Service(s) and the matters covered hereunder. To the extent there is any conflict among this Agreement, the Service Schedules, or the Deposit Account Agreement, the terms of the Service Schedule shall control. Services are provided subject to other laws, regulations, and agreements which are incorporated into this Agreement by reference: service documentation such as set-up guides and user manuals as provided by Bank from time to time; the Uniform Commercial Code, as enacted in the State of Ohio; the most recent Deposit Account Agreement; applicable clearing house rules; and laws and regulations applicable to Bank or Client.

23. Independent Contractor. Client agrees that in performing the Service(s) hereunder, the Bank will be acting as an independent contractor and not as an employer, employee, partner, or agent of Client.

24. Amendments. The Bank may change, add or delete the terms of this Master Agreement and any Service Schedule(s) upon thirty (30) days prior notice to Client in writing or by electronic means. Client's continued use of or failure to terminate any Service after the effective date of the change will evidence Client's agreement to the change.

25. Assignment. This Master Agreement and Service Schedule(s) shall not be assigned or otherwise transferred by the Client without the prior written consent of the Bank.

26. Authorization. Client, and each of them if more than one, warrants and represents on the date hereof and on any date any Service is performed, that (i) Client is duly organized, validly existing, and in good standing in the jurisdiction in which it is organized; (ii) there are no provisions of any law, or any certificate of incorporation or by-laws, or any agreement of any kind, nature or description binding upon Client which prohibits Client from entering into or performing under this Master Agreement and Service Schedule(s); (iii) the execution and performance of this Master Agreement and Service Schedule(s)

has been duly authorized; and (iv) this Master Agreement and Service Schedule(s) are binding obligations of Client.

(b) The undersigned warrants and represents as to Client, and each of them if more than one, that (i) the undersigned is an officer of Client duly authorized to act on behalf of Client ("Authorized Officer"); (ii) Client has taken all action required by its organizational documents to authorize the Authorized Officer to execute and deliver this Master Agreement and Service Schedules and to bind Client thereto; (iii) Authorized Officer is duly authorized to designate employees or agents of Client to act in the name of and on behalf of Client with regard to the Services; (iv) without limiting the generality of the foregoing, Authorized Officer is duly authorized to give Bank direction regarding the withdrawal, disbursement, or other transfer of funds by wire, computer, automated clearing house, or other electronic means and to delegate employees and agents of Client to give Bank direction regarding such transfers; and (v) Client has received a copy of the Master Agreement.

(c) Client, and each of them if more than one, covenants and agrees that Bank is relying on the authority of the Authorized Officer to act on behalf of Client, including any and all of the entities listed on Exhibit A, and waives any defense or other claim that the Authorized Officer was not authorized to act on behalf of any Client in regard to the Services.

27. Compliance with Law. Client shall comply with all valid laws and regulations now in effect or hereafter promulgated by any properly constituted governmental authority having jurisdiction over Client and Client's business.

28. Waiver. Failure of a party to insist upon strict adherence to any term of this Master Agreement on any occasion shall not deprive the forbearing party of the right thereafter to insist on strict adherence to that term or any other term in this Master Agreement. Any waiver of a breach shall not be construed as a waiver of any subsequent breach, whether or not similar.

29. Communications. Unless otherwise specified in a Service Schedule, all notices required to be given hereunder or under any Service Schedule(s) may be given in writing, telephone or fax addressed to the Bank or the Client at the address appearing on the first page of this Master Agreement or such other address as specified by either party in writing. Notices shall be effective upon receipt except as otherwise specified. Any notice which is required to be given to Client pursuant to this Master Agreement or any Service Schedule, shall be sufficient as to each and every Client if more than one, when provided to Client at the address listed on the first page of this Master Agreement. If Client chooses to use unencrypted electronic mail ("email") or other insecure method to communicate with Bank, Client agrees to bear the risk that its email may be corrupted, modified, or hacked, or its confidentiality may be otherwise breached by a third party, and the risk that Bank may rely on the email, which appears to be from Client, but is unauthorized, and such reliance results in a loss.

30. Electronic Records Disclosure. (a) Client agrees to receive electronic delivery of statements, images, records, agreements, disclosures, notices, and other information ("Electronic Records") for Client's accounts at Bank as designated by Client in writing to Bank from time to time ("Designated Accounts"). The Electronic Records will be available via access through a secure website such as Key Total Treasury or Key Business Online or such other website as Bank establishes from time to time ("Website"). Client may elect to receive one or more Electronic Records for each Designated Account. Bank will notify Client from time to time regarding what records are available as Electronic Records.

(b) For records that Client has not selected to receive electronically through the Service, Bank will deliver such records in paper form and Bank's standard fee then in effect and charged for paper delivery of records will apply. For records that Client has selected to receive electronically through the Service, Client may request a paper copy of an Electronic Record previously delivered and Bank's standard fee then in effect and charged for paper delivery of records will apply. Even though Client has requested electronic delivery of selected Electronic Records through the Website, Bank may, at its discretion, deliver certain Electronic Records in paper form, however, in such case no fee will be charged. A paper copy of Electronic Records can be obtained until the copy is no longer required to be maintained as a record for the Designated Account under applicable law or regulation.

(c) Client will receive notice advising Client that Electronic Records of Statements and Wire Advices for Designated Accounts have been posted to the Website by e-mail ("Alert Notice") sent to the e-mail address selected and confirmed by Client ("E-mail Address"). Client may select and confirm one or more E-mail Addresses, however, Client agrees that an Alert Notice sent to any one of the E-mail Addresses shall constitute notice to Client. This Alert Notice will be the only notice Client will receive. As used herein, "Statement" means the account statement for an account and "Wire Advice" means a notice to Client of an incoming wire transfer to an account; both are "Electronic Records" hereunder. Client agrees that any and all Alert Notices sent by Bank to any of the E-mail Addresses will constitute sufficient and effective delivery and notice to Client of information contained in Client's Statements and Wire Advices whether or not Client accesses or reviews the Alert Notice, Website or specific Electronic Record, and shall be deemed to have been delivered to Client, whether actually received or not.

Client agrees to maintain computer capability and access to the Website in a manner that gives Client continuous ability to access, review, download and print Client's Electronic Records and to receive and access e-mail Alert Notices to Client at each of the E-mail Addresses. Client must immediately advise Bank of all changes or updates to any E-mail Address or if such E-mail Address becomes inoperative or inactive and to immediately identify another E-mail Address to be used for the Service. If Bank attempts to send an Alert Notice to any E-mail Address and receives two (2) consecutive reports from an e-mail service provider or other source that the e-mail is undeliverable, Bank may, at Bank's sole discretion, automatically unenroll Client and cancel the Service for all Designated Accounts and Client may begin receiving account records through the U.S. Mail subject to the terms hereof, including, without limitation, any applicable fees. It is Client's sole responsibility, whether the content of such Alert Notice is delivered by mail, electronic mail or other electronic means, to access and review promptly its own Electronic Records for its Designated Account. The Electronic Records are delivered in a manner to allow Client immediate access to download and print the Electronic Records on its personal computer.

(d) Certain risks are associated with the transmission of confidential Electronic Records and Alert Notices through the internet including but not limited to unauthorized access, systems outages, delays, disruptions in telecommunications services and the Internet. E-mail is not private or secure. Alert Notices sent to Client by e-mail are unencrypted, automatic alerts. Client acknowledges that an Alert Notice could be seen or intercepted by others if delivered to Client's business address or other computers or electronic devices not exclusively under Client's control. This means that a person who is able to access Client's e-mail will be able to view information relating to Client's Designated Account contained in the Alert Notice. Client will not

respond to the Alert Notice by return e-mail, or use it to request information, service, paper copies or other items or to revoke consent. Bank will not be responsible to act upon requests made in that manner.

31. Jury Trial Waiver. Both the Client and the Bank hereby waive the right to any jury trial in any action, proceeding, or counterclaim brought by either the Client or Bank against the other.

32. Fraud. This Agreement provides certain precautions Client can take to decrease the risk of fraud, which are in addition to other reasonable precautions Client can or should take to decrease the risk of fraud generally, and as relates to Client's particular circumstances. Bank will make available to Client certain products and services that will assist Client in decreasing the risk of fraud. Client agrees that if Client fails to implement any of these products or services, or if Client fails to take such precautions, Client will be precluded from asserting any claims against Bank for paying any unauthorized, altered, counterfeit or other fraudulent item that such product, service or precaution was designed to detect or deter, and that Bank will not be required to pay such item, re-credit Client's account, or otherwise be liable for such item.

33. Lockbox. If Client utilizes Bank's lockbox services ("Lockbox Services"), Client agrees that the following terms and conditions shall apply: (a) Foreign items received through the Lockbox Services will be credited to Client's account at such time as Bank receives final payment for such items. The term "foreign item" is an item (check) not drawn on a U.S. bank, or is not payable in U.S. dollars; and (b) If in regard to the Lockbox Services Client requests, verbally or in writing, that Bank return checks bearing a restrictive endorsement or legend (e.g., "final payment", "paid in full" or words of similar meaning), Client agrees that Bank does not accept responsibility for Bank's failure to discover and return such items.

34. Client Affiliates. Any Client Affiliate(s) shall, if they are identified on Exhibit A hereto, also be deemed to be parties to this Master Agreement and any Service Schedule(s) executed by Client. Client represents and warrants, on behalf of, and at the direction of, each Client Affiliate that the Authorized Officer appointed by Client (a) is hereby deemed to be an authorized representative of each Client Affiliate, and is duly authorized to act on behalf of each Client Affiliate, (b) each Client Affiliate has taken all action required by its organizational documents to authorize such Authorized Officer to execute and deliver this Master Agreement and any Service Schedule(s) and to bind each Client Affiliate thereto, and (c) unless otherwise designated in writing by both Client and any respective Client Affiliate, the Authorized Officer is authorized to act in the name of, and on behalf of, each Client Affiliate with regard to this Master Agreement and any Service Schedule(s). Client further represents and warrants that each Client Affiliate has received a copy of this Master Agreement and any Service Schedule(s). By executing this Master Agreement, Client, on behalf of itself, and any Client Affiliate, agrees that Client shall be liable for any obligations of Client or any Client Affiliate under this Master

Agreement and/or any Service Schedule(s). Client, for itself, and on behalf of any Client Affiliate, further agrees to indemnify and hold Bank harmless for any claim, loss, cost, expense, or damages resulting from any action taken as a result of Bank's reliance on Client's signature on this Master Agreement, whether for itself or on behalf of any Client Affiliate. Any notice which Bank is required by this Master Agreement or any Service Schedule(s) to provide to Client or any Client Affiliate shall be provided only to Client. Each such notice shall be deemed to constitute notice to all parties to this Master Agreement and any Service Schedule(s) and shall satisfy the notice requirement set forth herein.

By signing below, the undersigned Authorized Officer of Client understands and agrees that he/she is signing on behalf of the Client whose name appears immediately below and on behalf of each and every other Client and Client Affiliate listed on the "Client List," attached hereto as Exhibit A, and made a part hereof. Exhibit A may be amended from time to time by adding or removing a Client Affiliate from the Client List. Addition or removal of a Client Affiliate on Exhibit A shall be effective only upon receipt by Bank of a new Exhibit A in a form acceptable to Bank in its sole discretion.

Client: City of Marysville

By: _____
Signature Date

Printed Name

Title

KEYBANK NATIONAL ASSOCIATION

By: _____
Signature Date

Printed Name

Title

ADDENDA AND SERVICE SCHEDULES ATTACHED

- | | | | |
|-------------------------------------|------------------------------------------------------------------------------------------------------------------|-------------------------------------|--------------------------------------------------------------------------|
| <input type="checkbox"/> | Guaranty Addendum to Master Agreement | <input type="checkbox"/> | International Draft – Payment Facility Service Schedule |
| <input checked="" type="checkbox"/> | ACH Direct Service Schedule | <input type="checkbox"/> | Key2Benefits Service Schedule |
| <input type="checkbox"/> | Aptexx Referral Services Service Schedule | <input type="checkbox"/> | Key2Business Client Agreement |
| <input checked="" type="checkbox"/> | Automated Clearing House Debit Protection Service Schedule | <input type="checkbox"/> | Key2Payroll® Service Schedule |
| <input type="checkbox"/> | Automated Credit Sweep Service Schedule | <input checked="" type="checkbox"/> | Key2Prepaid Service Schedule |
| <input checked="" type="checkbox"/> | Automated Clearing House Electronic Data Interchange Service Schedule Exhibit A | <input type="checkbox"/> | Key2Purchase Client Agreement |
| <input type="checkbox"/> | Automated Clearing House Returned Check (RCK) Service Schedule | <input type="checkbox"/> | Key Accounts Manager Agreement |
| <input type="checkbox"/> | Automated Clearing House Accounts Receivable Conversion (ARC) Back Office Conversion (BOC) Service Schedule | <input type="checkbox"/> | Key Capture® Service Schedule |
| <input type="checkbox"/> | Automated Investment Sweep Account Service Schedule | <input type="checkbox"/> | Key Capture® Service Schedule Third Party Provider/Related Entity |
| <input type="checkbox"/> | Bill Pay Consolidator Service Schedule | <input checked="" type="checkbox"/> | Key Capture® Plus Service Schedule |
| <input type="checkbox"/> | Centralized Returns Items | <input checked="" type="checkbox"/> | Key Capture® Plus Service Schedule Use of Third Party |
| <input type="checkbox"/> | Consolidated Payables Service Schedule | <input type="checkbox"/> | Key Liquid Reserve Service Schedule |
| <input type="checkbox"/> | E-Bill & Collect Service Schedule | <input type="checkbox"/> | KeyPatient POS ^(SM) Service Schedule |
| <input type="checkbox"/> | Electronic Record Delivery Service Schedule & Exhibit A | <input type="checkbox"/> | Payment Protection Service Schedule |
| <input type="checkbox"/> | Health Plan Solution Service Schedule | <input type="checkbox"/> | Payment Management Services Service Schedule |
| <input type="checkbox"/> | Health Plan Solution Claims Settlement Services Addendum | <input checked="" type="checkbox"/> | Positive Pay Service Schedule |
| <input type="checkbox"/> | Health Plan Solution – Member Payments Services Addendum | <input type="checkbox"/> | Third Party Funds Transfer Addendum to Wire Transfer Service Schedule |
| <input type="checkbox"/> | International ACH Transactions Addendum to Automated Clearing House/Electronic Data Interchange Service Schedule | <input type="checkbox"/> | Third Party Service Provider Agreement |
| <input type="checkbox"/> | International Draft Payment Facility Addendum | <input type="checkbox"/> | Third Party Sender Agreement – ACH Services |
| | | <input checked="" type="checkbox"/> | Wire Transfer Service Schedule |
| | | <input type="checkbox"/> | Wire Transfer Service Payment Authorization Form |
| | | <input checked="" type="checkbox"/> | Universal Payment Code (UPIC) Addendum |
| | | <input type="checkbox"/> | Modification Addendum (to be used for revisions to any of the foregoing) |

NOLAN & HELLER, LLP

MEMORANDUM

To:	Anthony M. Hoehler, Esq.
From:	Madeline H. Kibrick Kauffman, Esq. and Joshua P. Fleury, Esq.
Date:	May 4, 2016
Re:	Modification Request -- City of Marysville, Washington

Below is our summary of the requested modifications to the Cash Management Services Master Agreement and the Key2Prepaid Program Client Services Agreement, and our proposed responses thereto:

Cash Management Services Master Agreement

<u>Section:</u>	<u>Requested Modification:</u>	<u>Proposed Response:</u>
Section 7 ("Confidentiality")	Modify Section 7 to comply with Client's with public records obligations under state law.	ACCEPTED. Section 7 modified to read, as follows: "7. Confidentiality. Each party understands and acknowledges that the other party may gain access to software or documentation owned or licensed by, or to certain information, material or data of a confidential nature, including, without limitation, trade secrets relating to, such party or its businesses or operations. Each party agrees to keep all such information, material, or data <u>confidential to the extent permitted under the Public Records Act, Chapter 42.56 RCW, and other applicable law.</u> "
Section 21 ("Governing Law")	Modify Section 21 to provide for Washington law as the governing law.	ACCEPTED.

Key2Prepaid Program Client Services Agreement

<u>Section:</u>	<u>Requested Modification:</u>	<u>Proposed Response:</u>
Section 11 ("Confidentiality")	Client requests confirmation as to whether Section 11 permits KeyBank to sell Client's cardholder information.	KeyBank to respond.

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