



DATE: December 18, 2013

TO: Honorable Mayor and City Councilmembers

FROM: City Treasurer's Office

SUBJECT: **APPROVAL OF AMENDMENT 1 IN AN AMOUNT NOT TO EXCEED \$115,000, TO THE MASTER BANKING SERVICES AGREEMENT WITH UNION BANK, N.A., OF CALIFORNIA EXTENDING THE AGREEMENT FOR CITY BANKING SERVICES**

SYNOPSIS

Staff recommends that the City Council approve Amendment 1, in an amount not to exceed \$115,000, to the Master Banking Services Agreement with Union Bank, N.A., of California, extending the term of the agreement for one year to December 18, 2014, for City banking services; and authorize the City Manager to execute the amendment.

BACKGROUND

On December 16, 2009, City Council approved a Master Banking Services Agreement (Attachment 2) with Union Bank to provide daily banking services to the City. The agreement had a four-year term, with two options to renew the agreement for one additional year with each option. The bank fees would remain the same during each option period.

ANALYSIS

In December 2009, the City entered into a new banking relationship with Union Bank, transitioning from a prior banking relationship the City had since 1997. Since migrating to Union Bank, the City has added several services (such as lockbox payment processing, remote deposit and returned items processing) which has enhanced the City's revenue processing capabilities and helped create efficiencies. Staff has been satisfied with the services that Union Bank has provided and desires to exercise the first of the two options to extend the banking agreement for one year.

The agreement with Union Bank provides for guaranteed pricing for six years (four-year initial term, plus the two one-year extensions). In Fiscal Year 2012-2013, banking fees totaled \$107,000. Staff estimates that banking costs should remain stable for Fiscal Year 2013-2014; however staff is requesting a not-to-exceed amount of \$115,000 in the event new services are added or transaction volumes increase.

FISCAL IMPACT

The one-year agreement extension is for a not-to-exceed amount of \$115,000. Prices are based on monthly transaction volumes as well as fixed administrative fees; therefore fees vary from month to month and a fixed contract price is not available. The banking fees are budgeted in account 200010102.5405.

COMMISSION/COMMITTEE REPORT

Does not apply.

CITY ATTORNEY'S ANALYSIS

The referenced documents have been reviewed by the City Attorney and approved as to form.

RECOMMENDATION

Staff recommends that the City Council approve Amendment 1, in an amount not to exceed \$115,000, to the Master Banking Services Agreement with Union Bank, N.A., of California, extending the term of the agreement for one year to December 18, 2014, for City banking services; and authorize the City Manager to execute the amendment.

PREPARED BY:



Michele C. Lund
Treasury Manager

SUBMITTED BY:



Steven R. Jepsen
City Manager

REVIEWED BY:

Michelle Skaggs-Lawrence, Deputy City Manager
Gary Ernst, City Treasurer
James R. Riley



Attachments: Attachment 1 - Amendment 1 to Master Banking Services Agreement
Attachment 2 - Master Banking Services Agreement (12/16/09)

ATTACHMENT 1

CITY OF OCEANSIDE AMENDMENT NO. 1 TO MASTER BANKING SERVICES AGREEMENT

THIS AMENDMENT TO MASTER BANKING SERVICES AGREEMENT hereinafter "Amendment") is made and entered into this 18th day of December, 2013, by and between the CITY OF OCEANSIDE, a municipal corporation, hereinafter designated as "CITY", and UNION BANK, N.A. (hereinafter designated as "BANK").

RECITALS

WHEREAS, City and BANK are the parties to that certain Master Banking Services Agreement dated December 16, 2009, hereinafter referred to as the "Agreement", wherein BANK agreed to provide certain services to the City as set forth therein;

WHEREAS, the parties desire to amend the Agreement to provide for changes and/or Modifications to the Services Provided by Bank and Modification and Termination of Agreement sections of the Agreement.

AMENDMENT

NOW, THEREFORE, as set forth herein, the parties hereto do mutually agree that the Agreement shall be amended as follows:

1. Section 1.2 (a) Services Provided by Bank. The CITY is exercising the first of two (2) one-year options to extend the agreement at the agreed-upon fixed-rates as set forth in the Banking Services Bid Form.
2. Section 2. Modification and Termination of Agreement. The term of this Agreement shall be extended for one year from the date of execution hereof, with an option to renew for an additional one (1) year.
3. Except as expressly set forth in this Amendment, the Agreement shall remain in full force and effect and is hereby ratified and reaffirmed.

CALIFORNIA ALL-PURPOSE CERTIFICATE OF ACKNOWLEDGMENT

State of California

County of San Diego

On 14th November 2013 before me, Aristeo Lucero, Notary Public
(Here insert name and title of the officer)

personally appeared Randy Joe Ungersma

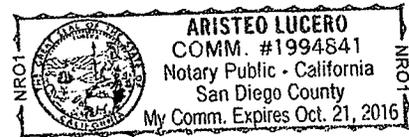
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

[Signature]
 Signature of Notary Public

(Notary Seal)



ADDITIONAL OPTIONAL INFORMATION

DESCRIPTION OF THE ATTACHED DOCUMENT

 (Title or description of attached document)

 (Title or description of attached document continued)

Number of Pages _____ Document Date _____

 (Additional information)

CAPACITY CLAIMED BY THE SIGNER

- Individual(s)
- Corporate Officer

 (Title)

- Partner(s)
- Attorney-in-Fact
- Trustee(s)
- Other _____

INSTRUCTIONS FOR COMPLETING THIS FORM

Any acknowledgment completed in California must contain verbiage exactly as appears above in the notary section or a separate acknowledgment form must be properly completed and attached to that document. The only exception is if a document is to be recorded outside of California. In such instances, any alternative acknowledgment verbiage as may be printed on such a document so long as the verbiage does not require the notary to do something that is illegal for a notary in California (i.e. certifying the authorized capacity of the signer). Please check the document carefully for proper notarial wording and attach this form if required.

- State and County information must be the State and County where the document signer(s) personally appeared before the notary public for acknowledgment.
- Date of notarization must be the date that the signer(s) personally appeared which must also be the same date the acknowledgment is completed.
- The notary public must print his or her name as it appears within his or her commission followed by a comma and then your title (notary public).
- Print the name(s) of document signer(s) who personally appear at the time of notarization.
- Indicate the correct singular or plural forms by crossing off incorrect forms (i.e. he/she/they, is/are) or circling the correct forms. Failure to correctly indicate this information may lead to rejection of document recording.
- The notary seal impression must be clear and photographically reproducible. Impression must not cover text or lines. If seal impression smudges, re-seal if a sufficient area permits, otherwise complete a different acknowledgment form.
- Signature of the notary public must match the signature on file with the office of the county clerk.
 - ❖ Additional information is not required but could help to ensure this acknowledgment is not misused or attached to a different document.
 - ❖ Indicate title or type of attached document, number of pages and date.
 - ❖ Indicate the capacity claimed by the signer. If the claimed capacity is a corporate officer, indicate the title (i.e. CEO, CFO, Secretary).
- Securely attach this document to the signed document

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

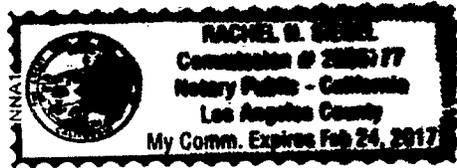
State of California

County of LOS ANGELES

On 1-18-2013
Date

before me, RACHEL N SIEGEL
Here Insert Name and Title of the Officer

personally appeared EILEEN PEREZ
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Rachel N Siegel
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

Title or Type of Document: MASTER BANKING SERVICE AGREEMENT

Document Date: 11-18-2013

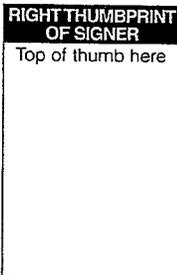
Number of Pages: 1

Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

CITY OF OCEANSIDE

City Original Document
Document No. 09-D0829-1
12/16/09 (18)

MASTER BANKING SERVICES AGREEMENT

THIS AGREEMENT is made and entered into this 16th day of December, 2009, by and between the CITY OF OCEANSIDE, a municipal corporation, (hereinafter designated as "CITY"; and UNION BANK, N.A. (hereinafter designated as "BANK").

RECITALS

- A. CITY desired to continue banking services, and requested a proposal for these services.
- B. BANK has submitted a proposal dated September 14, 2009 to provide banking services for the CITY in accordance with the terms set forth in this Agreement. A copy of the proposal is attached as Exhibit A, and incorporated herein by reference.
- C. CITY desires to contract with BANK as an independent contractor and BANK desires to provide services to CITY as an independent contractor.
- D. BANK has demonstrated its competence and professional qualifications necessary for the satisfactory performance of the services designated herein.

NOW THEREFORE, THE PARTIES MUTUALLY AGREE AS FOLLOWS:

1. **SERVICES PROVIDED BY BANK.** The services to be performed by BANK shall consist of but not be limited to the following:

1.1 Work closely with the Treasury Manager in performing work in accordance with this Agreement in order to receive clarification as to the result that the CITY expects to be accomplished by BANK. The Treasury Manager, under the authority of the City Treasurer, shall be the CITY's authorized representative in the interpretation and enforcement of all work performed in connection with this Agreement. The Treasury Manager may delegate authority in connection with this Agreement to the City Treasurer and/or Director of Financial Services designees.

1.2 Perform all obligations as set forth in BANK Proposal including but not limited to:

(a) The Pricing Schedule shall be as set forth in Tab U – Banking Services Bid Form of the Proposal for a term of four (4) years from the date of execution of this Agreement. The fees shall be fixed at the rates set forth in the Proposal referred to in Tab U – Banking Services Bid Form. The City has an option to renew annually for an additional two (2) years and the fees shall be fixed for each option as proposed by the BANK. Pricing for services not presently utilized will be based on the BANK'S Current Schedule of Fees and Charges or as otherwise agreed.

1.3 Perform all obligations as set forth in the separate agreements between CITY and BANK. Exhibit B, incorporated herein by reference, lists all separate agreements, which agreements have been executed in conjunction with the Master Banking Agreement. To

BANKING SERVICES

the extent that there are inconsistencies between the terms of this Agreement, and the terms of any separate agreement, the terms of this Agreement shall prevail.

2. **MODIFICATION AND TERMINATION OF AGREEMENT.** The term of this Agreement shall be four (4) years from the date of execution hereof, with an option to renew annually for an additional two (2) years. This Agreement may be modified at any time only in writing signed by the CITY and the BANK, and may be terminated at any time in accordance with the terms of the separate agreements.

In any event either party may terminate this agreement by giving thirty (30) days prior written notice of its intent to terminate.

BANK, subject to the written consent of CITY, may amend the agreements referenced in Exhibit B from time to time according to the terms of such agreements, but any pricing change shall conform to the provisions of paragraph 1.2a above.

3. **ENTIRE AGREEMENT.** This Agreement, including all separate agreements incorporated herein, comprises the entire integrated understanding between CITY and BANK concerning the banking services to be performed by the CITY and supersedes all prior negotiations, representations, or agreements.

4. **INTERPRETATION OF THE AGREEMENT.** The interpretation, validity and enforcement of the Agreement shall be governed by and construed under the laws of the State of California.

The CITY and BANK shall be responsible for complying with all Local, State, and Federal laws whether or not said laws are expressly stated or referred to herein.

Should any provision herein be found or deemed to be invalid, the Agreement shall be construed as not containing such provision, and all other provisions which otherwise are lawful shall remain in full force and effect, and to this end the provisions of this Agreement are severable.

5. **NOTICES.** All notices, demands, requests, consents or other communications which this Agreement contemplates or authorizes, or requires or permits either party to give to the other, shall be in writing and shall be personally delivered or mailed to the respective party as follows:

TO CITY:

Michele C. Lund
Treasury Manager
300 North Coast Highway
Oceanside CA 92054

TO BANK:

Union Bank Government Services
Attn. Randy Ungersma
530 "B" Street, Suite 535
San Diego, CA 92101

BANKING SERVICES

Either party may change its address by notice to the other party as provided herein.

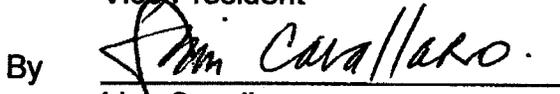
Communications shall be deemed to have been given and received on the first to occur of (i) actual receipt at the offices of the party to whom the communication is to be sent, as designated above, or (ii) three working days following the deposit in the United States Mail of registered or certified mail, postage prepaid, return receipt requested, addressed to the offices of the party to whom the communication is being sent, as designated above.

6. SIGNATURES. The individuals executing this Agreement represent and warrant that they have the right, power, legal capacity and authority to enter into and to execute this Agreement on behalf of the respective legal entities of the BANK and the CITY.

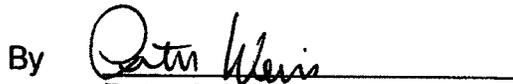
IN WITNESS WHEREOF the parties hereto for themselves, their heirs, executors, administrators, successors, and assigns do hereby agree to the full performance of the covenants herein contained and have caused this Master Banking Services Agreement to be executed by setting hereunto their signatures.

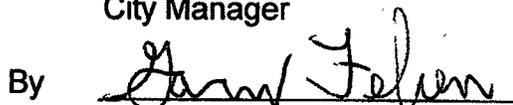
UNION BANK, N.A.
BANK

By 
Randy Ungersma
Vice President

By 
Lisa Cavallaro
Senior Vice President

CITY OF OCEANSIDE
CITY

By 
Peter A. Weiss
City Manager

By 
Gary Felien
City Treasurer

Attest 
City Clerk

04-0304228
Federal Employer ID Number

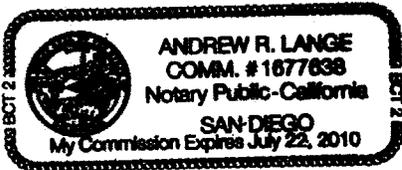

Approved as to Form:
City Attorney

Notary acknowledgments of BANK must be attached. (page 5)

SEE ATTACHED DOCUMENT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

State of California
 County of SAN Diego }
 On 11-9-09 before me, Andrew R. Lange Notary Public
Date Here Insert Name and Title of the Officer
 personally appeared Randy Ungersma
Name(s) of Signer(s)



who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal

Signature _____
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

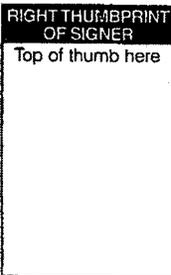
Description of Attached Document

Title or Type of Document: _____
 Document Date: _____ Number of Pages: _____
 Signer(s) Other Than Named Above: _____

Capacity(ies) Claimed by Signer(s)

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

Signer's Name: _____

- Individual
- Corporate Officer — Title(s): _____
- Partner — Limited General
- Attorney in Fact
- Trustee
- Guardian or Conservator
- Other: _____



Signer Is Representing: _____

SEE ATTACHED DOCUMENT

CALIFORNIA ALL-PURPOSE ACKNOWLEDGMENT

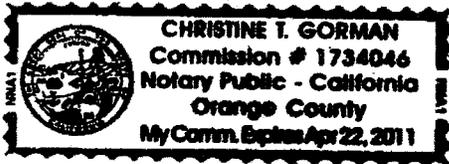
State of California

County of Orange

On November 16, 2009 before me, Christine T. Gorman
Date Here Insert Name and Title of the Officer

personally appeared Josa Cadallars
Name(s) of Signer(s)

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.



I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature Christine T. Gorman
Signature of Notary Public

Place Notary Seal Above

OPTIONAL

Though the information below is not required by law, it may prove valuable to persons relying on the document and could prevent fraudulent removal and reattachment of this form to another document.

Description of Attached Document

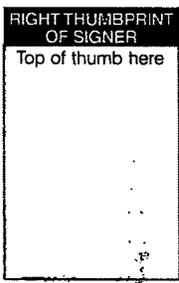
Title or Type of Document: Master Banking Services Agreement

Document Date: 12/16/2009 Number of Pages: 4

Signer(s) Other Than Named Above: Andy Ungerman, Union Bank; Peter A. Davis, City Manager, Jerry Felich, City Treasurer, City Clerk & City Attorney - for City of Riverside

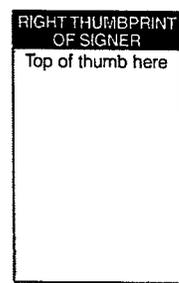
Capacity(ies) Claimed by Signer(s) Josa Cadallars

- Signer's Name: Josa Cadallars
- Individual
 - Corporate Officer — Title(s) Senior Vice President
 - Partner — Limited General
 - Attorney in Fact
 - Trustee
 - Guardian or Conservator
 - Other: _____



Signer Is Representing: Union Bank

- Signer's Name: _____
- Individual
 - Corporate Officer — Title(s): _____
 - Partner — Limited General
 - Attorney in Fact
 - Trustee
 - Guardian or Conservator
 - Other: _____



Signer Is Representing: _____

Tab U – Banking Services Bid Form: Please complete all items on this attachment. If the bank does not or cannot provide a specific requested service, please indicate "no proposal" and if appropriate, recommend an alternative service and include as a specified attachment. Per Unit Cost x Estimated Monthly Unit Volume = Total Monthly Cost x 12 = Estimated Total Annual Cost. Where fees vary from this formula, please indicate and provide an estimate of the total annual cost. Volumes indicated represent average monthly activity.

**Banking Services Bid Form
 Page 1**

Bank Name: UNION BANK

ITEM	PER UNIT COST	ESTIMATED MONTHLY UNIT VOLUME	TOTAL MONTHLY COST	ESTIMATED TOTAL ANNUAL COST
General Account Services				
Account Maintenance	5.00	6	30.00	360.00
ZBA Depository + Master Maint	0.00	1	0.00	0.00
ZBA Subsidiary Account Maint	5.00	3	15.00	180.00
DDA Statement Per Account	1.00	4	4.00	48.00
			0.00	0.00
Depository Services				
			0.00	0.00
Banking Center Deposit-CA	1.00	3	3.00	36.00
QBD/Night Drop Deposit-CA	2.00	10	20.00	240.00
Curr-Coin Dep/\$100-QBD-ND-CA	0.15	270	40.50	486.00
Vault Deposit-CA	1.45	4	5.80	69.60
Curr/Coin Dep/\$100 Vault-CA	0.045	4,250	191.25	2,295.00
Coin Deposit-Non Std Bag Vlt-CA	2.75	135	371.25	4,455.00
Change Order Vault-CA	2.00	1	2.00	24.00
Coin Supp/ Roll -Box-Vlt-CA	0.10	320	32.00	384.00
<i>Full Box Supplied: \$4.25 1/2 Box: \$2.00</i>				
Vault Deposit-Extended Hours-CA	1.45	70	101.50	1,218.00
Cash Letter/Item Proc Deposit	1.00	20	20.00	240.00
Cks Dep on Us-CA	0.03	4,635	139.05	1,668.60
Cks Dep Local-Clearings-CA	0.04	7,000	280.00	3,360.00
Cks Dep Select In Dist-CA	0.05	9,050	452.50	5,430.00
Cks Dep All Other-CA	0.08	2,860	228.80	2,745.60
Cks Deposited-CA	0.08	150	12.00	144.00
Cks Dep Rejects-CA	0.00	60	0.00	0.00
Cks Dep Rejects>.7%-CA	0.25	50	12.50	150.00

Banking Services Bid Form
Page 2

Bank Name: UNION BANK

ITEM	PER UNIT COST	ESTIMATED MONTHLY UNIT VOLUME	TOTAL MONTHLY COST	ESTIMATED ANNUAL COST
Depository Services (continued)				
Returns-Chargeback	1.50	25	37.50	450.00
<i>Auto Reclear Return Items</i>	1.00	100	100.00	1,200.00
Large Item Returned (fax-phone)	5.00	2	10.00	120.00
Deposit Correction-Cash	7.00	3	21.00	252.00
Deposit Correction-Non Cash	7.00	3	21.00	252.00
<i>(Encoding Fee if un-encoded checks)</i>	0.02			
Paper Disbursement Services				
General Checks Paid Truncated	0.07	2,450	171.50	2,058.00
NSF Items Paid/Returned	10.00	8	80.00	960.00
On Line Paid Item Inquiry	0.00	2	0.00	0.00
Stop Pay Automated-12 months	3.00	6	18.00	216.00
<i>Stop Pay Auto-Renewals</i>	1.00	6	6.00	72.00
Serial Sort w/ Recon per item	0.00	2,450	0.00	0.00
CD Rom Maintenance	0.00	1	0.00	0.00
CD Rom per Image	0.02	2,450	49.00	588.00
On Line Image Retrieval	0.00	20	0.00	0.00
CD Rom Disk	15.00	2	30.00	360.00
Serial Sort w/ Recon Maint	N/A	2		
Paper Disb Recon Services				
Full Recon w/ Pos Pay Maint Auto	35.00	2	70.00	840.00
Check Issue Input-Transm Media	2.00	8	16.00	192.00
Full Pos Pay Input Per ItemTransm	0.02	2,550	51.00	612.00
Check Issue Input-File Rejects	0.00	1	0.00	0.00
Check Issue — Input Manual	0.05	180	9.00	108.00
Recon Transmission (Output to Customer)	2.00	2	4.00	48.00
<i>O/P Transmission Items</i>	0.005	2450	12.25	147.00
<i>Recon Special Handling</i>	5.00	2	10.00	120.00
<i>Web Pos Pay Exceptions</i>	0.20	0	0.00	0.00
<i>Web Pos Pay Exception Returns</i>	10.00	0	0.00	0.00
<i>Web Pos Pay Exception Images</i>	0.50	0	0.00	0.00

Banking Services Bid Form
 Page 3

Bank Name: UNION BANK

ITEM	PER UNIT COST	ESTIMATED MONTHLY UNIT VOLUME	TOTAL MONTHLY COST	ESTIMATED TOTAL ANNUAL COST
General ACH Services				
ACH Monthly Maintenance (w)	30.00	3	90.00	1,080.00
PC Tax Payment	1.50	6	9.00	108.00
Consumer Credit On Us (w)	0.02	1,500	30.00	360.00
Consumer Credit Off Us (w)	0.02	7,210	144.20	1,730.40
Consumer Debit On Us	0.02	1,000	20.00	240.00
Consumer Debit Off Us	0.02	6,750	135.00	1,620.00
ACH Blocks Auth Instructions	0.00	12	0.00	0.00
ACH Blocks Auth Maintenance	10.00	1	10.00	120.00
ACH Debit Received Item (w)	0.10	30	3.00	36.00
ACH Credit Received Item (w)	0.10	90	9.00	108.00
ACH Return Item (w)	2.00	20	40.00	480.00
ACH Input-Transmission (w)	2.00	25	50.00	600.00
ACH Delete/Reversal (w)	10.00	1	10.00	120.00
ACH Notif of Change (NOC)	1.00	10	10.00	120.00
Bill Concentration Monthly Lic Fee	100.00	1	100.00	1,200.00
<i>Bill Concentration Transmissions</i>	2.00	21	42.00	504.00
Bill Concentration Transaction Fee	0.03	7,130	213.90	2,566.80
Bill Concentration Return Fee	25.00	1	25.00	300.00
ACH Optional Reports-Electronic	1.00	85	85.00	1,020.00
ACH Optional Reports-Fax (w)	N/A	95		
ACH Optional Reports-Mail (w)	N/A	10		
ACH Standard Reports-Mail (w)	N/A	1		
ACH Standard Reports-Electronic	1.00	20	20.00	240.00
ACH Standard Reports-Fax (w)	N/A	195		
Wire & Other Funds Transfer Svc				
Electronic Wire Out-Domestic	4.00	31	124.00	1,488.00
Electronic Wire Out —Book DB	2.00	4	8.00	96.00
Incoming Domestic Wire	2.00	10	20.00	240.00
Wire Advice-Phone (fax)	2.00	1	2.00	24.00
Cust Maint Template Storage	0.00	22	0.00	0.00
On-Line Wire Maintenance Fee	20.00	1	20.00	240.00
On Line Information Services				
Previous Day Account Fee	20.00	5	100.00	1,200.00
Previous Day Standard Item	0.03	3,175	95.25	1,143.00
Previous Day Maintenance	N/C	1	0.00	0.00
Sub Totals — Monthly and Annual Fees For Requested Svcs			4,092.75	49,113.00

Banking Services Bid Form

Page 4

Bank Name: UNION BANK

ITEM	PER UNIT COST	ESTIMATED MONTHLY UNIT VOLUME	TOTAL MONTHLY COST	ESTIMATED TOTAL ANNUAL COST
Service Enhancements/Other				
Lockbox Services: If LBX and/or ICL / Remote Deposit Services are utilized the cost of check processing needs to be backed out in order to not duplicate those costs. Estimated Check Volume Allocations (80/20) for 23,805 checks: LBX at 19,044 and Remote Deposit at 4,761.				
Check Processing Costs Backed Out			-1,168.85	-14,026.20
Wholesale Items Processed Offline	0.20	500	100.00	1,200.00
Account Maintenance (2 to 10 accts)	15.00	1	15.00	180.00
Data Entry	0.01	7,500	75.00	900.00
Data Transmission / Media	0.00	500	0.00	0.00
Stop List - Monthly	25.00	1	25.00	300.00
Stop Item	0.005	500	2.50	30.00
Batch Preparation	1.00	42	42.00	504.00
Lockbox Deposit	1.00	42	42.00	504.00
CD-ROM Produced	20.00	1	20.00	240.00
Check Image	0.05	500	25.00	300.00
Web Access	0.03	10	0.30	3.60
Wholesale LBX (Scannable Coupons)				
Monthly Base Charge	50.00	1	50.00	600.00
Items Processed	0.11	18,544	2,039.84	24,478.08
OCR Scan Line Repair	0.01	1,524	15.24	182.88
Data Entry	0.01	750	7.50	90.00
Non-Matched Items	0.15	1,524	228.60	2,743.20
Data Transmission Monthly Service	50.00	1	50.00	600.00
Data Transmission / Items	0.005	18,544	92.72	1,112.64
Stop List - Monthly	25.00	1	25.00	300.00
Stop List - Per Item	0.005	18,544	92.72	1,112.64
Postal Box Rental	107.34	1	107.34	1,288.08
Lockbox Deposit	1.00	21	21.00	252.00
Image Delivery Monthly Maint.	100.00	1	100.00	1,200.00
CD-ROM Produced	20.00	1	20.00	240.00
Check Image	0.05	18,544	927.20	11,126.40
CD Document Image	0.05	19,000	950.00	11,400.00
Web Access	0.03	40	1.20	14.40
Sub Totals — For Lockbox Services for Utility Payments			3,906.31	46,875.72

Banking Services Bid Form
Page 5

Bank Name: UNION BANK

ICL Monthly Maintenance	75.00	1	75.00	900.00
ICL Per Item	0.03	4,761	142.83	1,713.96
ICL Transmission of Deposit Files	1.00	21	21.00	252.00
ICL IRD Printing (this is going away)	0.02		0.00	0.00
Remote Deposit Monthly Maint.	75.00			
Additional Remote Deposit Accounts	5.00			
Remote Deposit Per Item	0.08			
Remote Deposit Per Deposit	0.75			
<i>Deposit Recon by location with coded deposit slips</i>	20.00	1	20.00	240.00
<i>Deposit Recon per deposit</i>	0.15	1	0.15	1.80
<i>Account Recon Stale Date Feature</i>	5.00	1	5.00	60.00
<i>Account Recon Stale Items</i>	0.01	1	0.01	0.12
LAIF (Deposits or Redemptions)	0.00	2	0.00	0.00
Grand Totals — For Adding Lockbox and ICL/Remote Deposit to Requested Services			8,263.05	99,156.60

**All Services are quoted using Web Channel Delivery. Manual channel pricing is higher if the Web channel is not utilized.

Other Information

Earnings Credit Rate for August 2009	0.1685%
Uncollected Funds Rate (%)	Reference Rate (3.25%) + 4% = 7.25%
Overdraft Rate (%)	Reference Rate (3.25%) + 4% = 7.25%
Fixed Pricing Guarantee (# years)	Six (6) Year Fixed Unit Price Guarantee

Bank Information

Name of Contact Bank Officer	Randy Ungersma
Signature of Bank Officer	
Bank Officer's Telephone Number	619-230-3428
Bank Officer's Email Address	randy.ungersma@unionbank.com