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2014-0724

THE STATE OF TEXAS §
 §
COUNTY OF HARRIS §

**AGREEMENT FOR DEPOSITORY BANKING SERVICES
& SECURITIES SAFEKEEPING AND CUSTODY SERVICES**

I. PARTIES

A. Address

THIS AGREEMENT FOR DEPOSITORY BANKING SERVICES AND SECURITIES SAFEKEEPING AND CUSTODY SERVICES ("Agreement") is made between the CITY OF HOUSTON, TEXAS ("City"), a home rule city of the State of Texas, and JPMORGAN CHASE BANK, N.A. ("Bank"), a national banking association.

The initial addresses of the parties, which one party may change by giving written notice to the other party, are as follows:

<u>City</u>	<u>Bank</u>
City Controller or Designee City of Houston P.O. Box 1562 Houston, Texas 77251	JPMorgan Chase Bank, N.A. 712 Main Street, 9 Floor North Houston, Texas 77002 Attention: Tyrus R. Brailey Vice-President Government Banking

The Parties agree as follows:

B. Table of Contents

This Agreement consists of the following sections:

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- A. Scope of Services - Depository Banking Services**
- A-1 Fee Schedule For Depository Banking Services**
- B. Scope of Services - Securities Safekeeping and Custody Services**
- B-1 Fee Schedule for Security Safekeeping and Custody Services**
- C. Equal Employment Opportunity**
- D. Drug Policy Compliance Agreement**
- E. Certification of No Safety Impact Positions**
- F. Drug Policy Compliance Declaration**

C. Parts Incorporated

The above described sections and exhibits are incorporated into this Agreement.

D. Controlling Parts

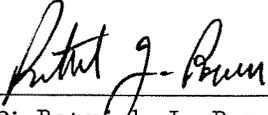
If a conflict among the sections and Exhibits arises, the sections in the Agreement control over the Exhibits, except that sections III.G through III.J and section VI.F of the Agreement shall not apply to the extent of any conflict with the terms and conditions governing only the Securities Safekeeping and Custody Services contained in Exhibit B.

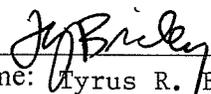
E. Signatures

The Parties have executed this Agreement in multiple copies, each of which is an original.

ATTEST:

JPMORGAN CHASE BANK, N.A.

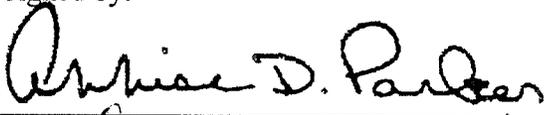
By: 
Name: Patrick J. Power
Title: Authorized Officer

By: 
Name: Tyrus R. Brailey
Title: Authorized Officer

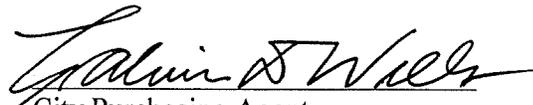
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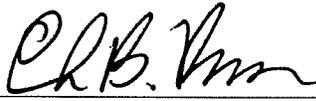
CITY OF HOUSTON, TEXAS


City Secretary

Signed by:

Mayor 

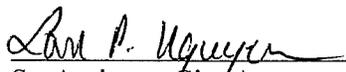
APPROVED:

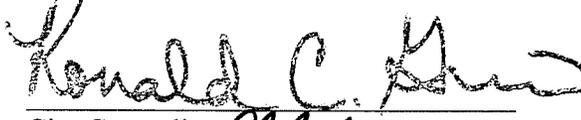
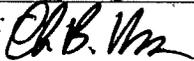

City Purchasing Agent


Authorized Representative of City Controller

APPROVED AS TO FORM:

COUNTERSIGNED BY:


Sr. Assistant City Attorney
L.D. File No. 0071300012001


City Controller 

DATE COUNTERSIGNED

7-25-14

II. DEFINITIONS

As used in this Agreement, the following terms have the meanings set out below:

"Account" means each City bank account described in Exhibit "A".

"ACH" means Automated Clearing House. The ACH Network operated by the Federal Reserve and the Electronic Payment Network allows financial institutions to transmit or receive ACH entries for their customers.

"ACH Services" mean the nationwide batch-oriented electronic funds transfer system governed by the NACHA OPERATING RULES which provide for interbank clearing of electronic payments for participating depository financial institutions.

"Agreement" means this contract between the Parties, including all exhibits and any written amendments authorized by City Council and Bank.

"Authorized Representative" means a City employee or agent, including, without limitation, an investment manager, designated as mutually agreed to in writing between the parties, to authorize certain transactions with Bank or otherwise act on behalf of the City under this Agreement and any person who has been given an access code by a security administrator appointed by the City which allows the provision of Instructions (as defined in Exhibit B hereof). Such persons will continue to be Authorized Representatives until such time as Bank receives and has had reasonable time (but not to exceed three (3) business days) to act upon Instructions from the City (or its agent) that any such person is no longer an Authorized Representative.

"Bank" is defined in the preamble of this Agreement and includes its successors and assigns.

"Banking Services" mean services set out in Exhibit "A."

"City" is defined in the preamble of this Agreement and includes its successors and assigns.

"City Controller" or "Controller" shall mean the City Controller of the City of Houston, or the person he or she designates.

"Collected Funds" or "Collected Balance(s)" mean ledger balances less items being processed for collection and float adjustments.

"Countersignature Date" means the date shown as the date countersigned on the signature page of this Agreement.

"Director" means the Deputy City Controller or the person he or she designates.

"Documents" mean notes, manuals, notebooks, plans, computations, databases, software, tabulations, exhibits, reports, underlying data, charts, analyses, maps, letters, models, forms, photographs, the original tracings of all drawings and plans, and other work products (and any modifications or improvements to them) that Bank prepares or provides under this Agreement.

"Earnings Credit Rate" means the average rate of the 91-day Treasury Bill rounded down to the nearest 5 basis points plus 0.20%, with a floor of .75% and capped at \$20,000,000 on average collected balances. Earnings Credit Rate shall be calculated on 100% of Collected Balances, with no deduction for a reserve requirement.

"Entry", "Credit Entry", and "Debit Entry" are defined in the NACHA Rules.

"Include" and "including," and words of similar import, shall be deemed to be followed by the words "without limitation."

"Mayor" means the Mayor of the City, or the person he or she designates.

"NACHA Rules" mean the most recent version of the National Automated Clearing House Association Operating Rules and Guidelines incorporated into and made a part of this

Agreement by reference for all applicable purposes.

“Overdraft Rate” means the Bank’s Prime Rate minus 1%, with a floor of 2%. Overdraft charges shall apply to negative balances that occur only on an overnight basis. Overdraft charges shall not apply to daylight overdrafts.

"Overnight Investment Rate" means the daily interest rate earned on collected funds deposited by Bank in a money market account or other investment options acceptable to the City according to City’s instructions detailed in Exhibit "A."

“Parties” mean all the entities set out in the Preamble who are bound by this Agreement.

"Receiver" and "Receiving" are defined in the NACHA Rules.

“Securities Safekeeping and Custody Services” mean the services in connection with the management and operations of the City’s portfolio of investments as detailed in Exhibit “B.”

"Settlement Date" is defined in the NACHA Rules.

“Term” means the Initial Term (defined in Article V. herein) of three years and the two one-year Renewal Term(s) of this Agreement.

III. DUTIES OF BANK

A. Services in General

For and in consideration of the fees specified in this Agreement, Bank shall provide all labor, material and supervision necessary to furnish City with prompt and efficient professional Depository Banking Services set out in Exhibit “A”, and, separately, to provide Securities Safekeeping and Custody Services solely in accordance with terms and conditions set out in Exhibit “B” (hereinafter, the “Custody Services Terms and Conditions”).

Unless otherwise agreed by Bank and City, all Depository Banking Services are subject to Bank's standard deposit account terms agreement for business accounts, standard treasury services terms and conditions, and each other standard agreement of Bank applicable to the products and

services provided, including without limitation the agreements listed in Section "Z-2" of Exhibit A. To the extent of any conflict between this Agreement and the Bank's standard agreements, this Agreement will control.

B. Coordinate Performance

The Bank shall coordinate its performance with the City Controller and other persons the City Controller designates. Bank shall promptly inform the City Controller or his or her Designee of all significant events relating to the performance of this Agreement.

C. Reports

Bank shall make periodic verbal or written reports and recommendations to the City Controller with respect to conditions, transactions, situations or circumstances encountered by the Bank relating to the services to be performed under this Agreement consistent with standard banking practices. Bank shall endeavor to attend meetings determined to be necessary by the City Controller. Bank shall, upon request, also provide the City Controller with copies of written materials prepared by the Bank or made available to it as a result of its performance under this Agreement; however, if such material is in addition to information normally provided within the banking industry, then, Bank shall provide City with the information requested at Bank's standard fees then in effect for such research and reproduction. Prior to undertaking any research or reproduction work for City for a fee, Bank shall provide City Controller with the unit prices and estimate for such work in writing, and obtain prior written approval from City Controller for the total cost of the research and reproduction project to be undertaken for the City.

D. Warranties

Bank's performance shall conform to reasonable standards prevailing in the banking industry with respect to the scope, quality, due diligence, and care of the services Bank provides under this Agreement.

E. Exclusivity

The parties agree that this is not an exclusive agreement and that City may deposit any or all of its funds and obtain banking services from other City depositories.

F. Collateral

Bank shall provide and maintain collateral for public funds deposited by City with Bank pursuant to the Public Funds Collateral Act (Tex. Gov't Code Ann. §§2257.001–2257.083 (Vernon 2008) as set out in Section "S" of Exhibit "A" of this Agreement. At no additional cost to City during the Initial Term of this Agreement, Bank shall maintain and provide such collateral.

G. RELEASE

BANK AGREES TO AND SHALL RELEASE THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") FROM ALL LIABILITY FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR TANGIBLE PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT, EVEN IF THE INJURY, DEATH, DAMAGE, OR LOSS IS CAUSED BY THE CITY'S SOLE OR CONCURRENT NEGLIGENCE AND/OR THE CITY'S STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY.

H. INDEMNIFICATION

BANK AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") HARMLESS FOR ALL CLAIMS, CAUSES OF ACTION, LIABILITIES, FINES, AND EXPENSES (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS AND INTEREST) FOR INJURY, DEATH, DAMAGE, OR LOSS TO PERSONS OR PROPERTY SUSTAINED IN CONNECTION WITH OR INCIDENTAL TO PERFORMANCE UNDER THIS AGREEMENT INCLUDING, WITHOUT LIMITATION, THOSE CAUSED BY:

- (1) BANK'S AND/OR ITS AGENTS', EMPLOYEES', OFFICERS', DIRECTORS', CONTRACTORS', OR SUBCONTRACTORS' (COLLECTIVELY IN NUMBERED PARAGRAPHS 1-3, "BANK") ACTUAL OR ALLEGED NEGLIGENCE OR INTENTIONAL ACTS OR OMISSIONS;**
- (2) THE CITY'S AND BANK'S ACTUAL OR ALLEGED CONCURRENT NEGLIGENCE, WHETHER BANK IS IMMUNE FROM LIABILITY OR NOT; AND**
- (3) THE CITY'S AND BANK'S ACTUAL OR ALLEGED STRICT PRODUCTS LIABILITY OR STRICT STATUTORY LIABILITY, WHETHER BANK IS IMMUNE FROM LIABILITY OR NOT.**

BANK SHALL DEFEND, INDEMNIFY, AND HOLD THE CITY HARMLESS DURING THE TERM OF THIS AGREEMENT AND FOR FOUR YEARS AFTER THE AGREEMENT TERMINATES. BANK'S INDEMNIFICATION IS LIMITED

TO \$500,000 PER OCCURRENCE. BANK SHALL NOT INDEMNIFY THE CITY FOR THE CITY'S SOLE NEGLIGENCE.

I. INDEMNIFICATION - PATENT, COPYRIGHT, TRADEMARK, AND TRADE SECRET INFRINGEMENT

BANK AGREES TO AND SHALL DEFEND, INDEMNIFY, AND HOLD HARMLESS THE CITY, ITS AGENTS, EMPLOYEES, OFFICERS, AND LEGAL REPRESENTATIVES (COLLECTIVELY THE "CITY") FROM ALL CLAIMS OR CAUSES OF ACTION BROUGHT AGAINST THE CITY ALLEGING THAT THE CITY'S USE OF ANY EQUIPMENT, SOFTWARE, PROCESS, OR DOCUMENTS BANK FURNISHES DURING THE TERM OF THIS AGREEMENT INFRINGES ON A PATENT, COPYRIGHT, OR TRADEMARK, OR MISAPPROPRIATES A TRADE SECRET. BANK SHALL PAY ALL COSTS (INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, COURT COSTS, AND ALL OTHER DEFENSE COSTS, AND INTEREST) AND DAMAGES AWARDED.

BANK SHALL NOT SETTLE ANY CLAIM ON TERMS WHICH PREVENT THE CITY FROM USING THE EQUIPMENT, SOFTWARE, PROCESS, AND DOCUMENTS WITHOUT THE CITY'S PRIOR WRITTEN CONSENT.

WITHIN 60 DAYS AFTER BEING NOTIFIED OF THE CLAIM, BANK SHALL, AT ITS OWN EXPENSE, EITHER (1) OBTAIN FOR THE CITY THE RIGHT TO CONTINUE USING THE EQUIPMENT, SOFTWARE, PROCESS, AND DOCUMENTS OR, (2) IF BOTH PARTIES AGREE, REPLACE OR MODIFY THEM WITH COMPATIBLE AND FUNCTIONALLY EQUIVALENT PRODUCTS. IF NONE OF THESE ALTERNATIVES IS REASONABLY AVAILABLE, THE CITY MAY RETURN THE EQUIPMENT,

SOFTWARE, OR DOCUMENTS, OR DISCONTINUE THE PROCESS, AND BANK SHALL REFUND THE PURCHASE PRICE.

J. INDEMNIFICATION PROCEDURES

(1) Notice of Claims. If the City or Bank receives notice of any claim or circumstances which could give rise to an indemnified loss, the receiving party shall give written notice to the other party within 30 days. The notice must include the following:

- (a) a description of the indemnification event in reasonable detail,
- (b) the basis on which indemnification may be due, and
- (c) the anticipated amount of the indemnified loss.

This notice does not estop or prevent the City from later asserting a different basis for indemnification or a different amount of indemnified loss than that indicated in the initial notice. If the City does not provide this notice within the 30 day period, it does not waive any right to indemnification except to the extent that Bank is prejudiced, suffers loss, or incurs expense because of the delay.

(2) Defense of Claims

(a) Assumption of Defense. Bank may assume the defense of the claim at its own expense with counsel chosen by it that is reasonably satisfactory to the City. Bank shall then control the defense and any negotiations to settle the claim. Within 10 days after receiving written notice of the indemnification request, Bank must advise the City as to whether or not it will defend the claim. If Bank does not assume the defense, the City shall assume and control the defense, and all defense expenses constitute an indemnification loss to the extent provided herein.

(b) Continued Participation. If Bank elects to defend the claim, the City may retain

separate counsel at City's expense, to participate in (but not control) the defense and to participate in

(but not control) any settlement negotiations. Bank may settle the claim without the consent or agreement of the City, unless it (i) would result in injunctive relief or other equitable remedies or otherwise require the City to comply with restrictions or limitations that adversely affect the City, (ii) would require the City to pay amounts that Bank does not fund in full, (iii) would not result in the City's full and complete release from all liability to the plaintiffs or claimants who are parties to or otherwise bound by the settlement.

K. Insurance

(1) Bank shall obtain and maintain in effect during the Term of this Agreement, insurance coverage as set out below, and shall furnish certificates of insurance, in duplicate form, prior to providing services under this Agreement.

- | | | |
|-----|--|--|
| (a) | Workers' Compensation | Statutory for Workers' Compensation |
| (b) | Employer's Liability | <ul style="list-style-type: none"> • Bodily Injury by Accident \$100,000 (each accident) • Bodily Injury by Disease \$100,000 (policy limit) • Bodily Injury by Disease \$100,000 (each employee) |
| (c) | Commercial General Liability | Bodily Injury and Property Damage, Combined Single Limits of \$500,000 each Occurrence and \$1,000,000 aggregate \$25 million excess/umbrella policy |
| (d) | Automobile Liability | \$1,000,000 combined single limit for (1) Any Auto or (2) All Owned, Hired and Non-Owned Autos |
| (e) | Bankers Professional Liability | \$100 million (each wrongful act including errors and omissions) Bank reserves the right to self-insure as respects Bankers Professional Liability) |
| (f) | Banker's Blanket Bond/Computer Misuse and Telephonic Misuse (including Electronic and Computer crime - Bank must cover its subcontractors, | \$100 million |

including but not limited to, drivers and couriers under the Banker's Blanket Bond)

Except for (d) and (e), aggregate Limits are per 12-month policy period unless otherwise indicated.

(2) Issuers of Policies. The issuer of any policy shall have a Best's rating of at least B+ and a Best's Financial Size Category of Class VI or better, according to the most current edition Best's Key Rating Guide.

(3) Insured Parties. Each policy, except those for Workers' Compensation, Employer's Liability, Bankers Professional Liability, and Bankers Blanket Bond/Computer Misuse and Telephonic Misuse, must name the City (and its officers, agents, and employees) as Additional Insured parties as their interests may appear relative to claims which arise from Bank's negligent acts or omissions in connection with the performance of this Agreement on the original policy and all renewals or replacements.

(4) Deductibles. Bank shall be responsible for and bear any claims or losses to the extent of any deductible amounts and waives any claim it may have for the same against the City, its officers, agents, or employees.

(5) Cancellation. Bank shall notify the City Controller in writing 30 days prior to any cancellation to Bank's insurance coverage. Within the 30 day period, Bank shall provide other suitable policies in lieu of those about to be canceled so as to maintain in effect the required coverage. If Bank does not comply with this requirement, and the City Controller has provided written notice to the Bank of such deficiency and the Bank has failed to evidence the required insurance coverages within fifteen (15) days of written notice from the City Controller, the City Controller, upon written notification to Bank of its intent to do so, may immediately suspend Bank from any further performance under this Agreement and begin procedures for default.

(6) Subrogation. Each policy, with the exception of Bankers Professional Liability (if any) and Bankers Blanket Bond/Computer Misuse and Telephonic Misuse, must contain an endorsement to the effect that the issuer waives any claim or right of subrogation to recover against the City, its officers, agents, or employees.

(7) Endorsement of Primary Insurance. Each policy, except Workers' Compensation and Bankers Professional Liability (if any) and Bankers Blanket Bond/Computer Misuse and Telephonic Misuse, must contain an endorsement that the policy is primary to any other insurance available to the Additional Insured with respect to claims arising under this Agreement.

(8) Liability for Premium. Bank shall pay all insurance premiums, and the City shall not be obligated to pay any premiums.

(9) Proof of Insurance.

(a) On the Effective Date and at any time during the Term of this Agreement, Bank shall furnish the City Controller with Certificates of Insurance.

(b) Bank shall continuously and without interruption, maintain in force the required insurance coverages specified in this Section. If Bank does not comply with this requirement, and the City Controller has provided written notice to the Bank of such deficiency and the Bank has failed to evidence the required insurance coverages within fifteen (15) days of written notice from the City Controller, the City Controller, upon written notice to Bank of its intent to do so, may immediately suspend Bank from any further performance under this Agreement and begin procedures to terminate for default.

The City shall never waive or be estopped to assert its right to terminate this Agreement because of its acts or omissions regarding its review of insurance documents.

(10) Other Insurance. If requested by the City Controller, Bank shall furnish adequate evidence of Social Security and Unemployment Compensation Insurance, to the extent applicable to Bank's operations under this Agreement.

(11) Self-Insurance

As an alternative, Bank may insure the above coverages under a plan of self-insurance, subject to the restrictions set forth in this Section. On the Effective Date and at any time during the Term of this Agreement, if requested by the City Controller, Bank must submit copies of its certificates of self-insurance and its most recent audited financial statement showing self-insurance reserves or other assets sufficient to pay judgments equal to the limits set forth above. Bank shall also provide to the City Controller documentation evidencing its process for reviewing and paying claims. Bank's self-insurance must protect the City to the same extent as an additional insured on a policy issued by an insurance company. If Bank's self-insurance program ceases or Bank's assets or reserves are no longer sufficient to be adequate to meet required coverages, Bank shall immediately notify the City Controller of the lapse in coverage, and Bank shall then obtain commercial insurance in accordance with the above requirements within 10 days' written notice from the City Controller.

L. Compliance with Equal Opportunity Ordinance

Bank shall comply with City's Equal Employment Opportunity Ordinance as set out in Exhibit "C".

M. MWBE Compliance

Bank shall comply with the City's Minority and Women Business Enterprise ("MWBE") programs as set out in Chapter 15, Article V of the City of Houston Code of Ordinances. Bank shall make good faith efforts to award subcontracts or supply agreements in at least 11% of the value of

this Agreement to MWBEs. Bank acknowledges that it has reviewed the requirements for good faith efforts on file with the City's Office of Business Opportunity and will comply with them.

N. Drug Abuse Detection and Deterrence

(1) It is the policy of the City to achieve a drug-free workforce and workplace. The manufacture, distribution, dispensation, possession, sale, or use of illegal drugs or alcohol by contractors while on City Premises is prohibited. Bank shall comply with all the requirements and procedures set forth in the Mayor's Drug Abuse Detection and Deterrence Procedures for Contractors, Executive Order No. 1-31 ("Executive Order"), which is incorporated into this Agreement and is on file in the City Secretary's Office.

(2) Before the City signs this Agreement, Bank shall file with the Contract Compliance Officer for Drug Testing ("CCODT"):

- (a) a copy of its drug-free workplace policy,
- (b) the Drug Policy Compliance Agreement substantially in the form set forth in Exhibit "D," together with a written designation of all safety impact positions and,
- (c) if applicable (e.g. no safety impact positions), the Certification of No Safety Impact Positions, substantially in the form set forth in Exhibit "E."

If Bank files a written designation of safety impact positions with its Drug Policy Compliance Agreement, it also shall file every 6 months during the performance of this Agreement or on completion of this Agreement if performance is less than 6 months, a Drug Policy Compliance Declaration in a form substantially similar to Exhibit "F." Bank shall submit the Drug Policy Compliance Declaration to the CCODT within 30 days of the expiration of each 6-month period of performance and within 30 days of completion of this Agreement. The first 6-month period begins

to run on the date the City issues its Notice to Proceed or if no Notice to Proceed is issued, on the first day Bank begins work under this Agreement.

(3) Bank also shall file updated designations of safety impact positions with the CCODT if additional safety impact positions are added to Bank's employee work force.

(4) Bank shall require that its subcontractors who are hired to specifically handle the City's work under this Agreement comply with the Executive Order, and Bank shall secure and maintain the required documents for City inspection.

O. Pay or Play

The requirements and terms of the City of Houston Pay or Play program, as set out in Executive Order 1-7, as revised from time to time, are incorporated into this Agreement for all purposes. Contractor has reviewed Executive Order No. 1-7-Revised and shall comply with its terms and conditions.

IV. DUTIES OF CITY

A. Payment Terms

Subject to the terms and conditions of this Agreement, City shall pay and Bank shall accept the fees set out in Exhibit "A-1" (for Depository Banking Services listed in Exhibit "A") and Exhibit "B-1" (for Securities Safekeeping and Custody Services listed in Exhibit "B"), subject to the allocation of funds as set out below. For Depository Banking Services, Bank shall waive in full the Premium Assessment fees (formerly known as Federal Deposit Insurance Corporation [FDIC] fees, which are not imposed on customers by the FDIC and not collected on behalf of the FDIC) during the Initial Term of this Agreement and the Renewals terms. The fees for Depository Banking Services and Securities Safekeeping and Custody Services set out in Exhibits "A-1" and "B-1", respectively, shall remain in effect during the Initial Term of this Agreement. Bank has agreed to

waive all fees set out in Exhibit "A-1" (but not Exhibit "B-1") not to exceed an aggregate amount of \$250,000.00 during the Initial Term of this Agreement.

In the event the City Controller requests Bank in writing for additional banking services, Bank shall provide services requested at rates set out for such services in the Bank's standard Comprehensive Fee Schedule in effect at the time when such a request is made or at rates negotiated by the City Controller. The total cost of all additional banking services provided by Bank in response to written requests by the City Controller under this Agreement must not exceed \$50,000.00, unless authorized by an amendment approved by City Council, and sufficient funds are allocated to pay for such additional services.

B. Addition of Banking Services

The Controller may add additional Banking Services, as mutually agreed to between the parties, by giving written notification to Bank. The parties shall mutually agree in writing to the amount the Bank shall charge the City for additional Banking Services, before the Controller sends such written notification to Bank adding the additional Banking Services to this Agreement. For purposes of this section, the "Effective Date" means the date on which Bank receives written notification of addition(s) and agrees to such addition(s). As of the Effective Date, each item added is subject to this Agreement, as if it had originally been a part of this Agreement, but the charge for each item starts to accrue only on the Effective Date.

C. Fee Revision

Prior to the commencement of the two successive one-year Renewal Terms, Bank may notify City if it is revising its fees for Banking Services during the two Renewal Terms by giving the City Controller written notice 180 days before the end of the then current contract year. Notwithstanding the foregoing, Bank's fee increase shall not exceed 3% of the fees charged to City during the Initial

Term. In the event Bank notifies the City that it has, during either Renewal Term, increased the fees it charges City for Banking Services and the City decides not to accept the fee increase, the City Controller may terminate this Agreement with 45 days' written notice to Bank.

D. City's Responsibilities Under ACH Services

City may transmit automated clearing house (ACH) Entries in accordance with the terms and conditions provided herein and the applicable service terms contained in the agreements listed in Section Z-2 of Exhibit "A". Bank shall process Entries to Receiving Depository Financial Institutions directly or through any mechanism selected by Bank.

The City's obligations for ACH transactions are detailed below:

(1) City Representations and Warranties. City represents and warrants to Bank that all Entries it provides are complete, accurate and authorized, and that it has obtained authorizations from Receivers for Credit and/or Debit Entries to those Receivers' accounts at participating financial institutions. Receiver authorizations shall expressly authorize Bank to transmit Debit and Credit Entries to correct erroneous Entries to Receivers' accounts and shall authorize City to release to Bank all information concerning its Receivers that is required by Bank to enable it to recover such funds transfers. City shall cease initiating Entries for a Receiver's account(s) immediately upon City's receiving actual or constructive notice of the termination or revocation of the Receiver's authorization, and Bank shall have no liability for Entries transmitted with respect to such Receivers. City shall retain the original or a copy of each authorization received by City for six years after termination or revocation of the authorization and shall provide Bank copies of such authorizations upon Bank's request.

(2) **Entry Limits.** The total dollar amount of Entries transmitted from City to Bank under each ACH Service on any one day shall not exceed the daylight overdraft facility limit set out in Section "U" of Exhibit "A" and City agrees that it will not exceed that limit without the prior written consent of Bank. City authorizes Bank to charge its Accounts with Bank and other financial institutions in the amount of City's Entries. Notwithstanding the foregoing, Bank's obligation to process and release any Entries is governed by the ACH Origination Service Terms.

(3) **Rejected and Returned Entries.** In the event an Entry is rejected by Bank for any reason whatsoever, Bank shall promptly notify the City of the rejection and the reason thereof. Upon receipt of the notice of rejection, the City shall be responsible for remaking the Entry. In the event an Entry is returned by an ACH processor, Bank shall resubmit the Entry to City for further instructions from City, if any, including remaking an Entry by Bank in cases where the return was due to Bank's mishandling at the time when Bank has sufficient data available to permit Bank to remake such an Entry. Bank will debit or credit City's Account for Entries that are returned to Bank. Unless the return is caused by Bank's negligence, Bank has no obligation to credit City Account with interest on the amount of any returned Entry it has debited from such City Account.

(4) **Settlement Date.** City will receive funds for any Debit Entry on the Settlement Date, subject to the right of Bank to make adjustments pursuant to this Agreement and subject to the ACH Origination Service Terms.

E. Deletion of Services

At any time during the Term of this Agreement, City Controller may notify the Bank in writing to delete certain Banking Services provided by Bank to City under this Agreement. On receiving the notice, Bank shall discontinue providing the City with services deleted by City Controller effective the day the Bank receives the notice or as soon as it is feasible for the Bank to do so. After Bank submits an invoice to the City for such services provided up to the date of City Controller's receipt of notice or the date of discontinuance of such services, Bank shall exclude all charges for services deleted by City Controller from invoices submitted after such charges have been paid.

F. Taxes

The City is exempt from payment of Federal Excise and Transportation Tax and Texas Limited Sales and Use Tax. Bank's invoices to the City must not contain assessments of any of these taxes. The Director will furnish the City's exemption certificate and federal tax identification number to Bank if requested.

G. Limit of Appropriation

(1) The City's duty to pay money to Bank under this Agreement is limited in its entirety by the provisions of this Section.

(2) In order to comply with Article II, Section 19 and 19a of the City's Charter and Article XI, Section 5 of the Texas Constitution, the City has appropriated and allocated the sum of **\$538,233.00** to pay money due under this Agreement for the City's current fiscal year (the "Original Allocation"). The executive and legislative officers of the City, in their discretion, may allocate supplemental funds for this Agreement, but they are not obliged to do so. Therefore, the parties have

agreed to the following procedures and remedies:

(3) The City makes a Supplemental Allocation by issuing to Bank a Service Release Order, or similar form approved by the City Controller, containing language set out below. When necessary, the Supplemental Allocation shall be approved by motion or ordinance of City Council.

NOTICE OF SUPPLEMENTAL ALLOCATION OF FUNDS

By the signature below, the City Controller certifies that, upon the request of the responsible director, the supplemental sum set out below has been allocated for the purposes of this Agreement out of funds appropriated for this purpose by the City Council of the City of Houston. This supplemental allocation has been charged to such appropriation.

\$ _____

(4) The Original Allocation plus all supplemental allocations are the Allocated Funds. The City shall never be obligated to pay any money under this Agreement in excess of the Allocated Funds. If Allocated Funds are exhausted, Bank's remedy shall be in accordance with Article V. of this Agreement.

V. TERM AND TERMINATION

A. Term

This Agreement is effective as of the date of Countersignature herein ("Effective Date") and remains in effect for three years ("Initial Term") unless sooner terminated under this Agreement.

B. Renewals

Upon expiration of the Initial Term, this Agreement will be automatically renewed for two successive one-year terms each ("Renewal Term") on the same terms and conditions, except with regard to Bank's option set out in Section IV.(C). If the City Controller or the City chooses not to renew this Agreement, the City Controller shall notify Bank of non-renewal at least 30 days before the expiration of the then-current term.

C. Termination For Convenience by City

The Director may terminate this Agreement at any time by giving 60 days written notice to Bank. The City's right to terminate this Agreement for convenience is cumulative of all rights and remedies which exist now or in the future.

On receiving the notice, Bank shall, unless the notice directs otherwise, promptly discontinue all services under this Agreement and cancel all existing orders and subcontracts that are chargeable to this Agreement, or as soon as it is feasible for Bank to do so. As soon as practicable after receiving the termination notice, Bank shall submit an invoice showing in detail the services performed under this Agreement up to the termination date. The City shall then pay the fees to Bank for services actually performed, but not already paid for, in the same manner as prescribed in Section IV., unless the fees exceed the allocated funds remaining under this Agreement.

TERMINATION OF THIS AGREEMENT AND RECEIPT OF PAYMENT FOR SERVICES RENDERED ARE BANK'S ONLY REMEDIES FOR THE CITY'S TERMINATION FOR CONVENIENCE, WHICH DOES NOT CONSTITUTE A DEFAULT OR BREACH OF THIS AGREEMENT. BANK WAIVES ANY CLAIM (OTHER THAN ITS CLAIM FOR PAYMENT AS SPECIFIED IN THIS SECTION), IT MAY HAVE NOW OR IN THE FUTURE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING FROM THE CITY'S TERMINATION FOR CONVENIENCE.

D. Termination for Cause

Either party may terminate its performance under this Agreement if the other party defaults and fails to cure the default after receiving notice of it. Default occurs if a party fails to perform one or more of its material duties under this Agreement. If a default occurs, the injured party shall deliver a written notice to the defaulting party describing the default and the proposed termination

date. The date must be at least 90 days after the defaulting party's receipt of the notice. The injured party, at its sole option, may extend the proposed termination date to a later date. If the defaulting party cures the default before the proposed termination date, the proposed termination is ineffective. If the defaulting party does not cure the default before the proposed termination date, the injured party may terminate its performance under this Agreement on the termination date. The Director shall act on behalf of the City to notify Bank of a default and to effect termination. Notwithstanding the foregoing, either party may terminate this Agreement upon written notice to the other party in the event of: (i) failure to remit charges due, after a reasonable grace period, (ii) a determination in good faith by the terminating party that the financial or business condition of the other party has become impaired; or (iii) a determination by the terminating party, that termination is necessary or required by law, regulation or payment system rule. The receiving party shall have a reasonable opportunity to act upon any termination request.

VI. MISCELLANEOUS

A. Independent Contractor

Bank is an independent contractor and shall perform the services provided for in this Agreement in that capacity. The City has no control or supervisory powers over the manner or method of Bank's performance under this Agreement. All personnel Bank uses or provides are its employees or subcontractors and not the City's employees, agents, or subcontractors for any purpose whatsoever. Bank is solely responsible for the compensation of its personnel, including but not limited to: the withholding of income, social security, and other payroll taxes and all workers' compensation benefits coverage.

B. Force Majeure

1. Timely performance by both parties is essential to this Agreement. However, neither party is liable for reasonable delays in performing its obligations under this Agreement to the extent the delay is caused by Force Majeure that directly impacts the City or Bank. The event of Force Majeure may permit a reasonable delay in performance but does not excuse a party's obligations to complete performance under this Agreement. Force Majeure means: fires, interruption of utility services, epidemics in the City, floods, hurricanes, tornadoes, ice storms and other natural disasters, explosions, war, terrorist acts against the City or Bank, riots, court orders, and the acts of superior governmental or military authority, and which the affected party is unable to prevent by the exercise of reasonable diligence. The term does not include any changes in general economic conditions such as inflation, interest rates, economic downturn or other factors of general application; or an event that merely makes performance more difficult, expensive or impractical. Force Majeure does not entitle Bank to extra Reimbursable Expenses or payment.

2. This relief is not applicable unless the affected party does the following:

- (a) uses due diligence to remove the effects of the Force Majeure as quickly as possible and to continue performance notwithstanding the Force Majeure; and
- (b) provides the other party with prompt written notice of the cause and its anticipated effect.

3. The City may perform contract functions itself or contract them out during periods of Force Majeure. Such performance is not a default or breach of this Agreement by the City.

4. If the Force Majeure continues for more than three days from the date performance is affected and the Bank is unable to resume performance at such time, the Director may terminate this Agreement by giving seven days' written notice to Bank. This termination is not a default or breach of this Agreement. **BANK WAIVES ANY CLAIM IT MAY HAVE FOR FINANCIAL LOSSES OR OTHER DAMAGES RESULTING SOLELY FROM THE TERMINATION FOR FORCE MAJEURE EXCEPT FOR AMOUNTS DUE UNDER THE AGREEMENT UP TO THE TIME THE WORK IS HALTED DUE TO FORCE MAJEURE.**

5. Bank is not relieved from performing its obligations under this Agreement due to a strike or work slowdown of its employees. Bank shall employ only fully trained and qualified personnel during a strike.

C. Severability

If any part of this Agreement is for any reason found to be unenforceable, all other parts remain enforceable unless the result materially prejudices either party.

D. Entire Agreement

This Agreement, together with Bank's standard agreements described in Section III.A., merges the prior negotiations and understandings of the Parties and embodies the entire agreement of the Parties. No other agreements, assurances, conditions, covenants (express or implied), or other terms of any kind, exist between the Parties regarding this Agreement.

E. Written Amendment

Unless otherwise specified elsewhere in this Agreement, this Agreement may be amended only by written instrument executed on behalf of the City (by authority of an ordinance adopted by

the City Council) and Bank. The Director is only authorized to perform the functions specifically delegated to him or her in this Agreement.

F. Subcontractors

Bank shall not subcontract any Banking Service it provides City under this Agreement without the prior written approval of the City Controller. A "subcontract" does not include any contract relating to goods or services provided by an affiliate of Bank, or goods or services that are provided to Bank's customers in the ordinary course of its Banking Services or Custody Services businesses, as applicable, or incidental to the Bank's provision of Banking Services to City, such as messenger, delivery, printing, retention and transportation services, or any other goods or services purchased by Bank, including, but not limited to, any third party delivery services and providers of information regarding non-core custody services matters such as pricing, proxy voting, corporate actions and class action litigation, unless the provider is engaged solely for the purpose of providing goods or services to City. In the event City Controller approves the Bank's use of a subcontractor for any service provided by Bank under this Agreement, then such a subcontractor or employee of a subcontractor shall be an agent of the Bank and Bank shall be responsible for the quality of services provided to City under this Agreement. Bank shall make timely payments to all persons supplying services to City under this Agreement. **BANK SHALL DEFEND AND INDEMNIFY THE CITY FROM ANY CLAIMS OR LIABILITY ARISING OUT OF BANK'S FAILURE TO MAKE PAYMENTS TO SUBCONTRACTOR (S) FOR SERVICES TO CITY UNDER THIS AGREEMENT. BANK SHALL REQUIRE ALL ITS SUBCONTRACTORS (AND THEIR SUBCONTRACTORS) TO RELEASE AND INDEMNIFY THE CITY TO THE SAME EXTENT AND IN SUBSTANTIALLY THE SAME FORM AS ITS RELEASE AND INDEMNITY TO CITY.**

G. Applicable Laws

This Agreement is subject to the laws of the State of Texas, the City Charter and Ordinances, the laws of the federal government of the United States, and all rules and regulations of any regulatory body or officer having jurisdiction.

Venue for any litigation relating to this Agreement is Harris County, Texas.

H. Notices

All notices to either party to the Agreement must be in writing and must be delivered by hand, facsimile, United States registered or certified mail, return receipt requested, United States Express Mail, Federal Express, Airborne Express, UPS or any other national overnight express delivery service. The notice must be addressed to the party to whom the notice is given at its address set out in Section I of this Agreement or other address the receiving party has designated previously by proper notice to the sending party. Postage or delivery charges must be paid by the party giving the notice.

I. Captions

Captions contained in this Agreement are for reference only, and, therefore, have no effect in construing this Agreement. The captions are not restrictive of the subject matter of any section in this Agreement.

J. Acceptance and Approval

An approval by the City Controller, or by any other instrumentality of the City, of any part of Bank's performance shall not be construed to waive compliance with this Agreement or to establish a standard of performance other than required by this Agreement or by law. The City Controller is not authorized to vary the terms of this Agreement.

K. Inspections and Audits

City representatives may have the right to perform, or have performed, audits of Bank's books and records which specifically pertain to the City in connection with services under this Agreement. Bank shall keep its books and records related to Bank's services under this Agreement available for this purpose for at least three (3) years after this Agreement terminates. This provision does not affect the applicable statute of limitations.

L. Community Reinvestment Act

Bank shall comply with the Community Reinvestment Act (CRA), 12 U.S.C. §§2901-2908 (2012) and upon request, provide City Controller with a copy of its annual CRA public compliance statements and public compliance reports of Bank's CRA reviews conducted by a Federal supervisory agency during the term of this Agreement.

M. Subsidiary Agreements

The City Controller is hereby authorized to execute such subsidiary operating agreements for banking services as may be required to further the purposes of this Agreement for which annual fees shall not exceed \$50,000.00, unless they are authorized by City Council and funds are allocated to pay for them. The subsidiary operating agreements shall be in a form approved by the City Controller, the City Attorney and the Bank, and may include, but not be limited to, without limitation, general cash management procedures, custody agreements (in addition to the Custody Services defined and set forth in Exhibit B hereof), investment safekeeping agreements, wire transfer agreements, lockbox agreements, zero balance agreements, and deposit reconciliation program agreements.

N. Enforcement

The City Attorney or his or her designee may enforce all legal rights and obligations under this Agreement without further authorization. Bank shall provide to the City Attorney all documents and records that the City Attorney requests to assist in determining Bank's compliance with this Agreement, with the exception of those documents made confidential by federal or State law or regulation. Certain documents may be provided after receipt of a subpoena or similar legal document authorized by a court of competent jurisdiction.

O. Ambiguities

If any term of this Agreement is ambiguous, it shall not be construed for or against any party on the basis that the party did or did not write it.

P. Survival

Bank shall remain obligated to the City under all clauses of this Agreement that expressly or by their nature extend beyond the expiration or termination of this Agreement, including but not limited to, the indemnity provisions.

Q. Parties In Interest

This Agreement does not bestow any rights upon any third party, but binds and benefits the City and Bank only.

R. Non-Waiver

If either party fails to require the other to perform a term of this Agreement, that failure does not prevent the party from later enforcing that term and all other terms. If either party waives the other's breach of a term, that waiver does not waive a later breach of this Agreement.

An approval by the Director, or by any other employee or agent of the City, of any part of Bank's performance does not waive compliance with this Agreement or establish a standard of

performance other than that required by this Agreement and by law. The Director is not authorized to vary the terms of this Agreement.

S. Successors and Assigns

This Agreement binds and benefits the Parties and their legal successors and permitted assigns; however, this provision does not alter the restrictions on assignment and disposal of assets set out in the following paragraph. This Agreement does not create any personal liability on the part of any officer or agent of the City.

T. Business Structure and Assignments

Bank shall not assign this Agreement without the Director's prior written consent. Nothing in this clause, however, prevents the assignment of accounts receivable or the creation of a security interest under § 9.406 of the Texas Business & Commerce Code. In the case of such an assignment, Bank shall immediately furnish the City with proof of the assignment and the name, telephone number, and address of the Assignee and a clear identification of the fees to be paid to the Assignee.

Bank shall not, except as set forth herein, delegate any portion of its performance under this Agreement without the Director's prior written consent.

U. Remedies Cumulative

Unless otherwise specified elsewhere in this Agreement, the rights and remedies contained in this Agreement are not exclusive, but are cumulative of all rights and remedies which exist now or in the future. Neither party may terminate its duties under this Agreement except in accordance with its provisions.

V. Termination of Prior Agreement

City and Bank entered into an Agreement for Depository Banking Services (Contract No.

4600009996) ("Prior Agreement") which was passed and adopted by the City Council on November

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6/13/2014

L.D. File No. 0071300012001

4, 2009 by Ordinance No. 2009-1045. City and Bank wish to terminate the Prior Agreement effective the day immediately after the Effective Date of this Agreement. Neither City nor Bank is in default of Prior Agreement; City is not owed any services or deliverables by Bank. However, City will owe Bank fees for Bank's services incurred in the month corresponding with the Effective Date of this Agreement, which City shall pay Bank in the ordinary course under the Prior Agreement. This Agreement embodies the entire understanding between the Parties with respect to the subject matter of this Agreement and supersedes any and all prior understandings and agreements, oral or written, relating to the subject matter, including the Prior Agreement.

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EXHIBIT A
SCOPE OF SERVICES
DEPOSITORY BANKING SERVICES

GENERAL

Bank shall provide the City with the Basic Services set out below to support the City's Cash Management System. The services as described in this Exhibit may be updated, deleted or changed upon agreement of the parties, subject to the allocation of funds. City will utilize Bank supported hardware, software and equipment of use of the services, and will transmit instructions and data using mutually agreed upon Bank supported formats or systems.

Bank shall:

1. Maintain 25 accounts for the City, as part of the City's Cash Management System.
 2. Provide Controller with the option to increase or decrease the number of accounts City maintains with Bank during the term of this Agreement.
- A. CONCENTRATION ACCOUNT
1. Maintain the City's Concentration Account as the City's master bank account.
 2. Transfer all City deposits, with the exception of Section-108 loan account, Single Non-Profit Trust Account, into the City's Concentration Account nightly.
 3. Fund all City accounts from the City's Concentration Account daily.
 4. At the end of each day, automatically sweep collected balances in the City's Concentration Account that are over a specified balance and may or may not be maintained for purposes of achieving earnings credits, into a qualified money-market account for investment.

5. Each morning, automatically credit the balance in the qualified money-market account to the City's Concentration Account, to ensure that operating funds are available during the day.

B. DEPOSIT ACCOUNTS

1. Maintain 25 Deposit Accounts or such other number as mutually agreed upon for the sole purpose of receiving deposits
2. Maintain the Deposit Accounts as Zero Balance Accounts
3. Automatically transfer deposits from the City's Zero Balance Accounts to the City's Concentration Account at the end of each day.
4. Accept ACH payments to Deposit Accounts and through a secure point to point or host to host interface, receive electronic files from City initiating an ACH debit to a third party's account and deposit proceeds in the City's Deposit Accounts.

C. ACH RECEIVER SERVICES/eLockbox

1. Provide eLockbox services by consolidating all payments to City into one single accounts receivable file.
2. Route daily remittance files directly to City or integrate into Bank's eLockbox remittance processes using unique batch ranges for electronic payments.
3. Settle City funds daily to the City's Deposit Accounts

D. ORIGINATING ACH TRANSACTIONS

1. Use a mutually agreed upon Bank currently supported File Transfer Protocol (FTP) transmission method for City's ACH large batch origination and disbursements.
2. Use a mutually agreed upon Bank supported files after converting such files into the standard NACHA format.

- E. ORIGINATING LARGE VOLUME TRANSACTIONS THROUGH BATCH FILES
1. Upon receipt of a transaction file for ACH processing, confirm file-scheduling to help prevent loss of data and perform file edit checks to identify potential duplicate files.
 2. Provide City with a transaction journal after receipt of a transaction file for ACH processing and include in its acknowledgement an item count and dollar amounts.
 3. Maintain an Internet or other mutually agreed upon secure server or other means to provide agreed upon information to the City.
 4. Have a duplicate server for disaster recovery and issue City a password to login to access the directory in the event of a disaster.

City's Responsibilities

5. The City will use any one of the industry's standard applications to create a transaction file in standard NACHA format to encrypted transmission to the Bank through a mutually agreed upon common protocol, including FTP for final ACH processing.
 6. City will push and pull data files to the directory for all inbound data sent to the Bank.
 7. City will be responsible for initiating the push and pull of data files.
- F. ACH INITIATION AND RECEIPT VIA MANAGED INTERNET
1. Offer City its File Transfer Protocol (FTP) or other mutually agreed upon method to provide City with a comprehensive communications and security interface for the delivery and receipt of transactions and data files between the City and the Bank.

2. Use industry standard message formats and industry standard security measures to send files digitally signed, encrypted and enclosed in a secure e-mail packet or other agreed upon method through City's firewalls to the Internet.
3. Authenticate each City file and forward files to the appropriate processing system using file formats, delivery deadlines and processing requirements established by the service being used.
4. Send and receive files using this method to City departments that opt for this method of transmission.

G. ACH DEBIT BLOCK CAPABILITY ON ALL ACCOUNTS

1. Provide City with its ACH Debit Block services to allow the City to block all ACH transactions, or specific originators, or specific originators by maximum dollar amount and allow City-specified, pre-approved ACH debits on an exception basis.
2. Set up City-designated accounts as "Post No Checks" accounts to prevent unauthorized paper debits, as well.
3. In the event the Controller makes a written request, provide additional protection with its ACH Transaction Review to enable the City to confirm ACH debit and credit transactions on-line and return unauthorized transactions on a case-by-case basis.
4. Offer City the use of ACH Transaction Review to limit the number of transactions it reviews, by using criteria such as debits and credits, company IDs, dollar amount or dollar amount in a certain range and by type of transaction.

H. CAPABILITY TO RECEIVE AND PROCESS CHECK IMAGES

1. Support the City's efforts to migrate from paper deposits to electronic deposit processing and by receiving and processing check images online.

2. Offer both its remote deposit service known as Image Deposit Direct Solution and electronic cash letter deposit service know as Image Cash Letter Solution to City.
3. Provide to the City twenty (20) free check scanners to roll out a fully electronic, image-based check deposit solution to the City, using the Image Deposit Direct Solution.

I. AUTOMATIC RE-DEPOSIT OF RETURNED ITEMS

1. Automatically redeposit eligible returned unpaid items the same day that item is returned to the Bank.
2. Redeposit one time, returned paper items.
3. In the event the Controller requests it, provide its re-presented check entry (RCK) service on returned checks to improve the effectiveness of the City's redeposit collections.

J. PROCESS ALL COINS DEPOSITED BY CITY

1. Accept coin deposits from the City, as long as coins are sent to Bank in a tamper-evident, two pouch "cash and check" plastic security bag, with one pouch being resealable and the other tamper-evident; with one side of the bag being clear to verify contents and with the bag number bar-coded on the outside of the bag; and the City uses disposable plastic coin bags for deposits over \$5.00
2. Accept coin deposits delivered to its cash vault site by a City-selected armored courier to enable Bank to process the deposits by cash-vault processing specialists using state-of-the-art equipment.

3. Randomly assign City's deposits to available processing associates each day, with one employee being present when deposit bags are opened to verify and count deposits in a highly controlled secure environment.
4. Convert cash deposits into usable funds on the same day by updating the City account with a provisional same-day ledger credit in the event City funds are received before the Bank's established local cutoff time for receipt of cash deposits.
5. Identify all discrepancies by internally managing adjustments below a predetermined sundry amount without posting the corrected entries and absorbing discrepancies of up to \$2.00.

K. DEPOSIT TICKETS FORMAT

1. Print deposit tickets for the City's Deposit Accounts in a format specified by the Controller with a unique location and sequential number in the MICR line according to Bank MICR position standards.
2. Allow City to bill and pay for deposit tickets through account analysis.

L. VENDOR PAYMENT ACCOUNT

1. Maintain one bank account for the sole purpose of funding all payments other than payroll.
2. Maintain this account as a Zero Balance Account that is funded from the Concentration Account to enable the City to make payments from this account by check, wire transfers and ACH.
3. Execute wire transfer instructions by means of a computer interface and accept pre-authorized repetitive transfer codes and non-repetitive funds transfer instructions from authorized City personnel.

4. Establish sufficient levels of security to prevent unauthorized transfers.
5. Accept telephone instructions via Bank's automated system for wire transfers from City-authorized personnel.
6. Issue stop payments upon receiving electronic or telephone instructions from authorized or designated City personnel authorized by the Controller to issue such instructions; the City will confirm telephone instructions in writing.

Positive Pay Service for Vendor Account

7. Provide positive pay service for the vendor account by comparing the City's daily electronic list of checks issued by check number, amount and payee name presented to the Bank for payment. Stale-dated checks should be approved by the City before funds are rendered to payee.
8. Provide a system for notifying Controller before making payment, the list of all unmatched items resulting from the positive pay service comparison.
9. Accept City's checks-issued lists generated within the City's SAP ERP system, encrypted with third party software and transmitted to Bank as standard text files via FTP.

ACH Payments to Vendors

10. Provide the City with capability to make ACH payments to vendors with the City transmitting files using a mutually agreed upon interface currently through FTP.
11. Provide the City, in addition to batch ACH payments, the ability to initiate one time ACH credits by a mutually agreed upon interface methodology, similar in fashion to the manner in which the City initiates wire transfers.

12. Provide City with check imaging and storage of City's cleared vendor checks and provide CD-ROM disks of images of cleared checks.

13. Provide City with the option to use its web-based cleared check retrieving service known as the Payables Web Services (PWS) Check Image Service to enable Controller to retrieve cleared/paid checks.

M. PAYROLL ACCOUNT

1. Maintain one account to fund payroll disbursements to employees.
2. Maintain this payroll account as a Zero Balance Account Funded from the City's Concentration Account.
3. Provide for ACH payments for 22,363 employees (except approximately 350 employees who receive paper checks) who participate in the direct deposit program, once every two weeks on a Friday (or an earlier day if Friday is not a business day for either the City or Bank), by direct deposit of their pay either to their bank accounts or to a payroll card.
4. Accept mutually agreed upon Bank supported ACH standard text files created by City, currently transferred to Bank via FTP.
5. Using ACH data provided by the City make child support payments through electronic funds transfer.
6. Issue stop payments for paper checks upon electronic notification or telephone communication from authorized City personnel; with City issuing written confirmation of telephone notifications, subsequently.
7. Provide a positive pay service for the payroll account by comparing checks presented for payment with the daily electronic list of checks issued, including check number,

account, payee name and clearing date transmitted via FTP by City as a standard text file generated within SAP, with data encrypted using third party software.

8. Provide confirmation to City of all unmatched items before making payment by treating such items as exceptions.
9. Provide the Controller with images of cleared payroll checks in CD-ROM format and the software to access the image files.
10. Provide Payroll Cards at no charge to City employees who do not opt to be paid by direct deposit or paper checks by enrolling City employees whose enrollment forms are either faxed to Bank or by Controller or whose enrollment forms are sent via Bank's online Agent Service Center. Certain fees may be incurred by employees (for example, for exceeding certain withdrawal transaction limits) as described in the applicable Payroll Card fee schedule. In the event of discontinuance of Payroll Cards by Bank, Bank shall provide 60 days advance written notice to the City.
11. Mail within seven to ten business days after proper enrollment, Payroll Cards to City employees enrolled in the program, offer them the ability to withdraw cash up to stored value, with fee paid overdraft facility and issue a monthly statement and provide online access to the employee's Payroll Card account activities.

N. INVESTMENT ACTIVITY ACCOUNT

1. Maintain a Zero Balance Account that is linked to the Concentration Account to settle purchases, sales, maturities and coupon payments of investments.
2. Depending on whether the City is a net investor or borrower for that day, either fund this account from funds in the Concentration Account or from funds sent to the Concentration Account.

O. SECTION-108 ACCOUNT

Maintain a demand deposit account that is not a Zero Balance Account and is not linked to the Concentration Account as the City's Section-108 account.

P. SINGLE NON-PROFIT TRUST ACCOUNT

Maintain a demand deposit account that is not a Zero Balance Account and is not linked to the Concentration Account as the City's Single Non-Profit Trust Account.

Q. MONEY MARKET FUND

1. Bank shall establish this account by providing investment options in various instruments that qualify as allowable under the Texas Public Funds Investment Act, as directed and determined by the City.
2. If the City utilizes a Money Market Mutual Fund-End of Day Sweep, Bank shall automatically transfer funds over an amount specified by the Controller in the Concentration Account into the Money Market Fund Account at the close of each business day.
3. At the commencement of each business day, deposit the balance plus interest earned back into the Concentration Account should the City choose to utilize the Repo Sweep; in the event the City chooses the Mutual Fund option, then Bank shall just pay the interest, monthly.

R. LOCKBOXES

Provide the City with five lockboxes as follows: four low volume lockboxes for the City's Housing and Community Development, Finance Department, Parking Management Department, Finance - EMS Department, and one high volume lockbox for the City's Administration and Regulatory Affairs Department.

S. COLLATERAL

See Section III.F. of the Agreement.

T. DAYLIGHT OVERDRAFT

Provide the City with a daylight overdraft facility of \$200 million subject to its credit approval process; such as daylight overdrafts shall be paid without charge.

U. DAILY BALANCE AND TRANSACTION REPORTING

1. Provide the Controller with access via a personal computer to its online bank balance and transaction system reporting system, such as J. P. Morgan ACCESS, to enable authorized personnel to view detailed balance and transaction information 24 hours a day, 7 days a week.
2. Provide access via J.P. Morgan ACCESS to current and prior day transaction information, including ACH, wire transfers, and other debits with 90 days of history and the option to select up to one year of history online.
3. Provide designated personnel, including a Security Administrator, in the Controller's Office with access to J. P. Morgan ACCESS, allow unlimited concurrent authorized City users to access the system via their City's work computers that are loaded with such Bank's supported operating system, as used by the City.

V. ACCOUNT ANALYSIS

1. Provide City with monthly account analysis, including an individual statement of each account along with a group summary statement that combines all accounts, within 30 days from the cut-off date.
2. Ensure that the statement, at a minimum, contains the following fields: (a) Account number; (b) Period covered; (c) Average ledger balance; (d) Average funds in the

process of collection; (e) Services rendered (to include type of services and quantity); (f) Per-unit cost of each service provided (per this Agreement); (g) Total cost per services rendered; (h) Total monthly cost of all services rendered; and (i) Calculation of required compensating balance.

3. Provide Controller with access of J.P. Morgan ACCESS portal to enable authorized City employees to view and print 13 months of account analysis history.

W. BANK STATEMENTS

1. Make all bank statements available to the Controller, electronically.
2. Ensure that all bank statements contain a summary of the data and a detailed account of daily and monthly data.
3. Provide the Controller with access to its Payables Web Services and J. P. Morgan ACCESS Information Reporting portals to enable authorized personnel in the Controller's Office view and download bank statements.

X. ACCOUNT RECONCILIATION SERVICE

1. Make available to the Controller an electronic list of cleared checks, outstanding checks, stop payments issued, and a list of checks purged from the positive pay file for each monthly reporting period.
2. Use the City's "Positive Pay" electronic file as the source of information for checks issued by the City.
3. Provide the Controller with its Full Reconciliation service to enable authorized personnel to upload check issued data files to its Payables Web Services portal or to permit them to enter such data manually using the manual key available on the portal.

4. Make available BAI (Bank Administration format) files of all banking activity electronically through its File Management Services – Direct Transmission service.

Y. EMPLOYEE PAYROLL CHECK CASHING PRIVILEGES

Cash all City employees City of Houston payroll checks drawn on Bank without charge, upon presentation of the check with proper identification by the employee, regardless of whether or not the employee maintains an account with the Bank.

Z. CITY LIAISON

Designate a senior banking officer (of the level of vice president or higher) as its liaison with the City Controller's office and notify the Controller in writing about the appointment.

Z1- LOCKBOX LOCATION AND PROCESSING

1. Bank shall provide the City with wholesale lockboxes in a U.S. Postal Service location in Houston, Texas, with capacity to meet the City's future needs.

2. Bank shall pick up mail for the lockboxes from the Houston post office and deliver it to Bank's Lockbox Services' mailroom in Dallas-Fort Worth, Texas, where items are fine-sorted into individual boxes. The mailroom is responsible for opening the envelopes to allow for easier extraction of contents.

Bank agrees to provide the same availability on deposited funds as if they had been picked up, deposited and made available to the City in a Houston lockbox processing center.

**IN THE EVENT THE CHECKS OR OTHER ITEMS THAT ARE BEING
TRANSPORTED FROM THE HOUSTON POST OFFICE TO BANK'S DALLAS-**

FORT WORTH LOCKBOX PROCESSING CENTER SITE (THE "DALLAS PROCESSING CENTER") ARE LOST, DESTROYED OR STOLEN WHILE IN THE POSSESSION OF BANK OR BANK'S AGENT, AND WHILE IN TRANSIT TO THE DALLAS PROCESSING CENTER, BANK AGREES TO REIMBURSE THE CITY FOR THE FULL AMOUNT OF THOSE LOST, DESTROYED OR STOLEN CHECKS AND THE DIRECT COSTS INCURRED BY THE CITY IN CONNECTION WITH OBTAINING REPLACEMENT CHECKS AS A RESULT THEREOF. CITY AGREES TO FULLY COOPERATE WITH BANK IN CONNECTION WITH PAYING THE REIMBURSEMENT AND THE DIRECT COSTS RELATED TO THE REPLACEMENT CHECKS TO THE CITY.

Z2- ADDITIONAL AGREEMENTS

1. ACH Debit Block & ACH Transaction Review Service Terms
2. ACH INFODEX System Service Terms
3. ACH Origination Service Terms
4. ACH Tax Payment Service Terms
5. Amendment for Image Cash Letter w/ACH
6. Chase Payroll Card Program, Client Service Agreement
7. Coin and Currency Service Terms
8. Controlled Disbursement Service Terms
9. Image Cash Letter Service Terms
10. Image Deposit Direct Terms – use with/without ACH
11. JPM Chase Client Access Service Terms
12. Lockbox Service Terms

13. Positive Pay, Reverse Positive Pay & Payee Verification Service Terms

14. Receiver Services (eLockbox)

15. US Domestic Cash Concentration Products Service Terms – Single

16. USD Funds Transfer Service Terms

17. USD Funds Transfer by Check Service Terms

Z3- CHANGES IN TECHNOLOGY

In the event Bank changes the manner in which it offers certain Banking Services listed in Exhibit “A” or Exhibit “B” due to the updates it makes to the technology it uses in offering such services, then Bank shall provide the City Controller or such designated City personnel with reasonable notice of such changes. Bank shall not impose or increase City’s fees or pricing due to technology updates or changes.

EXHIBIT "A-1"

**FEE SCHEDULE
FOR DEPOSITORY BANKING SERVICES**

	TMA CODE	ESTIMATED ANNUAL VOLUME	UNIT PRICE	ANNUAL PRICE
ACCOUNT SERVICES				
Account Maintenance	10000	288	4.00	1,152
Cash Cntrn Transfer Maint	10020	228	0.00	0
Cash Concentration maint Master	10020	12	0.00	0
Cash Concentration Maint Sub	10021	24	5.00	120
Statement Cycles	10307	288	0.00	0
Post No Checks Maintenance	1500ZZ	264	0.00	0
BANKING CENTER SERVICES				
Branch Credits Posted	100000	2,064	1.00	2,064
Branch Deposit Immediate Verif	100000	44,796	0.002	90
Branch Order Currency Strap	10004A	336	0.20	67
Branch Order Processed	100040	84	2.25	189
Branch Order Coin Roll	100044	264	0.05	13
Branch Deposit Adjustment	100500	12	0.00	0
VAULT SERVICES				
Vault deposit	100100	10,056	0.75	7,542
Vault Deposit Per \$1,000	10011Z	38,808	0.80	31,046
Vault Dep Partial or Mixed Bag	100111	1,212	3.00	3,636
Vault Deposit Std Coin Bag	100113	1,584	0.75	1,188
Vault Dep Non Std Strap Note	100114	2,035,200	0.00	0
Vault Deposit Std Strap Note	100115	997,500	0.00	0
Vault Order Currency Std Strap	10014A	1,500	0.20	300
Vault Standard Orders	100141	324	1.75	567
Vault Order Coin Rolls	100144	36	0.05	2
Vault Order Coin Roll-Box	100146	3,096	0.05	155
Vault Order Curr Non Std Strap	100148	16,836	0.025	421
Vault Email Notification	100154	4,260	0.00	0
Vault Activity Report Faxed	100199	132	25.00	3,300
Vault Deposit Adjustment	100501	12	5.00	60
NETWORK LOCKBOX				
Wnlb Maintenance	50001	36	75.00	2,700
Wnlb Wholesale Item	50100	45,780	0.20	9,156
Wnlb Paper Delivery Prep	05011L	2,640	0.00	0
Wnlb No Check Item	05011M	4,932	0.20	986
Wnlb Document Image Capture	05011R	195,036	0.05	9,752

		ESTIMATED		
	TMA	ANNUAL	UNIT	ANNUAL
NETWORK LOCKBOX – continued	CODE	VOLUME	PRICE	PRICE
Wnlb Check MICR Capture	50121	44,736	0.01	447
Wnlb Data Capture	50126	526,944	0.0075	3,952
Wnlb Cash Processing	5013B	48	10.00	480
Wnlb Weekend Processing	50136	24	0.00	0
Wnlb Deposit Preparation	50300	684	2.00	1,368
Wnlb Additional Daily Deposit	50302	48	2.00	96
Wnlb Rec Edge Add'l Report	5031Z	12	25.00	300
Wnlb PDF Image Download	50400	24	25.00	600
Wnlb Data Transmission Maint	50400	12	50.00	600
Wnlb Data Transmission Item	50401	89,472	0.01	895
Wnlb Outgoing Package Prep	5041Z	36	15.00	540
Wnlb Postage	50410	2,640	0.384	1,014
Wnlb Rec Edge Maint-Chk/Doc	50424	12	60.00	720
Wnlb Unprocessable Item	50530	2,640	0.30	792
Wnlb Long Term Storage-Check	50600	44,736	0.01	447
Wnlb Long Term Storage-B&W Doc	50600	194,976	0.01	1,950
Wnlb Check Clearing	10021Z	45,780	0.07	3,205
SCANNABLE LOCKBOX (SNLB)				
Snlb Maintenance	50020	12	75.00	900
Snlb Item - Non-Scannable	50100	22,140	0.30	6,642
Snlb Scannable Item	50101	81,108	0.15	12,166
Snlb Paper Delivery Prep	05011L	48	0.06	3
Snlb No Check Item	05011M	2,640	0.30	792
Snlb Ocr Doc Image Capture	05011R	162,120	0.02	3,242
Snlb Document Image Capture	05011R	35,712	0.05	1,786
Snlb Sort - Manual	50113	103,248	0.05	5,162
Snlb Check MICR Capture	50121	103,248	0.01	1,032
Snlb Ocr Document	50122	73,932	0.02	1,479
Snlb Data Capture	50126	334,920	0.0075	2,512
Snlb Deposit Preparation	50300	336	1.00	336
Snlb Additional Reports	05031Z	12	15.00	180
Snlb Data Transmission Maint	50400	12	50.00	600
Snlb Data Transmission Item	50401	184,404	0.01	1,844
Snlb Web Download Manager	50406	12	15.00	180
Snlb Package Prep	05041Z	12	15.00	180
Snlb Postage	50410	48	0.18	9
Snlb Doc Image Presentment	50424	12	40.00	480
Snlb Unprocessable Item	50530	48	0.30	14
Snlb Long Term Storage-Check	50600	103,248	0.01	1,032
Snlb Long Term Storage-B&W Doc	50600	197,832	0.01	1,978
Snlb Cash Processing	05013B	36	10.00	360
Snlb Check Clearing	10021Z	103,248	0.07	7,227

		ESTIMATED		
DEPOSITORY SERVICES	TMA CODE	ANNUAL VOLUME	UNIT PRICE	ANNUAL PRICE
Credits Posted	10101	46,500	0.20	9,300
ICL Deposit Early	100200	252	0.25	63
Check Deposited-on US	100220	30,288	0.07	2,120
Check Deposited – Transit	100224	157,740	0.09	14,197
Deposit Correction	100230	24	5.00	120
Return Item	100400	1,776	1.50	2,664
Return Alternate Address	100401	1,512	1.00	1,512
Return Item Redeposit	100402	1,104	1.25	1,380
Return Fax Copy	100415	288	1.00	288
Return Duplicate Copy	100415	24	1.00	24
Return - Email Notification	100419	864	1.00	864
Return Duplicate Advice	100440	24	1.00	24
IDD Monthly Maintenance Fee	101300	12	20.00	240
Software Maintenance Fee	101300	72	20.00	1,440
Check Image Deposited	101320	50,508	0.05	2,525
Image Group One	999999	219,660	0.03	6,590
On-US Standard	999999	28,860	0.02	577
IRD Period One	999999	96	0.06	6
File Transmission Rec. – VPN	999999	516	6.9767	3,600
Image Group Two	999999	640,716	0.02	12,814
Image Group Two - Tier 2	999999	148,788	0.025	3,720
On US Premium	999999	388,992	0.035	13,615
Image Quality Suspect Items	999999	3,984	0.15	598
Non-Conforming Image Items	999999	60	5.00	300
Image Group One - Period Two	999999	3,240	0.045	146
Image Group One - Period Three		2,184	0.045	98
Overdraft Fee (Prime-1%, with a floor of 2%)		N/A		
DISBURSEMENT SERVICES				
Checks/Debits Posted	10100	75,504	0.05	3,775
PWS Exception Notif-Email Addr	150030	72	10.00	720
Multiple Signature Review	150131	12	7.50	90
Stop Payment - Electronic	150410	588	4.00	2,352
Check Cashing Non-Acct Holder	150501	888	0.00	0
Image Storage Per Item	151300	72,204	0.01	722
PWS Check Inquiry Maintenance	151710	36	0.00	0
PWS Recon Report/Stmt Maint	200306	24	0.00	0
PWS Imaging Maintenance	151350	24	0.00	0

	TMA	ESTIMATED	UNIT	ANNUAL
	CODE	ANNUAL	PRICE	PRICE
		VOLUME		
RECONCILIATION SERVICES				
Positive Pay Maintenance	150030	24	0.00	0
Payee Name Reviewed Item	150122	72,025	0.01	720
Exception Item	150300	225	2.00	450
Check Exception Return	151320	186	2.50	465
Image Capture Per Item	151351	73,554	0.02	1,471
CD ROM	151353	12	15.00	180
CD ROM Maintenance	151353	12	0.00	0
Full Recon Maintenance	200010	24	0.00	0
Full Recon - Per Item	200110	72,025	0.03	2,161
Issue Input With Recon	200201	447	0.00	0
Data Entry – Manual	200210	3	0.00	0
Output File	200301	46	5.00	230
FUNDS TRANSFER SERVICES				
Electronic Fed Debit S/T	350104	1,404	2.00	2,808
Electronic Chip Debit S/T	350112	300	2.00	600
Electronic Book Debit S/T	350104	396	1.00	396
Electronic Book Debit Repair	350124	12	1.50	18
Fed Credit S/T	350300	264	2.00	528
Book Credit	350320	420	1.00	420
Repetitive Instruction Storage	350551	1,284	0.00	0
Mail Credit Advice	350412	468	1.00	468
Account Maintenance	359999	240	0.00	0
Chips Credit S/T	350310	72	2.00	144
AUTOMATED CLEARING HOUSE				
Elockbox Maintenance	50030		0.00	0
Elockbox Transaction Received	50300	916,964	0.015	13,754
Elockbox Transaction Reformat	50311	916,964	0.015	13,754
ACH Pay Connexion-Maintenance	250000	84	7.00	588
ACH Maintenance	250000	94	0.00	0
JPMorgan Access Ach Maintenance	250000	12	20.00	240
Debit Originated	250100	401,298	0.015	6,019
Debit Originated - JPM Access	250100	17	0.02	0
ACH Debit/Credits Originated	250101	1,760,022	0.015	26,400
Credit Originated - JPM Access	250101	19	0.02	0
Pay Connexion Originated Item	250102	42,057	0.09	3,785
Addenda Record	250120	72,436	0.00	0
Debit Received	250200	2,656	0.00	0
Credit Received	250201	34,396	0.00	0
Return Item	250302	10,231	1.00	10,231

	TMA	ESTIMATED	UNIT	ANNUAL
	CODE	ANNUAL	PRICE	PRICE
		VOLUME		
AUTOMATED CLEARING HOUSE-continued				
Return Item Redeposit	250310	532	1.00	532
Return Notification – Online	250400	462	0.75	347
Notice of Change – Online	250400	856	0.75	642
Return Notification – Email	250400	773	0.75	580
Return Notification – Transm	250400	10,485	0.75	7,864
Return Notification – Fax	250401	56	0.75	42
File Processing	250501	1,497	5.00	7,485
Deletion/Reversal – Manual	250620	100	5.00	500
Debit Block Maintenance	251050	276	5.00	1,380
ACH Ada Authorized ID	251051	1,119	0.00	0
Notification of Change	251070	2,977	0.75	2,233
Notif of Change – Email	251070	138	0.75	104
Notif of Change – Transm	251070	2,084	0.75	1,563
Elockbox File Processing	259925	251	5.00	1,255
INFORMATION SERVICES (JPMORGAN ACCESS)				
Acct Maint Fee (90 Day Hist)	400699	264	10.00	2,640
Special Report Fee	400662	12	11.00	132
Info Svcs Transactions Loaded	400699	180,036	0.05	9,002
User Module Fee	400699	948	0.00	0
JPM Access Monthly Maint	400699	12	0.00	0
INFORMATION REPORTING (PAYSOURCE/PAYSTREAM)				
Ec Trans Fee Per 1000 Char	300112	14,292	0.00	0
COMMUNICATIONS SERVICES				
Ec Gateway Monthly Maint	300400	12	0.00	0
Ec Gateway Monthly Trans Fee	300400	12	0.00	0
INVESTMENT SERVICES				
Eod Money Mkt Fund Sweep-Maint	450020	12	50.00	600
JPMORGAN ACCESS				
JPMorgan Acces Client Maint	400699	12	0.00	0
INTERNATIONAL SERVICES				
Foreign Check Deposit	609999	36	5.00	180

EXHIBIT "B"

SCOPE OF SERVICES

SECURITIES SAFEKEEPING AND CUSTODY SERVICES

TERMS AND CONDITIONS

1. Intention of the parties; Definitions

1.1 Intention of the parties

(a) This Exhibit B sets forth the terms by which Bank, in its capacity as custodian will provide custodial, safekeeping, settlement and associated services (hereinafter, "Custody Services") to the City. Bank will be responsible for the performance of only the Custody Services expressly set forth in this Exhibit B.

(b) It is the intention of the parties that the Custody Services will be limited to Securities (as hereinafter defined) that are issued in the United States ("U.S.") by an issuer that is organized under the laws of the U.S. or any state thereof, or that are both traded in the U.S. and eligible for deposit in a U.S. Securities Depository (as hereinafter defined).

(c) City acknowledges that, in providing the Custody Services, Bank is not providing any legal, tax or investment advice.

1.2 Definitions

(a) As used herein, the following terms have the meaning hereinafter stated. Capitalized terms used but not defined in this Exhibit B shall have the meanings ascribed to them in Article II of this Agreement.

"Confidential Information" means and includes all non-public information concerning City or the Securities Accounts or Cash Account (as such terms are defined below) which Bank receives in the course of providing the Custody Services under this Exhibit B. Nevertheless, the term

Confidential Information shall not include information which is or becomes available to the general public by means other than City's breach of the terms of this Agreement or information which City obtains on a non-confidential basis from a person who is not known to be subject to any obligation of confidence to any person with respect to that information.

"Corporate Action" means any subscription right, bonus issue, stock repurchase plan, redemption, exchange, tender offer, or similar matter with respect to a Financial Asset in the Securities Account that requires discretionary action by the beneficial owner of the Security, but does not include rights with respect to class action litigation or proxy voting.

"Entitlement Holder" means the person named on the records of a Securities Intermediary as the person having a Securities Entitlement against the Securities Intermediary.

"Financial Asset" means a Security and refers, as the context requires, either to the asset itself or to the means by which a person's claim to it is evidenced, including a Security, a security certificate or a Securities Entitlement. "Financial Asset" does not include cash.

"Instruction" means an instruction that has been verified in accordance with a Security Procedure or, if no Security Procedure is applicable, which Bank believes in good faith to have been given by an Authorized Representative of the City.

"Sealed Envelope" means a sealed envelope which City requests Bank to hold in custody. Nothing in this definition shall obligate Bank to accept any such Sealed Envelope.

"Securities" means shares, stocks, debentures, bonds, notes or other like obligations, whether issued in certificated or uncertificated form, and any certificates, receipts, warrants or other instruments representing rights to receive, purchase or subscribe for the same that are commonly traded or dealt in on securities exchanges or financial markets and any other property as may be acceptable to Bank for the Securities Account.

“Securities Account” means each Securities custody account on Bank’s records to which Financial Assets are or may be credited under this Agreement.

“Securities Depository” means any securities depository, dematerialized book entry system or similar system for the central handling of Securities, whether or not acting in that capacity.

“Securities Entitlement” means the rights and property interests of an Entitlement Holder with respect to a Financial Asset as set forth in Part 5 of Article 8 of the Uniform Commercial Code of the State of Ohio, as the same may be amended from time to time.

“Securities Intermediary” means Bank, a Securities Depository and any other financial institution which in the ordinary course of business maintains Securities custody accounts for others and acts in that capacity.

“Security Procedure” means security procedures to be followed by City upon the issuance of an Instruction and/or by Bank upon the receipt of an Instruction, so as to enable Bank to verify that such Instruction is authorized, as set forth in service level documentation in effect from time to time between the parties with respect to the Custody Services set forth in this Agreement, or as otherwise agreed in writing by the parties. A Security Procedure may, without limitation, involve the use of algorithms, codes, passwords, encryption or telephone call backs, and may be updated by Bank from time to time upon notice to City. City acknowledges that Security Procedures are designed to verify the authenticity of, and not detect errors in, Instructions. For the avoidance of doubt, the parties agree that a SWIFT message issued in the name of City through any third party utility agreed upon by the parties as being a method for providing Instructions and authenticated in accordance with that utility’s customary procedures shall be deemed to be an authorized Instruction.

2. What Bank is required to do

2.1 Set up Accounts

(a) Bank will establish and maintain the following Accounts:

(i) one or more Securities Accounts in the name of City (or in another name requested by City that is acceptable to Bank) for Financial Assets, which may be held by City or a Securities Depository for Bank on behalf of City, including as an Entitlement Holder; and

(ii) one or more accounts in the name of City (or in another name requested by City that is acceptable to Bank) (“Cash Account”) for any and all cash received by or on behalf of Bank for the account of City. For purposes of clarity, “Account”, as used in this Exhibit B, shall consist of the Securities Account and the Cash Account, as herein defined (and shall exclude other deposit accounts as may be referred to elsewhere in this Agreement).

(b) At the request of City, additional Accounts may be opened in the future, and such additional Accounts shall be subject to the terms of this Agreement.

(c) In the event that City requests the opening of any additional Account for the purpose of holding collateral pledged by City to a securities exchange, clearing corporation, or other central counterparty (a “Counterparty”) to secure trading activity by City, or the pledge to a Counterparty of cash or individual Securities held in an Account, that Account (or the pledged cash or Securities) shall be subject to the collateral arrangements in effect between Bank and the Counterparty in addition to the terms of this Agreement.

(d) Bank’s obligation to open Accounts pursuant to Section 2.1(a) is conditional upon Bank receiving such of the following documents as Bank may require:

(i) a certified copy of City's constitutional documents as currently in force;

(ii) evidence reasonably satisfactory to Bank of the due authorization and execution of this Agreement by City;

(iii) a letter to open accounts and appoint any investment managers substantially in the form as provided by Bank;

(iv) for each investment manager appointed, an investment manager certification, substantially in the form as provided by Bank; and

(v) in the case of any Account opened in a name not that of City, documentation with respect to that name similar to that set forth in sub-sections (i) – (iv).

2.2 Cash Account

(a) Any amount standing to the credit of the Cash Account is a debt due to City from Bank as banker. Except as otherwise provided in Instructions acceptable to Bank, all cash held in the Cash Account will be deposited during the period it is credited to the Accounts in one or more deposit accounts at Bank.

(b) Any amounts credited by Bank to the Cash Account on the basis of a notice or an interim credit from a third party, may be reversed if Bank does not receive final payment in a timely manner. Bank will notify City promptly of any such reversal.

(c) Whenever City instructs Bank to do so, Bank will arrange for the automatic investment of cash in the Cash Account in mutual funds (including, without limitation, the Bank Money Market Funds and any other mutual fund with respect to which Bank or an Affiliate of Bank serves as an investment adviser, administrator, shareholder servicing agent, and/or custodian or subcustodian, and regardless of whether or not Bank or its Affiliate receives any fees for services rendered to any such mutual fund in addition to the fees received by Bank pursuant to this

Agreement, all of which such fees Bank is specifically authorized to retain) which Bank makes

available for such purposes and which City selects through Instructions to Bank. Furthermore, in this regard, Bank is directed automatically to arrange for the redemption of such mutual fund shares as may be necessary to avoid any potential overdraft hereunder that Bank perceives, based upon the information available to Bank at the time of such redemption or withdrawal. City agrees that it will read the prospectus for any mutual fund prior to investing and acknowledges that investments in mutual fund shares are not insured by the Federal Deposit Insurance Corporation (“FDIC”) and are not obligations of or guaranteed by Bank. City further acknowledges that certain services for which Bank is paid fees by mutual funds in which City invests may overlap with the services Bank provides under this Agreement.

2.3 Segregation of Assets; Nominee Name

(a) Bank will identify in its books that Financial Assets credited to City’s Securities Account belong to City (except as otherwise may be agreed by Bank and City).

(b) Bank is authorized, in its discretion:

(i) to hold in bearer form, such Financial Assets as are customarily held in bearer form or are delivered to Bank in bearer form;

(ii) to hold Securities in or deposit Securities with any Securities Depository;

(iii) to hold Securities in omnibus accounts on a fungible basis and to accept delivery of Securities of the same class and denomination as those deposited with Bank; and

(iv) to register in the name of City, Bank, a Securities Depository, or their respective nominees, such Financial Assets as are customarily held in registered form; and

(v) to decline to accept any asset or property which it deems to be unsuitable or inconsistent with its custodial operations.

2.4 Settlement of Transactions

Subject to Article 3 and Section 4.2 of this Exhibit B, Bank will act in accordance with Instructions with respect to settlement of transactions. Settlement will be conducted in accordance with prevailing standards of the market in which the transaction occurs. Without limiting the generality of the foregoing, City authorizes Bank to deliver Securities or payment in accordance with applicable market practice in advance of receipt or settlement of consideration expected in connection with such delivery or payment, and City acknowledges and agrees that such action alone will not of itself constitute negligence, fraud, or willful misconduct of Bank, and the risk of loss arising from any such action will be borne by City, except to the extent such loss arises from Bank's negligence or willful misconduct. In the case of the failure of City's counterparty (or other appropriate party) to deliver the expected consideration as agreed, Bank will notify City of such failure. If City's counterparty continues to fail to deliver the expected consideration, Bank will provide information reasonably requested by City that Bank has in its possession to allow City to enforce rights that City has against City's counterparty, but Bank will not be obliged to institute legal proceedings, file a proof of claim in any insolvency proceeding or take any similar action.

2.5 Contractual Settlement Date Accounting

(a) Bank will effect book entries on a contractual settlement date accounting basis as described below with respect to the settlement for those Financial Assets and transactions as to which Bank customarily offers contractual settlement date accounting. Bank reserves the right to restrict in good faith the availability of contractual settlement date accounting for credit or operational reasons.

(b) Bank will credit the Cash Account with income proceeds on Financial Assets on or after the anticipated payment date, net of any taxes that are withheld by Bank or any third party (“AutoCredit”) for those Financial Assets and/or markets as to which Bank customarily offers an AutoCredit service. Bank reserves the right to restrict in good faith the availability of AutoCredit for credit or operational reasons. Bank may reverse such credits to City if Bank believes that the corresponding payment will not be received by Bank within a reasonable period or the credit was incorrect.

(c) When the AutoCredit service is not available, income on Financial Assets, net of any taxes withheld by Bank or any third party, will be credited only after actual receipt and reconciliation by Bank.

(d) Bank will use reasonable efforts in its discretion to contact appropriate parties to collect unpaid interest, dividends or redemption proceeds, but Bank will not be obliged to file any formal notice of default, institute legal proceedings, file a proof of claim in any insolvency proceeding or take any similar action.

2.8 Miscellaneous Administrative Duties

(a) Until Bank receives Instructions to the contrary, Bank will:

(i) present all Financial Assets for which Bank has received notice of a call for redemption or that have otherwise matured, and all income and interest coupons and other income items that call for payment upon presentation;

(ii) execute in the name of City such certificates as may be required to obtain payment in respect of Financial Assets; and

(iii) exchange interim or temporary documents of title held in the Securities

Account for definitive documents of title.

(b) In the event that, as a result of holding of Financial Assets in an omnibus account, City receives fractional interests in Financial Assets arising out of a Corporate Action or class action litigation, Bank will credit City with the amount of cash it would have received had the Financial Assets not been held in an omnibus account, and City shall relinquish to Bank its interest in such fractional interests.

(c) If some, but not all, of an outstanding class of Financial Assets is called for redemption, Bank may allot the amount redeemed among the respective beneficial holders of such a class of Financial Assets on a pro rata basis or in a similar manner Bank deems fair and equitable.

(d) Bank reserves the right to reverse any transactions that are credited to the Accounts due to mis-postings and other such similar actions.

2.9 Corporate Actions

(a) Bank will act in accordance with local market practice to obtain information concerning Corporate Actions that is publicly available in the local market. Bank also will review information obtained from sources to which it subscribes for information concerning such Corporate Actions. Bank will promptly provide that information (or summaries that reflect the material points concerning the applicable Corporate Action) to City or its Authorized Representative.

(b) Bank will act in accordance with City's Instructions in relation to such Corporate Actions. If City fails to provide Bank with timely Instructions with respect to any Corporate Action, neither Bank nor its nominees will take any action in relation to that Corporate Action, except as otherwise agreed in writing by Bank and City or as may be set forth by Bank as a default action in the notification it provides under Section 2.9(a) with respect to that Corporate Action.

2.10 Class Action Litigation

(a) Any notices received by Bank's corporate actions department about settled securities class action litigation that requires action by affected owners of the underlying Financial Assets will be promptly notified to City if Bank, using reasonable care and diligence in the circumstances, identifies that City was a shareholder and held the relevant Financial Assets in custody with Bank at the relevant time. The services set forth in this Section 2.10 are available only in certain markets, details of which are available from Bank on request.

(b) Bank shall make class action filings on behalf of City where, according to Bank's records, City is eligible to participate. Bank shall provide City with written notification of such class actions (each, a "Class Action Notification"), which shall include a date by which City may inform Bank in writing of its decision to opt out of the class action filing or file the claim on its own. Bank will make such filings in respect of City's Financial Assets holdings, unless City, acting pursuant to the Class Action Notification, has timely directed Bank not to file the class action.

(c) After this Agreement is terminated, Bank will no longer make class actions filings in the name of City in respect to such notices. Any proceeds received by Bank in respect of filings made prior to termination shall be sent to City at City's last recorded address.

(d) By making these filings for City, Bank is not representing any view in relation to any class action, nor is Bank making any representation or warrant as to the likely outcome of any such class action, participation in which is done wholly with City's consent and at City's risk.

(e) City acknowledges that in relation to any securities class action it is important that only one claim is filed on City's behalf in respect of a custodial holding or securities transaction. If, in the same securities class action, multiple claims are submitted on City's behalf for the same custodial holding, then all such claims might be rejected by the claims administrator. Therefore,

where a claim is to be submitted by Bank, City agrees that no other party will submit a claim on City's behalf for the same custodial holding or securities transaction in the same securities class action and Bank shall have no duty to check whether any other claims have been filed by any third party on City's behalf in the same securities class action. Bank will have no responsibility in the event that a claim is rejected on the basis that a duplicate claim has been filed by City or another party.

2.11 Proxies

(a) Bank will monitor information distributed to holders of Financial Assets about upcoming shareholder meetings, promptly notify City or Authorized Representative of such information and, subject to Section 2.11(c), act in accordance with City's Instructions in relation to such meetings (the "Proxy Voting Service").

(b) The Proxy Voting Service is available only in certain markets, details of which are available from Bank on request. Provision of the Proxy Voting Service is conditional upon receipt by Bank of any additional documentation that may be required for certain markets.

(c) The Proxy Voting Service does not include physical attendance at shareholder meetings. Requests for physical attendance at shareholder meetings can be made but they will be evaluated and agreed to by Bank on a case by case basis.

(d) City acknowledges that the provision of the Proxy Voting Service may be precluded or restricted under a variety of circumstances. These circumstances include, but are not limited to:

- (i) the Financial Assets being on loan or out for registration;
- (ii) the pendency of conversion or another Corporate Action;
- (iii) the Financial Assets being held in a margin or collateral account at Bank or another bank or broker, or otherwise in a manner which affects voting;

- (iv) local market regulations or practices, or restrictions by the issuer; and
- (v) Bank being required to vote all shares held for a particular issue for all of Bank's customers on a net basis (i.e., a net yes or no vote based on voting instructions received from all its customers). Where this is the case, Bank will notify City.

2.12 Statements of Account

(a) Bank will provide City with a statement of account for each Account, identifying cash and Financial Assets held in the Account and any transfers to and from the Account. Statements of account may be delivered electronically or on-line over the Internet in accordance with the agreed-upon frequency for statements of account and are deemed delivered when sent electronically or posted on the Internet. City will review its statement of account and give Bank written notice of (i) any suspected error or omission or (ii) non-receipt of a statement of account within a reasonable time after the statement of account is sent or made available to City, as the case may be.

(b) City acknowledges that information available to it electronically with respect to transactions posted after the close of the prior business day may not be accurate due to mis-postings, delays in updating Account records, and other causes. Bank will not be liable for any loss or damage arising out of any such information accessed electronically that is subsequently updated or corrected by the close of business on the first business day after the original transaction was posted.

2.13 Tax Reclaims

Bank will provide tax reclaims as provided in Article 6 below.

2.14 Notification

If City has agreed to access information concerning the Accounts through Bank's website, Bank may make any notifications required under this Agreement by posting it on the website, unless such notice is required to be made in accordance with Section VI.H. of this Agreement.

2.15 Sealed Envelopes

From time to time, at City's request, Bank may agree to hold certain Sealed Envelopes in custody for City. Notwithstanding anything in this Agreement to the contrary, Bank's sole responsibility with regards to Sealed Envelopes will be to hold them in Bank's or in a subcustodian's possession. Bank shall not be responsible for verifying the content of any Sealed Envelope purported to contain assets or assessing the value, validity or transferability of any such assets (including the existence or value of any investments contained in any Sealed Envelope). With respect to Sealed Envelopes, neither Bank nor its subcustodians will be obligated to perform any service or action described in this Agreement, including, but not limited to, asset servicing, tax services, corporate actions, income or dividend collection, settlement services or class action litigation.

3. Instructions

3.1 Acting on Instructions; Method of Instructions and Unclear Instructions

(a) City authorizes Bank to accept, rely upon and/or act upon any Instructions received by Bank without inquiry and the City shall not hold Bank liable for any action or omission taken in accordance with any Instruction. Subject to the allocation of funds in accordance with Section IV.G of this Agreement, City hereby agrees to reimburse Bank, its employees and agents for any liabilities, losses, claims, costs, damages, penalties, fines, obligations, or expenses that may be imposed on,

incurred by, or asserted against the Bank, its employees and agents as a result of any action or omission taken in accordance with any of City's Instructions.

(b) To the extent possible, instructions to Bank shall be sent via electronic instruction or trade information system acceptable to Bank or via facsimile transmission. In lieu of facsimile transmission, where reasonably practicable, City will use automated and electronic methods of sending Instructions.

(c) Bank shall promptly notify an Authorized Representative if Bank determines that an Instruction does not contain all information reasonably necessary for Bank to carry out the Instruction. Bank may decline to act upon an Instruction if it does not receive clarification or confirmation satisfactory to it. Bank will not be liable for any loss arising from any reasonable delay in carrying out any such Instruction while it seeks information, clarification or confirmation or in declining to act upon any Instruction for which it does not receive clarification satisfactory to it.

3.2 Verification and Security Procedures

(a) Bank and City shall comply with any applicable Security Procedures with respect to the delivery or authentication of Instructions and shall ensure that any codes, passwords or similar devices are reasonably safeguarded.

(b) Either party may record any of their telephone communications.

3.3 Instructions Contrary to Law/Market Practice

Bank need not act upon Instructions which it reasonably believes to be contrary to law, regulation or market practice and Bank shall be under no duty to investigate whether any Instructions comply with Applicable Law or market practice. In the event Bank does not act upon such Instructions, Bank will notify City where reasonably practicable.

3.4 Cut-Off Times

Bank has established cut-off times for receipt of Instructions, which will be made available to City. If Bank receives an Instruction after its established cut-off time, Bank will attempt to act upon the Instruction on the day requested if Bank deems it practicable to do so or otherwise as soon as practicable after that day.

3.5 Electronic Access

Access by City to certain applications or products of Bank via Bank's web site or otherwise shall be governed by this Agreement and the terms and conditions set forth in Annex A to this Exhibit B.

4. Fees, Expenses and Other Amounts Owing to Bank

4.1 Fees

City shall pay Bank for the Custody Services the agreed upon fees set out in Exhibit B-1 together with Bank's reasonable out of pocket or incidental expenses, including, but not limited to, legal fees and tax or related fees incidental to processing charged directly or indirectly by governmental authorities, issuers, or their agents, if approved by the Director and if sufficient funds are allocated to pay for the expenses not listed in Exhibit B-1.

4.2 Overdrafts

If a debit to the Cash Account results (or will result) in a debit balance, then Bank may, in its discretion, (i) advance an amount equal to the overdraft, (ii) refuse to settle in whole or in part the transaction causing such debit balance, or (iii) if any such transaction is posted to the Securities Account, reverse any such posting. If Bank elects to make such an advance, the advance will be deemed a loan to City, payable on demand, bearing interest at the applicable rate charged by Bank from time to time, for such overdrafts, from the date of such advance to the date of payment

(including after the date any judgment may be entered against City with respect to any overdraft) and otherwise on the terms on which Bank makes similar overdrafts available from time to time. No prior action or course of dealing on Bank's part with respect to the settlement of transactions on City's behalf will be asserted by City against Bank for Bank's refusal to make advances to the Cash Account or to settle any transaction for which City does not have sufficient available funds in the Account. City shall be deemed to be in default with respect to any such advance upon the occurrence of a material impairment of the City's financial condition or the City entering into bankruptcy or insolvency proceedings or taking similar measures.

4.3 Bank's Right Over Securities; Set-off

(a) Without prejudice to Bank's rights under applicable law, Bank and its affiliates shall have, and City grants to Bank a first priority, perfected and continuing security interest in and a lien on all cash, Financial Assets and any other property of every kind that are credited to the Account or otherwise held for City by Bank ("Account Assets") as security for any and all liabilities of City to Bank or any of its affiliates, and Bank shall be entitled after notice to City, to withhold delivery of such Account Assets, sell or otherwise realize any of such Account Assets and to apply the proceeds and any other monies credited to the Cash Account in satisfaction of such liabilities.

(b) Without prejudice to Bank's rights under applicable law, Bank may set off against any liabilities of City to Bank or any of its affiliates, any amount in any currency (i) standing to the credit of any of City's accounts (whether deposit or otherwise) with any Bank branch or office or with any affiliate of Bank or (ii) owed to City by any Bank branch or office or by any affiliate of Bank. For this purpose, Bank shall be entitled to accelerate the maturity of any fixed term deposits.

5. Use of Securities Depositories

(a) Bank may deposit Securities with, and hold Securities in any Securities Depository on such terms as such Securities Depository customarily operates and City will provide Bank with such documentation or acknowledgements that Bank may require to hold the Financial Assets in such Securities Depository.

(b) Bank is not responsible for the selection or monitoring of any Securities Depository and, notwithstanding anything to the contrary contained in any other provision of the Agreement, will not be liable for any act or omission by (or the insolvency of) any Securities Depository. In the event City incurs a loss due to the negligence, willful misconduct, or insolvency of a Securities Depository, Bank will make efforts which it deems commercially reasonable, and solely to the extent that City is the only customer of Bank suffering such loss, act with the concurrence of the Director, to seek recovery from the Securities Depository, but Bank will not be obligated to institute legal proceedings, file proof of claim in any insolvency proceeding, or take any similar action. In the event of a successful recovery of the loss in favor of City, Bank shall reimburse City to the extent of full recovery as due to the City, regardless of whether or not the City is the only customer of Bank suffering such loss.

6. Taxation

6.1 Tax Obligations

(a) City will pay or reimburse Bank, and confirms that Bank is authorized to deduct from any cash received or credited to the Cash Account any taxes or levies required by any revenue or governmental authority for whatever reason in respect of City's Accounts, if any.

(b) City will provide to Bank such certifications, declarations, documentation, and information as it may require in connection with taxation, and warrants that, when given, this

information is true and correct in every respect, not misleading in any way, and contains all material information. City undertakes to notify Bank immediately if any information requires updating or correcting. Bank provides no service of controlling or monitoring, and therefore has no duty in respect of, or liability for any taxes, penalties, interest or additions to tax, payable or paid that result from:

- (i) the inaccurate completion of documents by City or any third party;
- (ii) the provision to Bank or a third party of inaccurate or misleading information by City or any third party;
- (iii) the withholding of material information by City or any third party; or
- (iv) any delay by any revenue authority or any other cause beyond Bank's control.

(c) If Bank does not receive appropriate certifications, documentation and information then, as and when appropriate and required, additional tax shall be deducted from all income received in respect of the Financial Assets issued (including, but not limited to, United States non-resident alien tax and/or backup withholding tax).

(d) City will be responsible in all events for the timely payment of all taxes relating to the Financial Assets in the Securities Account; provided, however, that Bank will be responsible for any penalty or additions to tax due solely as a result of Bank's negligent acts or omissions with respect to paying or withholding tax or reporting interest, dividend or other income paid or credited to the Cash Account.

6.2 Tax Reclaims With Respect to American Depository Receipts

(a) Subject to the provisions of this Section, Bank will apply for a reduction of withholding tax in respect of income payments on Financial Assets comprised of American Depository Receipts credited to the Securities Account that Bank believes may be available to City.

To defray expenses pertaining to nominal tax claims, Bank may from time to time set minimum thresholds as to a de minimis value of tax reclaims which it will pursue in respect of income payments under this Section.

(b) The provision of a tax reclamation service by Bank is conditional upon Bank receiving from City (i) a declaration of its identity and place of residence and (ii) certain other documentation (pro forma copies of which are available from Bank), prior to the receipt of Financial Assets comprised of American Depository Receipts in the Account or the payment of income. If Financial Assets comprised of American Depository Receipts credited to the Account are beneficially owned by someone other than City, this information will be necessary with respect to the beneficial owner. City acknowledges that Bank will be unable to perform tax reclamation services unless it receives this information.

(c) Bank will perform tax reclamation services only with respect to taxation levied by the revenue authorities of the countries advised to City from time to time and Bank may, by notification in writing, in its absolute discretion, supplement or amend the countries in which this tax reclamation service is offered. Other than as expressly provided in this Section 6.2, Bank will have no responsibility with regard to City's tax position or status in any jurisdiction.

7. Additional Provisions

7.1 Standard of Care and Liability Relating to Custody Services

(a) Bank shall exercise reasonable care in performing the Custody Services. Bank will not be in violation of any terms or conditions set forth in this Exhibit B with respect to any matter as to which it has satisfied its obligation of reasonable care.

(b) Bank shall not be liable to City for any costs, expenses, damages, liabilities and claims arising as a result of Bank's performance of the Custody Services, or any action or

forbearance taken by Bank pursuant to directions from City, or any failure to act because of City's failure to provide required directions, except to the extent that such costs, expenses, damages, liabilities or claims are attributable to Bank's negligence or willful misconduct. Nevertheless, to the extent permitted by law, in no event shall Bank or its directors, officers, agents, or employees be held liable to City for any indirect, consequential or special damages, even if advised of the possibility of such damages, with respect to any Securities Account or Cash Account, Bank's performance of the Custody Services or its role as Custodian.

(c) City agrees that Bank provides no service in relation to, and therefore has no duty or responsibility to:

- (i) question Instructions or make any suggestions to City or an Authorized Representative regarding such Instructions;
- (ii) supervise or make recommendations with respect to investments or the retention of Financial Assets;
- (iii) advise City or an Authorized Representative regarding any default in the payment of principal or income of any Security other than as provided in Section 2.7(b) of this Agreement; and
- (iv) evaluate or report to City or an Authorized Representative regarding the financial condition of any broker, agent or other party to which Bank is instructed to deliver Financial Assets or cash. Bank is not responsible or liable in any way for the genuineness or validity of any Security or instrument received, delivered or held by Bank in physical form that appears to be genuine and valid.

7.2 Bank May Consult With Counsel

In the performance of the Custody Services, Bank will be entitled to rely on, and may act upon the advice of professional advisors in relation to matters of law, regulation or market practice (which may be the professional advisors of City), and will not be liable to City under this Exhibit B for any action taken or omitted pursuant to such advice.

7.3 Bank Provides Diverse Financial Services and May Generate Profits as a Result

City hereby authorizes Bank to act under this Agreement notwithstanding that: (a) Bank or any of its divisions, branches or affiliates may have a material interest in transactions entered into by City with respect to the Account or that circumstances are such that Bank may have a potential conflict of duty or interest, including the fact that Bank or its affiliates may act as a market maker in the Financial Assets to which Instructions relate, provide brokerage services to other customers, act as financial adviser to the issuer of such Financial Assets, act in the same transaction as agent for more than one customer, have a material interest in the issue of the Financial Assets; or earn profits from any of the activities listed herein and (b) Bank or any of its divisions, branches or affiliates may be in possession of information tending to show that the Instructions received may not be in the best interests of City. Bank is not under any duty to disclose any such information.

7.4 Assets Held Outside Bank's Control

Bank will not be obliged to (a) hold Financial Assets or cash with any person not agreed to by Bank or (b) register or record Financial Assets in the name of any person not agreed to by Bank. Furthermore, Bank will not be obliged to register or record on Bank's records Financial Assets held outside Bank's control. If, however, City makes any such request and Bank agrees to the request, the consequences of doing so will be at City's own risk. Bank shall not be liable for any losses incurred as a result and may be precluded from providing some of the services referred to in this Agreement

(for example, and without limitation, income collection, proxy voting, class action litigation and Corporate Action notification and processing).

7.5 Ancillary Services

Bank may use third party delivery services and providers of information regarding non-core custody services matters such as pricing, proxy voting, corporate actions and class action litigation and use local agents to provide extraordinary services such as attendance at annual meetings of issuers of Securities, at no additional charge to the City. Although Bank will use reasonable care in the selection and retention of such third party providers and local agents, it will not be responsible for any errors or omissions made by them in providing the relevant information or services in relation to the Custody Services.

7.6 Service Locations

Bank maintains various operational/service centers and locations through the United States and foreign jurisdictions. The services provided under this Agreement will be provided from one or more such locations. Bank may change the operational/service centers and locations as it deems necessary or appropriate for its business concerns, and to the extent any such change has a material impact on the deliverables provided by Bank to City hereunder, Bank will use reasonable efforts to provide written notice of such change to the Director, which notice shall be in advance if commercially practicable. Subject to the foregoing, the Director reserves the right to terminate the Agreement if the Director reasonably believes that such changes materially alter the provision of services to the City hereunder.

7.7 Exit Procedure

City will provide Bank full details of the persons to whom Bank must deliver Financial

Assets and cash within a reasonable period before the effective time of termination of this

Agreement. If City fails to provide such details in a timely manner, Bank shall be entitled to continue to be paid fees under this Agreement until such time as it is able to deliver the Financial Assets and cash to a successor custodian, but Bank may take such steps as it reasonably determines to be necessary to protect itself following the effective time of termination, including ceasing to provide transaction settlement services in the event that Bank is unwilling to assume any related credit risk. Bank will in any event be entitled to deduct any amounts owing to it prior to delivery of the Financial Assets and cash (and, accordingly, Bank will be entitled to sell Financial Assets and apply the sale proceeds in satisfaction of amounts owing to it). City will reimburse Bank promptly for all out-of-pocket expenses it incurs in delivering Financial Assets upon termination, subject to the Director's approval and the allocation of funds in accordance with Section IV.G. of this Agreement.

7.8 Representations of City

Notwithstanding anything to the contrary contained in the Agreement, City represents and warrants that (i) it has full authority and power, and has obtained all necessary authorizations and consents, to deposit and control the Financial Assets, Sealed Envelopes and cash in the Accounts, to use Bank as its custodian in accordance with the terms of this Exhibit "B", to borrow money (either short term or intraday borrowings in order to settle transactions prior to receipt of covering funds), and grant a lien over Financial Assets as contemplated by Section 4.3; (ii) assuming execution and delivery of this Agreement by Bank, this Agreement is City's legal, valid and binding obligation, enforceable in accordance with its terms; (iii) it has not relied on any oral or written representation made by Bank or any person on its behalf, and acknowledges that this Exhibit "B" sets out to the fullest extent the duties of Bank with respect to the Custody Services; (iv) it is a resident of the United States and shall notify Bank of any changes in residency; (v) the Financial Assets, Sealed

Envelopes and cash deposited in the Accounts (other than those assets held in Accounts established pursuant to certain account control agreements (“Control Account Assets”) among City, Bank and secured party named therein) are not subject to any encumbrance or security interest whatsoever and City undertakes that, so long as liabilities of City under or in connection with this Agreement are outstanding, it will not create or permit to subsist any encumbrance or security interest over such Financial Assets, Sealed Envelopes or cash (other than Control Account Assets); (vi) no delivery of Securities by City to Bank and no Instruction by City with respect to such Securities will contravene applicable law; and (vii) none of the Financial Assets, Sealed Envelopes and cash to be held under this Agreement are “plan assets” as defined in Section 3(42) of the Employee Retirement Income Security Act of 1974, as amended, or the regulations thereunder except as otherwise expressly notified to Bank.

7.9 Confidentiality

Subject to Section 7.9(b), Bank will hold all Confidential Information in confidence and will not disclose any Confidential Information except as may be required by law, a regulator with jurisdiction over Bank’s business, or with the consent of City.

(b) City authorizes Bank to disclose Confidential Information to:

(i) any subcontractor, agent, Securities Depository, securities exchange, broker, third party agent, proxy solicitor, issuer, or any other person that Bank believes it is reasonably required in connection with Bank’s provision of the Custody Services under this Agreement;

(ii) its professional advisors, auditors or public accountants;

(iii) its affiliates and branches; and

(iv) any revenue authority or any governmental entity in relation to the processing of any tax reclaim.

Annex A

Electronic Access

The following terms and conditions are applicable only to the Securities Safekeeping and Custody Services under Exhibit B of this Agreement and do not apply to the Depository Banking Services.

1. Bank may permit City and its Authorized Representatives to access certain electronic systems and applications (collectively, the "Products") and to access or receive electronically Data (as defined below) in connection with the Agreement. Bank may also permit any third party that has been designated as a statement recipient by City or an Authorized Person to view account information via electronic means. Bank may, from time to time, introduce new features to the Products or otherwise modify or delete existing features of the Products in its sole discretion. Bank shall use commercially reasonable efforts to give City reasonable notice of its termination or suspension of access to the Products, but may do so immediately if Bank determines, in its sole discretion, that providing access to the Products would violate Applicable Law or that the security or integrity of the Products is at risk. Access to the Products shall be subject to the Security Procedures.
2. In consideration of the fees paid by City to Bank and subject to any applicable software license addendum in relation to Bank-owned or sublicensed software provided for a particular application and Applicable Law, Bank grants to City a non-exclusive, non-transferable, limited and revocable license to use the Products and the information and data made available through the Products or transferred electronically to City or its Authorized Representatives (the "Data") for City's internal business use only. City may download the Data and print out hard copies for its reference, provided that it does not remove any copyright or other notices contained therein. The license granted herein will permit use by City's Authorized Person, provided that such use shall be in compliance with the Agreement, including this Annex. City acknowledges that elements of the Data, including prices, corporate action information, and reference data, may have been licensed by Bank from third parties and that any use of such Data beyond that authorized by the foregoing license, may require the permission of one or more third parties in addition to Bank.
3. City acknowledges that there are security, corruption, transaction error and access availability risks associated with using open networks such as the Internet, and City hereby expressly assumes such risks. City is solely responsible for obtaining, maintaining and operating all software (including antivirus software, anti-spyware software, and other Internet security software) and personnel necessary for City to access and use the Products to the extent that such software are installed on City's computers. All such software must be interoperable with Bank's software. Each of City and Bank shall be responsible for the proper functioning, maintenance and security of its own systems, services, software and other equipment.
4. In cases where Bank's web site is unexpectedly down or otherwise unavailable, Bank shall, absent a force majeure event, provide other appropriate means for City or its Authorized Representatives to instruct Bank or obtain reports from Bank. Notwithstanding anything to the contrary contained in the Agreement, Bank shall not be liable for any liabilities arising out of City's use of, access to or inability to use the Products via Bank's web site in the absence of Bank's negligence or willful misconduct, unless Bank fails to use commercially reasonable efforts to provide alternative means for City to obtain information that City cannot obtain from Bank's website.

5. Use of the Products may be monitored, tracked, and recorded. In using the Products, City hereby expressly consents to such monitoring, tracking, and recording. Individuals and organizations should have no expectation of privacy unless local law, regulation, or contract provides otherwise. Bank shall own all right, title and interest in the data reflecting City usage of the Products or Bank's web site (including, but not limited to, general usage data and aggregated transaction data). Bank may use and sublicense data obtained by it regarding City's use of the Products or Bank's website, as long as Bank does not disclose to others that City was the source of such data or the details of individual transactions effected using the Products or web site.
6. City shall not knowingly use the Products to transmit (i) any virus, worm, or destructive element or any programs or data that may be reasonably expected to interfere with or disrupt the Products or servers connected to the Products; (ii) material that violates the rights of another, including but not limited to the intellectual property rights of another; and (iii) "junk mail", "spam", "chain letters" or unsolicited mass distribution of e-mail.
7. City shall promptly and accurately designate in writing to Bank the geographic location of its users upon written request. City further represents and warrants to Bank that City shall not access the service from any jurisdiction which Bank informs City or where City has actual knowledge that the service is not authorized for use due to local regulations or laws, including applicable software export rules and regulations. Prior to submitting any document which designates the persons authorized to act on City's behalf, City shall obtain from each individual referred to in such document all necessary consents to enable Bank to process the data set out therein for the purposes of providing the Products.
8. City will be subject to and shall comply with all applicable laws, rules and regulations concerning restricting collection, use, disclosure, processing and free movement of the Data (collectively, the "Privacy Regulations"). The Privacy Regulations may include, as applicable, the Federal "Privacy of Consumer Financial Information" Regulation (12 CFR Part 30), as amended from time to time, issued pursuant to Section 504 of the Gramm-Leach-Bliley Act of 1999 (15 U.S.C. §6801, et seq.), the Health and Insurance Portability and Accountability Act of 1996 (42 U.S.C. §1320d), The Data Protection Act 1998 and Directive 95/46/EC of the European Parliament and of the Council of 24 October 1995 on the protection of individuals with regard to processing of personal data and the free movement of such data.
9. City shall be responsible for the compliance of its Authorized Representatives with the terms of the Agreement, including this Annex.

EXHIBIT "B-1"
FEE SCHEDULE
FOR SECURITIES SAFEKEEPING AND CUSTODY SERVICES

	ESTIMATED		
	ANNUAL	UNIT	ANNUAL
	VOLUME	PRICE	PRICE
SAFEKEEPING RECEIVE & SETTLE PURCHASE			
Treasury bills, notes, and bonds	19	15.00	285
Agency discount notes and bonds	63	15.00	945
Mortgage pass-through securities	1	15.00	15
Commercial paper	12	15.00	180
Municipal securities	75	15.00	1,125
Repurchase agreements	0	15.00	0
SAFEKEEPING RECEIVE INTEREST/PAYMENTS FROM			
Treasury notes or bonds	38	0.00	0
Agency notes or bonds	127	0.00	0
Mortgage pass-through securities	1020	5.00	5,100
Municipal bonds	139	0.00	0
SETTLE MATURITIES OR SALE OF:			
Treasury bills, notes, and bonds	12	15.00	180
Agency notes or bonds	70	15.00	1,050
Mortgage pass-through securities	10	15.00	150
Municipal bonds	8	15.00	120
Municipal Securities	18	15.00	270
Repurchase agreements	0	15.00	0
Safekeeping Annual Base Fee	2	12,000	24,000
Safekeeping Annual Issue Maintenance Fee	269	36.00	9,684
OTHER CHARGES AND CREDITS			
Deposit Bags	N/A	\$25.00-\$35.00	
2nd Qtr Safekeeping Fees	N/A		

EXHIBIT "C"

EQUAL EMPLOYMENT OPPORTUNITY

1. The Bank, subcontractor, vendor, supplier, or lessee will not discriminate against any employee or applicant for employment because of race, religion, color, sex, national origin, or age. The Bank, subcontractor, vendor, supplier, or lessee will take affirmative action to ensure that applicants are employed and that employees are treated during employment without regard to their race, religion, color, sex, national origin, or age. Such action will include, but not be limited to, the following: employment; upgrading; demotion or transfer; recruitment advertising; layoff or termination; rates of pay or other forms of compensation and selection for training, including apprenticeship. The Bank, subcontractor, vendor, supplier or lessee agrees to post in conspicuous places available to employees, and applicants for employment, notices to be provided by the City setting forth the provisions of this Equal Employment Opportunity Clause.

2. The Bank, subcontractor, vendor, supplier, or lessee states that all qualified applicants will receive consideration for employment without regard to race, religion, color, sex, national origin or age.

3. The Bank, subcontractor, vendor, supplier, or lessee will send to each labor union or representatives of workers with which it has a collective bargaining agreement or other contract or understanding, a notice to be provided by the agency contracting officer advising the said labor union or worker's representative of the Bank's and subcontractor's commitments under Section 202 of Executive Order No. 11246, as amended and superseded, and shall post copies of the notice in conspicuous places available to employees and applicants for employment.

4. The Bank, subcontractor, vendor, supplier, or lessee will comply with all provisions of Executive Order No. 11246, as amended and superseded, and the rules, regulations, and relevant orders of the Secretary of Labor or other Federal Agency responsible for enforcement of the equal employment opportunity and affirmative action provisions applicable and will likewise furnish all information and reports required by the Mayor and/or Contractor Compliance Officer(s) for purposes of investigation to ascertain and effect compliance with this program.

5. The Bank, subcontractor, vendor, supplier, or lessee will furnish all information and reports required by Executive Order No. 11246, as amended and superseded, and by the rules, regulations, and orders of the Secretary of Labor, or pursuant thereto, and will permit access to all books, records, and accounts by the appropriate City and Federal Officials for purposes of investigations to ascertain compliance with such rules, regulations, and orders. Compliance reports filed at such times as directed shall contain information as to the employment practice policies, program, and work force statistics of the contractor, subcontractor, vendor, supplier, or lessee.

6. In the event of the Bank's, subcontractor's, vendor's, supplier's, or lessee's non-compliance with the non-discrimination clause of this contract or with any of such rules, regulations, or orders, this contract may be canceled, terminated, or suspended in whole or in part, and the Bank, subcontractor, vendor, supplier, or lessee may be declared ineligible for further City contracts in accordance with procedures provided in Executive Order No. 11246, as amended and superseded, and such other sanctions may be imposed and remedies invoked as provided in the said Executive Order, or by rule, regulation, or order of the Secretary of Labor, or as may otherwise be provided by law.

7. The Bank shall include the provisions of paragraphs 1-8 of this Equal Employment Opportunity Clause in every subcontract or purchase order unless exempted by rules, regulations, or orders of the Secretary of Labor issued pursuant to Section 204 of Executive Order No. 11246 of September 24, 1965, as amended and superseded, so that such provisions will be binding upon each subcontractor or vendor. The Bank will take such action with respect to any subcontractor or purchase order as the contracting agency may direct as a means of enforcing such provisions including sanctions for noncompliance; provided, however, that in the event the Bank becomes involved in, or is threatened with litigation with a subcontractor or vendor as a result of such direction by the contracting agency, the Bank may request the United States to enter into such litigation to protect the interests of the United States.

8. The Bank shall file and shall cause his or her subcontractors, if any, to file compliance reports with the City in the form and to the extent as may be prescribed by the Mayor. Compliance reports filed at such times as directed shall contain information as to the practices, policies, programs, and employment policies and employment statistics of the Bank and each subcontractor.

EXHIBIT "D"

DRUG POLICY COMPLIANCE AGREEMENT

I, Tyrus R. Brailey Authorized Officer as an owner or officer of
(Name) (Print/Type) (Title)
JPMorgan Chase Bank, N.A. (Bank)
(Name of Company)

have authority to bind Bank with respect to its bid, offer or performance of any and all contracts it may enter into with the City of Houston; and that by making this Agreement, I affirm that the Bank is aware of and by the time the contract is awarded will be bound by and agree to designate appropriate safety impact positions for company employee positions, and to comply with the following requirements before the City issues a Notice to Proceed:

- 1. Develop and implement a written Drug Free Workplace Policy and related drug testing procedures for the Bank that meet the criteria and requirements established by the Mayor's Amended Policy on Drug Detection and Deterrence (Mayor's Drug Policy) and the Mayor's Drug Detection and Deterrence Procedures for Contractors (Executive Order No. 1-31).
- 2. Obtain a facility to collect urine samples consistent with Health and Human Services (HHS) guidelines and a HHS certified drug testing laboratory to perform the drug tests.
- 3. Monitor and keep records of drug tests given and the results; and upon request from the City of Houston, provide confirmation of such testing and results.
- 4. Submit semi-annual Drug Policy Compliance Declarations.

I affirm on behalf of the Bank that full compliance with the Mayor's Drug Policy and Executive Order No. 1-31 is a material condition of the contract with the City of Houston.

I further acknowledge that falsification, failure to comply with or failure to timely submit declarations and/or documentation in compliance with the Mayor's Drug Policy and/or Executive Order No. 1-31 will be considered a breach of the contract with the City and may result in non-award or termination of the contract by the City of Houston.

6-20-14
(Date)

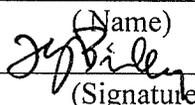
Tyrus R. Brailey
(Name)

(Signature)
Authorized Officer
(Title)

EXHIBIT "E"

BANK'S CERTIFICATION
OF NO SAFETY IMPACT POSITIONS
IN PERFORMANCE OF A CITY CONTRACT

Tyrus R. Brailey, Authorized Officer
(Name) (Title)

as an owner or officer of JPMorgan Chase Bank, N.A. (Bank)
(Name of Company)

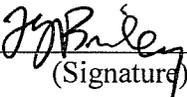
have authority to bind the Bank with respect to its bid, and hereby certify that Bank has no employee safety impact positions, as defined in §5.18 of Executive Order No. 1-31, that will be involved

in performing **Depository Banking Services And Securities Safekeeping And Custody Services.**

Bank agrees and covenants that it shall immediately notify the City of Houston Director of Human Resources if any safety impact positions are established to provide services in performing this City Contract.

6-20-14
(Date)

Tyrus R. Brailey
(Typed or Printed Name)


(Signature)

Authorized Officer
(Title)

This form is not applicable to JPMorgan Chase Bank, N.A.
No safety impact positions at the Bank.

EXHIBIT "F"

DRUG POLICY COMPLIANCE DECLARATION

I, _____ as an owner or officer of
(Name) (Print/Type) (Title)

(Name of Company) (Bank)

have personal knowledge and full authority to make the following declarations:

This reporting period covers the preceding 6 months from _____ to _____, 20____.

_____ A written Drug Free Workplace Policy has been implemented and employees
Initials notified. The policy meets the criteria established by the Mayor's Amended Policy on
Drug Detection and Deterrence (Mayor's Policy).

_____ Written drug testing procedures have been implemented in conformity with the
Initials Mayor's Drug Detection and Deterrence Procedures for Engineers, Executive Order
No. 1-31. Employees have been notified of such procedures.

_____ Collection/testing has been conducted in compliance with federal Health and Human
Initials Services (HHS) guidelines.

_____ Appropriate safety impact positions have been designated for employee positions
Initials performing on the City of Houston contract. The number of employees in safety
impact positions during this reporting period is _____.

_____ From _____ to _____ the following test has occurred
Initials (Start date) (End date)

	<u>Random</u>	<u>Reasonable Suspicion</u>	<u>Post Accident</u>	<u>Total</u>
Number Employees Tested	_____	_____	_____	_____
Number Employees Positive	_____	_____	_____	_____
Percent Employees Positive	_____	_____	_____	_____

_____ Any employee who tested positive was immediately removed from the City worksite
Initials consistent with the Mayor's Policy and Executive Order No. 1-31.

_____ I affirm that falsification or failure to submit this declaration timely in accordance
Initials with established guidelines will be considered a breach of contract.

I declare under penalty of perjury that the affirmations made herein and all information contained in
this declaration are within my personal knowledge and are true and correct.

(Date)

(Typed Name)

(Signature)

(Title)