

# REPUBLIC BANK

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Member FDIC

## Collateralized Sweep Account Agreement

This Sweep Agreement ("Agreement") is made and entered into this 20th day of June, 2014 between Lexington Fayette ("Client") and Republic Bank And Trust Company ("Republic"). WHEREAS, Client has opened and maintains demand deposit account # 58039449 (the "DDA") with Republic, and WHEREAS, Client requests that Republic invest excess funds in the DDA in securities subject to overnight repurchase agreements, and WHEREAS, the parties hereto desire to provide for said investments; NOW, THEREFORE, the parties hereby agree as follows:

1. Republic will establish on behalf of Client an account (the "Sweep Account") to operate in accordance with this Agreement. **THE SWEEP ACCOUNT BALANCE IS NOT A DEPOSIT WITHIN THE MEANING OF 12 U.S.C. 1813(f) AND IS NOT INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION.** Repayment of the Sweep Account balance is not guaranteed by the United States Government or any agency thereof. Collected funds in excess of 250,000.00 ("Peg Amount") in the DDA will be transferred into the Sweep Account and will be invested by Republic in securities subject to overnight repurchase agreements, pursuant to which Republic will sell whole or partial interests in specified securities to Client and agrees to repurchase them from Client on the next Banking Day. IF REPUBLIC WERE TO FAIL, THE SWEEP ACCOUNT BALANCE WOULD HAVE SECURED CREDITOR STATUS. Republic will accrue interest on the end-of-day collected balances (ledger balance less float) in the Sweep Account at the per annum interest rate listed below, payable monthly by credit to the DDA. Interest will be paid at a rate no higher than 4.25 % per annum. The interest rate and/or the "Peg Amount" shall be subject to change from time to time at Republic's sole discretion. Only collected funds in the DDA in excess of the "Peg Amount" will be transferred into the Sweep Account and invested hereunder. Client may make deposits to and withdrawals from, and conduct other transactions in, the DDA in accordance with Republic's account rules governing the DDA. Client shall have no right to withdraw from or add to the Sweep Account, except as hereinafter provided in the case of a default by Republic of its repurchase obligation, as all transfers to and from the Sweep Account shall be conducted by Republic pursuant to this Agreement.

2. On any day on which Republic shall be open for the transaction of substantially all business which it normally transacts ("Banking Day"), if after completion of posting to the DDA the collected balance in the DDA is less than the "Peg Amount", Republic is authorized to transfer from the Sweep Account such amount as is required to cause the collected balance in the DDA to equal or exceed the "Peg Amount." Such transfer shall be made after crediting the net proceeds of all applicable transactions in the Sweep Account.

3. The obligation of Republic to pay interest under this Agreement is not related to the interest earned by Republic on the securities in which the Sweep Account balances are invested and is in lieu of such interest. Client authorizes Republic to complete the daily purchase and sale of securities subject to overnight repurchase agreements in Client's name. Republic will promptly send to Client a written confirmation of each transaction, describing the subject securities by issuer, coupon rate, maturity date and market value. Republic will issue monthly statements to Client showing all transfers, balances and interest earned pursuant to this Agreement. No securities purchased or sold hereunder shall be delivered to Client, but instead shall be held in custody by Republic, in its capacity as a securities intermediary, and marked on Republic's books as being held on Client's behalf. Republic shall have full right to select the securities utilized under this Agreement and shall not be affected by any directions of Client in such regard. Fluctuations in the market value of such securities shall be the sole risk of Republic, and Client shall neither be entitled to any increase in value nor responsible for any decrease in value of such securities.

4. In the event Republic defaults at any time on its obligation to repurchase securities from Client as required by this Agreement, then Client shall have the immediate right to have such securities liquidated and the proceeds applied in satisfaction of such obligation; in such event, Republic, acting as agent for Client, shall effect or cause to be effected Client's orders regarding such securities, including the sale thereof and/or the transfer thereof into Client's name on the books of any securities intermediary holding such securities on Republic's behalf.

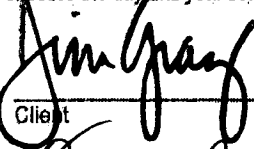

5. This Agreement may be terminated by either party at any time. Upon termination of this Agreement, Republic shall transfer any balance in the Sweep Account to the DDA.

Initial Peg Amount: 250,000.00

Initial Interest Rate: .020 % per annum

Interest Rate Index: 205

IN TESTIMONY WHEREOF, the parties hereto have executed this Agreement by their respective duly authorized officers or agents, or individually, effective the day and year set forth below.

  
\_\_\_\_\_  
Client  
  
\_\_\_\_\_  
Republic

7-14-14  
\_\_\_\_\_  
Date  
7-14-14  
\_\_\_\_\_  
Date

\_\_\_\_\_  
Client  
\_\_\_\_\_  
Date

CALENDAR DT  
08/20/2014  
RBTAC010  
REV 09/01/08

**REPUBLIC  
BANK**

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**Authority of Company to Open Deposit Account**

Date: 06/20/2014

Account Number: 58039449

I, the undersigned, hereby certify to Republic Bank ("Bank") that at a lawfully convened meeting of Lexington Fayette ("Company"), a company organized and existing under the laws of Kentucky, the following resolutions were duly adopted, and said resolutions have been entered upon the regular minute books of the Company, are in accordance with the bylaws or operating agreement and are in full force and effect.

RESOLVED that any 1 of the following officers or members of the Company are hereby authorized to open a bank account or other accounts from time to time with the Bank for and in the name of the Company with such title or titles as designated below:

Special Conditions:

Name	Title
Russell A Cook JR	Director of Revenue
Phyllis A Cooper	

The above named officers or members of the Company, and their successors in office, and any other person hereafter authorized to sign on behalf of the Company, are hereby authorized to sign checks, drafts, acceptances, and other instruments, and orders for payment or withdrawal of monies, credits, items and property at any time held by the Bank for the account of the Company, and the Bank is hereby authorized to honor any or all other instruments and orders authorized to be paid by the Bank, including such as may bring about an overdraft and such as may be payable to or for the benefit of any signer thereof or other officer/manager or employee individually without inquiry as to the circumstances of the issue, amount or the disposition of the proceeds thereof, without limitation.

RESOLVED that the Bank is hereby authorized to accept for deposit for the account of the Company for credit or for collection, or otherwise, any or all checks, drafts, and other instruments of every kind endorsed by any person or by hand stamp impression in the name of the Company or without endorsement.

RESOLVED that each of the foregoing resolutions and the authority thereby conferred shall remain in full force and effect until written notice of revocation or modification shall be received by the Bank; that the Secretary or any Assistant Secretary or any other officer or managing member of the Company is hereby authorized and directed to certify to the Bank the foregoing resolutions, the names of the officers or members and other representatives and specimens of their respective signatures; and that the Bank may conclusively assume that persons at any time certified by it to be officers/ members or other representatives of the Company continue as such unless the Bank has received and acknowledged written notice of any changes.

IN WITNESS WHEREOF, I have hereunto set my hand Secretary/Managing Member\* and affixed the seal of the said Company this 20th 14th day of June 2014 in the year 2014

Secretary/Managing Member: [Signature]

\*in case the Secretary/Managing Member is authorized to sign by the above resolution, this certificate should be attested below by a second officer, director or managing member of the Company.

Attest: [Signature] Deputy Council Clerk  
Official Designation (any officer, director or managing member)

(SEAL)

**Lockbox Processing Agreement**

This Agreement is between Republic Bank & Trust Company (the "Bank"), located at 601 West Market Street, Louisville, Kentucky, and Lexington Fayette Urban County Government (the "Customer"), located at 200 E Main St, Lexington KY 40507-1310.

NOW, THEREFORE, IT IS AGREED that the Bank will provide lockbox services to Customer in accordance with the following terms:

**1. Type of lockbox service:**

Wholesale Lockbox Processing

Retail Lockbox Processing

Wholetail Lockbox Processing (combination of Wholesale and Retail)

**2. Address to be used:** PO Box 3090 / 1088 Nandino Blvd  
Lexington, KY 40511

All envelopes containing items to be processed under this agreement must bear the address assigned by Bank or the Customer's address.

**3. Remittance Collection:**

The Bank's staff will have unrestricted and exclusive access to pick up Customer's remittances, bearing assigned address and deliver them to the transmittal banking center for processing. Staff will open the envelopes, remove and inspect the contents and process as follows:

- A. Inspect the checks for acceptable payee. The Payee or Endorsee must be the Customer, designated in the manner set forth below, or a reasonable variation thereof as determined solely at the discretion of the Bank.

Customer may supply names of other acceptable payees and endorsees, which shall also be set forth below. If the manner in which the payee or endorsee has been designated differs from that set forth below, or a reasonable variation thereof as determined solely at the discretion of the Bank, the check will be designated as an invalid payee, will not be deposited, and will be sent back to Customer for disposition.

Acceptable payees include any of the following names or combination of names (or abbreviations of) or any reasonable variations of the below as determined by the Bank:  
SEE ATTACHED

- B. Undated checks: The Bank will date undated checks as of the date of receipt.
- C. Postdated checks: Any check postdated more than two days from the date of receipt will not be deposited. These will be returned to Customer for review and follow-up.
- D. Stale Date: Checks dated six (6) months or more prior to the date of receipt will not be deposited. These will also be returned to the Customer for review and follow-up.
- E. Differing Amounts: Checks on which the written amount (numeric totals) is different from the other, will be processed by the Bank only if the correct amount can be determined from the accompanying documents solely at the discretion of the Bank. Otherwise, the check will not be deposited and will be returned to Customer
- F. Signature Missing: If the issuer of the check can be identified from the face of the check, the Bank will deposit and process the check by affixing a stamped impression requesting the issuer's bank to contact the issuer for authority to pay (i.e., "if unpaid due to lack of signature, please refer to maker"). Checks which do not bear the issuer's signature and do not indicate the issuer's identity will be sent to the Customer.
- G. Paid-in-full Item Notations: Checks bearing a "paid in full" notation or words of a similar nature which are either typed or handwritten will be referred to Customer by the Bank; however, the Bank disclaims liability and Customer agrees to hold the Bank harmless for any such items inadvertently deposited to Customer's account.
- H. Restrictive Accompanying Payor Advices: Restrictive Accompanying Payor Advices and/or any accompanying remittance or similar restrictive instruction bearing a "paid in full" notation or words of a similar restrictive nature which may be either typed or handwritten on an Accompanying Payor Advice, will not be referred to Customer by the Bank; and, the Bank disclaims any liability and Customer agrees to hold the Bank harmless for any such Restrictive Accompanying Payor Advices affecting the Customer's rights as it relates to the deposit of the associated check or item.

**4. *Processing of unacceptable checks and miscellaneous correspondence:***

The following will be batched separately and forwarded to the Customer along with the daily remittance material:

- A. Checks which are not deposited for any of the reasons stated in Section 3 of this Agreement.
- B. Papers or documents which accompany payments.
- C. Envelopes which contain only correspondence (no moneys).

5. ***Wholesale Processing Procedures to be Followed (if applicable):***

A. Basic Remittance System

1. Receive incoming mail
2. Sort and Prepare mail for processing
3. Open, sort, and inspect remittance
4. Data entry of check payee information and amount
5. Check image capture, balancing, encoding, and deposit preparation on NCR 7780 Reader/Sorter
6. Perform data entry, if applicable
7. Attach check images with remittance work, if applicable
8. Prepare deposit report.
9. Deposit notification and/or transmission reporting, if applicable

B. Prepare support information for delivery, sorting as follows:

1. Remittances with Checks
2. No Moneys
3. Correspondence, News Updates, Provider Relations Information

6. ***Retail Processing Procedures to be Followed (if applicable):***

A. Basic Remittance System

1. Receive incoming mail
2. Sort and prepare mail for processing
3. Open, sort, and inspect remittance documents
4. Check and remittance capture, balancing, and deposit preparation on NCR 7780 Reader/Sorter
5. Perform data entry, if applicable
6. Report preparation and transmission reporting

B. Prepare support information for delivery, sorting as follows:

1. Remittances with Checks
2. No Moneys
3. Correspondence, News Updates, Provider Relations Information

7. ***Deposit Procedures:***

Processing Acceptable Checks: All properly prepared checks will be endorsed on Customer's behalf and presented for payment by the most expeditious means.

- A. Check Endorsement: The following endorsement will be applied to each check deposited: "Credit Account of Authorized Payee, Endorsement Guaranteed". The total of each day's remittance will be deposited to account number 58039449.

- B. Deposits: In order to maximize daily receipts and funds availability, the Bank will make one or more deposits each day and credit the Customer's account at the Bank.
- C. Archiving: All checks will be imaged and retained for a period of ten years in order to answer any inquiries or to reproduce images, should the need arise.
- D. Material Disposition: The daily remittance work and deposit reports will be prepared for delivery to the Customer each day.

8. ***Additional Terms:***

- A. Price: Fees for lockbox services are outlined on the attached schedule. Bank may at its discretion adjust pricing as needed. Customer will be notified of such pricing adjustments.
- B. Hold Harmless and Indemnification. The Customer agrees that the Bank's responsibility under this agreement shall be limited to the exercise of ordinary care. The Customer further agrees that the Bank shall not be liable to the Customer for any error of judgement or for anything which the Bank may do or refrain from doing in connection with this Agreement, except for gross negligence or willful misconduct.

In addition, with respect to all claims or controversies raised by third parties, the Customer agrees to reimburse and indemnify The Bank for and hold them harmless against any loss, liability, claim or controversy of any kind arising out of or in connection with the performance by the Bank of their duties and obligations under this Agreement as well as all costs and expenses, including, but not limited to, reasonable attorneys, fees, or defending against any claim or liability arising out of or relating to this Agreement.

- C. Customer agrees to refund to Bank all prepaid post office fees associated with Customer's lockbox should Customer fail to activate lockbox per terms of this agreement.
- D. Notice and Termination: This Agreement shall be for a term of two years and may be terminated by either party giving 60 days notice prior to the date of termination, or otherwise this contract shall be deemed to renew for successive one year periods.

If to the Customer:     Lexington Fayette Urban County Government  
                                  Attn:Laura Harris  
                                  200 E Main St  
                                  Lexington KY 40507-1310

If to the Bank:         Republic Bank & Trust Company  
                                  Attn: Karen McGee  
                                  661 S Hurstbourne Pkwy  
                                  Louisville, KY 40222

D. Governing Law:

This Agreement shall be subject to the rules and regulations of federal and state banking authorities and shall be construed in accordance with the Laws of the Commonwealth of Kentucky.

9. ***Account Information:***

A. The following demand account will be used in conjunction with the Agreement:

58039449

B. Customer inquiries regarding lockbox processing should be directed to:

Treasury Management Support 502-588-8374

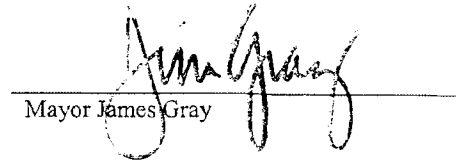
Entered into this 27th day of June, 2014 by and between the parties set forth below:

**Republic Bank & Trust Company**

**Lexington Fayette Urban County Government**



Tamara McCain  
Treasury Management Officer



Mayor James Gray

COMPANY NAME: Lexington Fayette Urban County Government

DATE: 6/27/2014

## Schedule A

### Lockbox Pricing

Monthly Maintenance	\$ <u>    N/A    </u>
Per Remittance Processed (wholesale) (includes Online availability of images)	\$ <u>    N/A    </u>
Per Remittance Processed (wholesale) (includes Online availability of images with EOB Return)	\$ <u>    N/A    </u>
Per Remittances Processed (retail) (includes digital image of check and remittance)	\$ <u>    .13    </u>
Per Correspondence Item	\$ <u>    .22    </u>
Lockbox - Keyed Record	\$ <u>            </u>
Lockbox Online	FREE
Lockbox Online <b>with</b> Email Notification	\$ <u>            </u>
Lockbox Online <b>with</b> Fax Notification	\$ <u>            </u>
Lockbox Delivery by Courier	\$ <u>    22.50    </u>
Lockbox Online Archive	\$ <u>    22.50    </u>
Monthly File Transmission (retail)	\$ <u>    45.00    </u>

- Your account balances may be used to help offset your service fees through analysis.