

Lockbox Processing Agreement

This Agreement is between **Republic Bank & Trust Company** (the "Bank"), located at 601 West Market Street, Louisville, Kentucky, and **Lexington Fayette** (the "Customer"), located at 200 E Main Street Lexington, KY 40509.

NOW, THEREFORE, IT IS AGREED that the Bank will provide lockbox services to the 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:* P.O. Box 34090
Lexington, KY 40588-4090

All envelopes containing items to be processed under this agreement must bear the address assigned by the 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 the assigned address and deliver them to the transmittal banking center for processing. The Bank's 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 Bank's discretion.

The Customer may supply names of other acceptable payees and endorsees who shall also be designated as 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 considered invalid, will not be deposited, and will be sent back to the 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:
Accept All Payees

- 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. Such checks will be returned to the 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. Stale checks will also be returned to the Customer for review and follow-up.
- E. Differing Amounts: Checks on which the written amount (numeric totals) differs from (fill in blank), 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 the Customer
- F. Missing signature: 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 into 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 the 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.
- I. Credit Cards: The Bank will have unrestricted authority to receive and process credit card payments for the Customer. In processing the payments, the Bank will have access to the Customer's gateway, depending on the Customer's chosen card processor, and key card information.

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 image 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 the 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 58620559.
- 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 seven (7) 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. The Customer will be notified of such pricing adjustments within 30 days.
- 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 the Bank for 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 (2) years and may be terminated by either party upon a sixty (60) days' notice prior to the date of termination. Absent a termination notice, this Agreement shall be renewed for successive one (1) year periods.

If to the Customer: 200 E Main St
Attn: Revenue Department
Attn: Verble "Lee" Bishop
Lexington, KY 40509

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

Upon termination, Republic Bank will forward all incoming mail to a specified address for a period of ninety (90) days at a cost of \$100.00.

D. Governing Law:

This Agreement will be governed by and will be construed, interpreted, and enforced in accordance with the laws of the State of Kentucky, without reference to principles of conflicts of law. All disputes arising out of or relating to this agreement, or the breach or default of this Agreement, will be determined solely by a state or federal court located in Jefferson County, KY and the parties hereby consent to the jurisdiction of those courts. of Kentucky.

9. ***Account Information:***

- A. The following demand account will be used in conjunction with the Agreement:
58620559
- B. Customer inquiries regarding lockbox processing should be directed to:

Treasury Management Support 502-588-8374

Entered into this 24th day of April, 2017 by and between the parties set forth below:

Republic Bank & Trust Company

Lexington Fayette



Tamara McCain
Treasury Management Officer

Mayor James Gray

COMPANY NAME: Lexington Fayette

DATE: 4/24/2017

Schedule A

Lockbox Pricing

Monthly Maintenance	\$
Per Remittance Processed (wholesale) (includes Online availability of images)	\$ N/A
Per Remittance Processed (wholesale) (includes Online availability of images with EOB Return)	\$ N/A
Per Remittances Processed (retail) (includes digital image of check and remittance)	\$ 0.14
Per Correspondence Item	\$ 0.23
Lockbox - Keyed Record	\$ N/A
Lockbox Online	FREE
Lockbox Online with Email Notification	\$ N/A
Lockbox Online with Fax Notification	\$ N/A
Lockbox Delivery by Courier	\$ N/A
Lockbox Online Archive	\$ 22.50
Monthly File Transmission (retail)	\$ 45.00
Credit Card processing per Item	\$ N/A

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