



# CITY of NOVI CITY COUNCIL

Agenda Item F  
February 18, 2014

**SUBJECT:** Approval of a contract for banking services with Fifth Third Bank, for a three year period ending on January 31, 2017 with two one-year renewal options, at an estimated annual cost of \$14,000.

**SUBMITTING DEPARTMENT:** Treasury

**CITY MANAGER APPROVAL:** 

<b>EXPENDITURE REQUIRED</b>	<b>\$ 14,000</b>
<b>AMOUNT BUDGETED</b>	<b>\$ 35,000</b>
<b>APPROPRIATION REQUIRED</b>	<b>None</b>
<b>LINE ITEM NUMBER</b>	<b>101-253.00-802.100</b>

## BACKGROUND INFORMATION:

Since 1999, the City's primary bank for daily operational transactions has been Fifth Third Bank (previously Old Kent). Our current contract with them ended at the beginning of 2014.

The City solicited proposals for banking services from eight financial institutions meeting initial requirements of strong credit rating from one or more rating agency, availability of required services and proximate location to the City's offices. Five institutions submitted proposals. A team of four City staff members evaluated the proposals based on many factors including software application capabilities and ease of use, ability to provide requested services, customer service and fee structure.

The Quality Based Selection (QBS) tool was used to evaluate all five submitted proposals. QBS is a method of evaluating proposals for professional services where the qualifications of the firm are of the utmost importance and the award is not automatically made to the firm with the lowest price. With QBS, the fee proposal, including any hourly rates or other fee detail, is to be submitted in a separate sealed envelope. The fee proposals are opened after the technical proposals are evaluated and only for the short list of firms determined to be most qualified. Based on the results of those quality evaluations, the top two ranking banking services proposals were selected for fee comparison and their fee proposals were opened and reviewed.

The following is a summary of the Quality Based Selection results for those two selected firms:

<b>Institution</b>	<b>Evaluation Score</b>	<b>Estimated Annual Fee</b>
Fifth Third Bank	1635	\$13,984
JP Morgan Chase Bank	1485	\$17,039

As previously mentioned, Fifth Third Bank is the City's current provider of banking services, as well as our purchasing card merchant. City administration members have been pleased with the performance and service levels from Fifth Third Bank to date and recommend Fifth Third Bank for a three year agreement with two one-year options.

**RECOMMENDED ACTION: Approval of a contract for banking services with Fifth Third Bank, for a three year period ending on January 31, 2017 with two one-year renewal options, at an estimated annual cost of \$14,000.**

	1	2	Y	N
Mayor Gatt				
Mayor Pro Tem Staudt				
Council Member Casey				
Council Member Fischer				

	1	2	Y	N
Council Member Markham				
Council Member Mutch				
Council Member Wrobel				



JOHNSON ROSATI SCHULTZ JOPPICH PC

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February 10, 2014

Debra Peck  
Assistant City Treasurer  
City of Novi  
45175 Ten Mile Road  
Novi, MI 48375-3024

**RE: Master Treasury Management Agreement –Fifth Third Bank**

Dear Ms. Peck:

We have received and reviewed the revised Master Treasury Management Agreement provided by Fifth Third Bank governing the banking services Fifth Third will provide to the City. All issues set forth in our January 30, 2014 Review Report have been addressed. We see no further legal impediments to entering into the Agreement.

Should you have any questions or concerns relating to the issues set forth above, please feel free to contact me

Sincerely,

JOHNSON, ROSATI, SCHULTZ & JOPPICH, P.C.



Elizabeth K. Saarela

EKS

C: Maryanne Cornelius, Clerk  
Victor Cardenas, Assistant City Manager  
Thomas R. Schultz, Esquire



## MASTER TREASURY MANAGEMENT AGREEMENT

This Master Treasury Management Agreement ("*Agreement*") governs the provision of Treasury Management Services ("*Services*") to the undersigned "*Customer*" by Fifth Third Bank ("*we*" or "*us*") and is effective when and as of the date executed by us.

### **Services**

Customer desires to obtain, and we agree to provide the Services as provided in this Agreement and the applicable Terms and Conditions for the Services ("*Terms and Conditions*"). Customer may request a Service by any means we approve ("*Service Request*"). If we accept and approve a Service Request, we and Customer are subject to the Terms and Conditions for that Service. If Customer uses a Service before the Service Request is approved by us, Customer's first use of the Service shall be deemed to be Customer's agreement to the Terms and Conditions for that Service.

Customer acknowledges receiving a copy of the Terms and Conditions for the Services it desires. Once a Service Request is approved by us or Customer is deemed to have accepted the Terms and Conditions for a particular Service, the applicable Terms and Conditions are incorporated into, and made a part of, this Agreement. Neither party is bound by or subject to the Terms and Conditions for any Service Customer does not use.

We provide the Services for the sole and exclusive benefit of Customer, and if we approve in writing, Customer's Subsidiaries (as defined below). The Services may only be used for business purposes and not for personal, household or consumer purposes.

For some of our Services, we may provide in hard copy or make available online an operating manual or user guide ("*User Guide*") to assist Customer in using the Service.

### **Customer Information**

Customer agrees to provide any information that we reasonably require to enable us to provide the requested Services to Customer. For some of our Services, Customer may be required to complete a set up and implementation process and complete related information forms. We will rely on the information provided to us by Customer in this process and the Service Request in providing the Services to Customer. Any changes by Customer to the information provided to us must be made in writing and will be effective after we have had a reasonable opportunity to act on the changed information.

We are entitled to rely upon the accuracy of all information and authorizations received from an officer or authorized employee or representative of Customer (an "*Authorized Agent*"), and on the authenticity of any signatures purporting to be of an Authorized Agent. Customer agrees to notify us immediately of any change in the status of an Authorized Agent. Customer acknowledges that we may require a reasonable time period before we act upon any such change. Customer agrees that we may refuse to comply with requests from any individual until we receive documentation reasonably satisfactory to us confirming the individual's authority.

### **Fees and Taxes**

Except as expressly provided in a separately agreed and executed pricing agreement referring to this Agreement ("*Pricing Agreement*"), Customer agrees to pay our standard account and Service fees and charges in effect from time to time as billed by us. In addition, Customer agrees to pay our standard fees and charges for any requested or required special service or handling. Customer is responsible for all taxes attributable to its use of the Services or this Agreement (excluding taxes based on our employees, property or net income).

### **Instructions**

Each payment order, wire transfer instruction, ACH entry, file, batch release and other message or instruction to us (an "*Instruction*") that is sent to us electronically in accordance with this Agreement or the applicable Terms and Conditions shall be considered to be an original writing and to have been signed by an Authorized Agent. Neither party will contest the

validity or enforceability of an Instruction on the ground that it was not in writing, not signed by an Authorized Agent or not an original. A valid digital signature shall, at all times, be deemed to be conclusive proof of due authorization by Customer of the communication, Instruction or document to which it relates. Customer is solely responsible for the accuracy and completeness of each Instruction or communication sent to us.

### **Our Representations and Warranties**

We represent and warrant to Customer that: (a) we are duly organized, validly existing, and in good standing in the jurisdiction in which we are organized; (b) the execution, delivery and performance by us of this Agreement has been authorized by all necessary corporate and governmental action; (c) the persons signing this Agreement on our behalf are duly authorized to do so; (d) this Agreement represents our legal, valid and binding obligation; and (e) our execution and performance of this Agreement and our provision of the Services do not and will not violate any Applicable Law (as defined below), our articles of association or bylaws or any material agreement by which we are bound.

We agree to provide the Services in accordance with reasonable commercial banking standards prevailing for similarly situated financial institutions.

Except as expressed elsewhere in this Agreement or in the applicable Terms and Conditions, we make no other representations or warranties, either express or implied, of any kind with respect to any Service or our performance of the Services, including, without limitation, those of merchantability and fitness for a particular purpose. No descriptions or specifications constitute representations or warranties of any kind.

### **Customer Representations and Warranties**

Customer represents and warrants to us that: (a) Customer is duly organized, validly existing, and in good standing in the jurisdiction in which Customer is organized, and is validly qualified in any other jurisdiction where Customer does business and is required to be qualified except where the failure to be so qualified would not have a material adverse effect on Customer; (b) the execution, delivery and performance by Customer of this Agreement and the Related

Agreements (as defined below) have been authorized by all necessary entity and governmental action; (c) the persons signing this Agreement and the Related Agreements on Customer's behalf are duly authorized to do so; (d) this Agreement represents Customer's legal, valid and binding obligation; (e) the execution and performance of this Agreement and the use of the Services do not and will not violate in any material respect any Applicable Law, Customer's entity governing documents, or any material agreement by which Customer is bound; and (f) each transaction Customer conducts, and each account Customer has with us is conducted or maintained for a business or commercial purpose and not a personal, family or household purpose.

Customer reaffirms these representations and warranties each time it uses a Service. In addition, Customer agrees to immediately notify us if any representation or warranty made by Customer is no longer true.

### **Security Procedures; Operating Procedures**

Establishment. Access to our Access Channels (described below) and to some of our Services is subject to Security Procedures ("*Security Procedures*"). Our Security Procedures include the use of identification codes, personal identification numbers and passwords ("*Identification Codes*"), call back protocols, tokens and other systems or procedures. The Security Procedures enable the use of the Access Channels and verify the origin of Instructions and communications sent to us. We and Customer will agree on the Security Procedures for a particular Service in the set up process for that Service and to changes as needed. Customer agrees to select the Security Procedure that is suitable for Customer in light of its intended use of the applicable Service or Services. The Security Procedures are not designed to detect errors in any Instruction to us.

Verification. If we accept and act in good faith on a payment order issued to us in Customer's name and in accordance with the Security Procedures and any written agreement between Customer and us, the payment order is effective as Customer's payment order whether or not it is authorized, and Customer is bound by it. Any other Instruction communicated to us in Customer's name in compliance with the Security Procedures and all access to and use of

Services and Access Channels using the Security Procedures are considered authorized by Customer.

Authority. The Security Procedures are in addition to and do not limit, revoke or affect the authority of any person (whether by course of dealing or otherwise) to transmit Instructions in Customer's name. We may continue to rely upon such authority and we are authorized to act upon Instructions received from persons acting pursuant to such authority. Customer is bound by any authorized payment order or other Instruction, and by use of the Access Channels by authorized personnel.

Other Procedures. In addition to the Security Procedures, we may, in our discretion, use additional procedures to verify the authenticity of Instructions communicated to us. We will not be responsible for our refusal to act upon any Instruction received that does not comply with this Agreement or the applicable Terms and Conditions, including where our reasonable efforts to verify Instructions in accordance with the Security Procedures have failed or where such action is delayed until verification can be obtained.

Safeguarding the Security Procedures. Customer agrees to (a) maintain the complete security and confidentiality of the Security Procedures, and (b) institute and use prudent procedures and practices to control access to the Services and use of the Security Procedures. Customer's failure to protect the confidentiality of the Security Procedures may enable an unauthorized person to use the Services and access Customer's accounts and data. Customer must notify us immediately if there has been a breach of its security, or any Security Procedure has been lost, stolen, misused or compromised.

Breach Incidents. We notify customers (and will notify Customer) of security breach incidents involving their information in accordance with the "Federal Banking Interagency Guidance on Response Programs for Security Breaches dated March 23, 2005," as amended, and applicable state laws.

#### **Access Channels**

*Fifth Third Direct* is our internet access portal and Account Management & Payments ("*AMP*") is our internet-based suite of Services available

through Fifth Third Direct. The features and options available through Fifth Third Direct and AMP (together with any other means to access our Services electronically, "*Access Channels*") are described in greater detail below and in the User Guide for these Services.

Administration. As part of the set up process for Fifth Third Direct, Customer will appoint a person ("*Administrator*") with authority to manage Customer's use of Fifth Third Direct including the authority to: designate personnel ("*Users*"), including the Administrator, with access to some or all of the Services or Service features through Fifth Third Direct; establish approval processes and limitations (such as dollar amount and transaction type) on the User's authority for certain Services; enable the assignment of Identification Codes; and, accept and act on all communications from us regarding Fifth Third Direct and AMP.

Security Procedures. Customer's use of the Access Channels and the accessed Services are subject to Security Procedures. The Fifth Third Direct Service generates unique Identification Codes for each User. The use of Identification Codes and, where applicable, Access Devices (as described below) together with any additional measures agreed to by the parties constitute the Security Procedure for the Access Channel and the Service accessed through that Access Channel.

Access Devices. Access to some Services may require the use of a security token or other security or authentication device and related software (an "*Access Device*"). Proper, controlled and authorized use of the Access Device is part of the Security Procedure for these Services. The use of the Access Device is subject to any terms of use accompanying the Access Device or any required license, and may only be used as and where delivered to Customer and only for the purpose of accessing our Services. Each Access Device and the related technology, documentation and materials at all times remain our or our vendor's property.

Customer Responsibilities. In addition to using the Security Procedures, Customer agrees to: (a) institute and use reasonable measures to mitigate the risks of conducting banking transactions through the Internet; (b) institute and enforce effective policies and procedures to ensure that its personnel use the Services only as authorized

and within the limits of their permission or authority; (c) incorporate and use reasonable security features and technology in its computer software, hardware and systems; and (d) educate and update itself and its employees on the proper and secure use of the Internet, and the existing and emerging threats from computer viruses and attacks, email scams, cybercrimes and other attempts to gain Customer's banking information, and use reasonable efforts to address these threats.

Equipment and Software. Customer is solely responsible for having and maintaining at its expense proper functioning hardware, software, communication devices and Internet access and service necessary for use with the Access Channels.

Intellectual Property. All software related to the provision of the Access Channels, the content, pages, and other materials, and other works of authorship and material displayed or utilized in connection with the Access Channels, the names, trademarks, logos, slogans and service marks used, displayed and found on our websites, and all other intellectual property relating to the Access Channels (collectively, "*Intellectual Property*") are owned by and proprietary to us or our vendors or licensors, except as otherwise specified. No Intellectual Property may be copied, modified, disassembled, reproduced, used in any way (other than as authorized in connection with the Services) or publicly displayed, or distributed in any medium of expression without our prior written permission.

**Since the Internet is inherently insecure and since there is a risk that data communications and transfers may be subject to interruption, interception, failure, unavailability, delay or unauthorized access or dissemination ("Failure Events"), we agree to take commercially reasonable steps to maintain the security of such data communications and transfers, including using encryption and other industry standard security features. Except where we fail to take commercially reasonable steps, we shall not be liable for any Failure Events that occur, including any loss of privacy or data, or use by others of such data communications or transfers. Under no circumstances, shall we be liable for any Failure Events that occur prior to Customer establishing a secure connection to our**

**authorized portal or after properly terminating that connection.**

### **Account Management & Payments**

AMP enables Customer to manage daily cash balances, research and reconcile account activity, and initiate funds transfers. Customer may elect to enable one or more or all of the modules for Customer or a particular User. The features and options available through AMP are described in greater detail below and in the User Guide for AMP. AMP is only available through Fifth Third Direct.

Administration. AMP is administered on behalf of Customer by the "*AMP Administrator.*" Initially, the Administrator for Fifth Third Direct is the AMP Administrator. In addition to any other authority the AMP Administrator may have with respect to Fifth Third Direct and other Services, the AMP Administrator has the authority with respect to AMP to:

- designate Users with authority for some or all features of AMP,
- appoint other AMP Administrators with the authority of an AMP Administrator,
- give us Instructions and access reports relating to AMP,
- elect to enable email Alerts as further described in this Agreement,
- elect to enable access to our ACH Service, Wire Transfer Service and account transfers between deposit accounts and commercial loan accounts ("*Funds Transfers*") and designate Users (including the AMP Administrator) with authority to execute Funds Transfers, and
- establish approval protocols and limitations for Funds Transfers and other transactions.

AMP Administrator's Authority. Customer may authorize the AMP Administrator to have non-functional authority (i.e., authorized only to add and administer Users) or functional authority (i.e., authority to use the Service including for Funds Transfers). In the set up process for AMP, the AMP Administrator will have the option to require "Dual Control Administration," meaning that the approval of a second AMP Administrator is required to verify the designation and authorization of a designated

User. We recommend that Customer elect to require Dual Control Administration. We will rely on the authority of the AMP Administrator and Users designated by the AMP Administrator until we receive written notice of a change and we have a reasonable opportunity to act on the notice. Customer is solely responsible for the actions, instructions and decisions of the AMP Administrator and the designated Users.

Funds Transfers. The use of our Funds Transfer Services through AMP is subject to the Security Procedures for those Services, including the use of an Access Device. The Security Procedures include a variety of approval options, User limitations and controls which are described in greater detail in the User Guide. We recommend that Customer establish an approval protocol appropriate for Customer's particular circumstances. If Customer does not establish and require adherence to an approval protocol for Funds Transfers or if Customer selects a "no approval" option, Customer assumes the risks of all transactions that could have been prevented by requiring approval. Funds Transfers involving only internal account transfers may not be subject to all of the Security Procedures for other Funds Transfers.

Account Information. Depending upon the service level Customer selects, Customer will have access to account and transaction information on a prior day or intraday basis, or both. Account information changes frequently and is subject to updating, verification and correction. We assume no responsibility for Customer's reliance on any account or Service information subsequently updated, verified or corrected.

#### **Email Alerts**

Some of our Services including AMP offer an email alerts feature. If Customer elects to use this feature, our system will send an email alert (an "Alert") to Users designated by the Administrator that an activity, status or action selected by the Administrator regarding a selected account has occurred. The Alerts feature is set up by the Administrator.

Informational Use. Alerts are provided for Customer's information and convenience only. An Alert does not constitute a bank record for the account to which it pertains. The Alerts feature is meant to assist Customer in managing

Customer's accounts, but is not intended as a substitute for proper account management or regular use of our AMP and other information Services.

Delivery Risks. Alerts may be delayed or prevented by a variety of circumstances beyond our control. We do not guarantee the delivery of any Alert. Alerts are sent via the Internet without being encrypted or otherwise coded in any way. We will not be liable in any way for non-delivery, delayed or wrong delivery of an Alert, the content in an Alert, or Customer's use of, or reliance on, the absence of any Alert for any purpose.

Replies. Customer is not permitted to reply to email Alerts. Any reply Customer sends will not be read or acted upon. **Customer should never respond to any request purportedly from us to provide Customer's account numbers or information, or security details such as passwords.** Customer agrees to report to us promptly any such purported request or other unusual emails.

#### **Compliance**

This Agreement, the Terms and Conditions and the use and provision of our Services are subject to all applicable state, federal, local and foreign laws, rules, regulations and other laws, including without limitation, the Uniform Commercial Code in effect in the State of Ohio, the NACHA Operating Rules & Guidelines ("*Operating Rules*"), rules and regulations of any money transfer system, check clearing or payment clearing house, association or network used by us in providing the Services to Customer and the regulations and operating circulars of the Federal Reserve Board (collectively, "*Applicable Law*"). Both parties agree to be bound by the Operating Rules where applicable and to comply with Applicable Law in using or providing the Services, as the case may be, including any control or sanction administered by the Office of Foreign Asset Control. Customer will not make or accept any payments through or in any accounts with us in connection with unlawful internet gambling.

#### **Business Continuity**

We maintain off-site business continuity capabilities designed to permit us to recover from a disaster and continue providing Services in accordance with our business continuity plan



and capabilities. Our business continuity capabilities will permit the recovery from a disaster and resumption of the provision of the Service to Customer within a commercially reasonable period as dictated by the particular recovery rating of the system or application in question. A copy of a summary of the Fifth Third Bank Business Continuity Plan as in effect from time to time will be provided to Customer upon written request.

### **Limitation of Liability**

CUSTOMER AGREES TO THE MAXIMUM EXTENT PERMITTED BY LAW THAT IN NO EVENT WILL WE BE LIABLE OR RESPONSIBLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, PUNITIVE, SPECIAL OR SPECULATIVE LOSSES OR DAMAGES (INCLUDING LOST PROFITS, GOODWILL AND OPPORTUNITIES) THAT CUSTOMER OR ANY OTHER PERSON MAY INCUR OR SUFFER IN CONNECTION WITH THIS AGREEMENT OR ANY SERVICE PROVIDED BY US, EVEN IF WE HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH LOSS OR DAMAGES AND REGARDLESS OF THE TYPE OF CLAIM.

Customer further agrees, to the maximum extent permitted by law, that our liability to Customer arising from any Service will be limited to actual monetary damages that are the direct result of our failure to exercise reasonable care in providing the Service. Notwithstanding the foregoing, for Instructions which are subject to UCC Article 4A, we are liable only for damages required to be paid under UCC Article 4A.

### **Indemnification Obligations**

We agree to indemnify and defend at our own expense or settle any action brought against Customer to the extent that it is based on a claim that Customer's use of a Service directly infringes a copyright, trademark or patent or constitutes misappropriation of a third-party trade secret, provided, however, that Customer: (a) promptly notifies us in writing of such claim; (b) has not made any admission of liability or agreed to any settlement or other material issue relating to such claim; (c) reasonably cooperates with us at our expense in the defense or settlement; and (d) gives us sole control and authority over all aspects of the defense or settlement of such claim.

### **Recordings; Imaging Records**

Customer authorizes us (but we are not obligated) to record electronically and retain telephone conversations between Customer and us. Imaging and electronic records will be retained by us in accordance with our policies and procedures and copies of such records will be available at Customer's request and expense.

### **Confidentiality**

Subject to Customer's obligations under freedom of information, open government and similar laws, Customer agrees to keep confidential and not disclose to any third party (other than its agents) our fees and charges, terms of Service, User Guides, software, non-public Service features and other proprietary information and systems we or our Processors provide and disclose in connection with the Services. Customer acknowledges the exclusive ownership by us or our Processors of such information, and agrees to use such information solely for purposes of using the Services.

We acknowledge that non-public information we obtain from Customer in connection with providing a Service to Customer may be confidential. We will maintain the confidentiality of such information in accordance with our normal procedures for safeguarding customer information. Notwithstanding the foregoing, we may disclose Customer's information as provided in our Fifth Third Privacy Notice for Commercial Customers.

### **Duty to Inspect**

Information regarding transactions with the Services is reported on Customer's periodic account statement and is also available with one or more of our reporting Services or Access Channels. Customer is responsible for monitoring its use of our Services and all activity in its accounts with us including individual transactions. Customer agrees to: (a) regularly review the account information we make available to Customer through our reporting services; (b) promptly review the account statements we send to Customer; and (c) notify us as soon as reasonably possible of any error, unauthorized transaction or other similar matter but, in any case, not more than thirty (30)

calendar days after the information is so made available or sent to Customer.

Customer agrees to institute, maintain and enforce reasonable and effective procedures to prevent fraud, misuse and unauthorized use of the Services ("*Customer Measures*"). In addition to the Customer Measures, we offer a variety of Services and other tools designed to assist Customer in reducing or stopping the incidence of fraud and unauthorized activity in Customer's accounts including positive pay, ACH transaction control, disbursement control, information reporting and account management Services. To the extent Customer chooses not to use one of these Services or implement reasonable Customer Measures, and the proper use of that Service or Customer Measure could reasonably have prevented the incidence of fraud, unauthorized activity or loss suffered by Customer, Customer will be deemed to have assumed the risk of such fraud, unauthorized activity or loss so suffered and will be precluded from asserting that we are responsible for such fraud, unauthorized activity or loss.

#### **Overdrafts**

We may delay or refuse to process any item, transaction or Instruction that exceeds the amount of available funds in the account on which it is drawn or presented or would reduce the balance in such account below any required minimum balance (i.e., the item, transaction or Instruction would create an "*Overdraft*"). We process Items and other debits to Customer's account in the order described in the Commercial Account Rules or similarly named agreement provided to Customer governing Customer's accounts with us ("*Account Rules*"). If we decide in our discretion to process an item, transaction or Instruction despite the Overdraft, Customer agrees to reimburse us upon demand for: (a) the full amount of any Overdraft or shortfall created by that item, transaction or Instruction; (b) all Overdraft fees and charges; (c) interest on the amount of the Overdraft or shortfall for the day the Overdraft or shortfall was created and for each following day until the Overdraft or shortfall has been paid or restored; and (d) all Losses we incur in collecting from Customer the Overdraft, or any fees, charges or interest relating to it.

#### **Transaction Limits**

If we in good faith determine that: (a) providing any Service to Customer could reasonably be expected to result in a violation of any Applicable Law or a material loss to us; (b) we would be entitled to terminate the applicable Service under the "**Termination**" section of this Agreement (with or without the lapse of time or notice) other than under the first sentence of such section; or (c) Customer is in default under this Agreement or any Related Agreement, we may limit Customer's transaction volume or dollar amounts, refuse to execute transactions, or terminate that Service to Customer. In addition, we may restrict or limit the types of Instructions Customer may send to us for processing or execution. We will, to the extent not restricted by law, promptly communicate our decisions regarding such restrictions to Customer. We reserve the right to limit transaction volume or dollar amounts in circumstances not described in the first sentence of this section, provided we give you prior notice of any material limitation or decrease in previously communicated limitations. Customer agrees to provide us, upon our request from time to time, with such financial information and statements and other documentation as we reasonably determine to be necessary or appropriate to enable us to evaluate our exposure or risk.

Except as expressly provided in the applicable Terms and Conditions, nothing in this Agreement requires us to extend any credit of any type, even if we have done so in the past.

#### **Limited Audit**

General. Subject to the limitations expressed in this section and only for a Required Purpose (as defined below), we reserve the right for ourselves and our regulatory authorities to audit, inspect and, if warranted, test Customer's equipment, IT infrastructure, workflow and processes, and security policies and procedures relating to a Service (collectively, "*Processes*") and Customer's books and records relating to the origination and sending to us or our Processors of payment orders and other Instructions, and check images. Customer agrees to reasonably cooperate with us and make its facilities, Processes and all relevant records, reports, information and personnel relating to the Processes reasonably available to us.

**Limitations.** The purpose of any audit we may conduct is limited to assessing the security and compliance with applicable standards and Applicable Law, of the Processes related to the Services and Customer's use of our Services. We will not exercise this right except to the extent required by our regulatory authorities or we are made aware of actual or potential incidents of material weaknesses or security breaches in the Processes relating to the Service or a violation of Applicable Law ("*Required Purpose*"). If we desire to conduct an audit, we will give Customer at least twenty (20) days' advance notice, conduct the audit only during business hours and strive to avoid any disruption or interference with Customer's operations. The results of any audit or the fact that we do not conduct an audit are not to be taken as an assessment of the Processes or Customer's compliance with any standards including Applicable Law. We and Customer will each bear our own costs in connection with the audit.

**Confidentiality.** We will keep confidential the information Customer provides us in connection with the audit, as well as the results and our findings with respect to the audit, except to the extent disclosure is required by our regulatory authorities or Applicable Law or legal process. We will not seek access to any information Customer is prohibited by law or contract from providing or making available to us, including personal financial and other confidential or protected information of its customers.

**Recommendations.** If, as a result of an audit, we make a material recommendation relating to Processes and Customer fails to institute any such recommendation, we have the right to terminate or suspend each affected Service pending satisfactory resolution of the circumstances giving rise to the recommendation.

#### **Processors**

Customer acknowledges and agrees that we may arrange for certain or all of the aspects of the Services including software and processing to be performed or provided by third-party processors expressly engaged by us ("*Processors*"). To the extent we have engaged a Processor, we are responsible for the aspects of the Service provided by them.

#### **Vantiv**

If Customer is using the services of Vantiv, LLC (including its successors, "*Vantiv*"), Customer understands that Vantiv is no longer a division of us and is a separate, independent legal entity. Customer acknowledges and agrees that Vantiv is not our Processor and that we are not responsible for Customer's selection of, any agreement Customer has with, or the actions or obligations of, Vantiv or any agent or vendor engaged or used by Vantiv.

#### **Vendors**

Any third party servicer or vendor used by Customer in connection with the Services ("*Vendor*") is Customer's agent and not ours, and Customer will be liable and solely responsible for: (a) any Vendor's failure to comply with this Agreement, the Terms and Conditions or any Security Procedures or operating requirements relating to the Services; and (b) all fees, costs and expenses owed to each Vendor for its services.

#### **Use of System**

If a Service involves the use of software, hardware, processing, or databases provided by or through us or a Processor to Customer (a "*System*"), we or the System vendor may require Customer to execute a license or other agreement to use or acquire the System. Customer agrees to treat the System as strictly confidential at all times. Customer is solely responsible for the use or misuse of the System and assumes the risk of all consequences of the use or misuse of the System by Customer, its personnel or third parties (other than us and our personnel).

#### **Setoff**

Customer grants us a contractual right of setoff against Customer's deposits and funds in Customer's accounts with us or any of our affiliates at any time (excluding any account expressly titled to clearly demonstrate that the account is held by Customer in a fiduciary or representative capacity for a third party) in order to satisfy any unpaid or unperformed obligation to us under this Agreement, now or at any time in the future. We may exercise our right of setoff without demand or notice, and without recourse to any other collateral but we will use reasonable efforts to provide notice to Customer following the exercise of our rights. Our rights

as described above are limited to the extent of limitations and restrictions imposed by Applicable Law.

### **Force Majeure**

Neither party shall be responsible, and neither shall incur any liability to the other, for any failure, error, malfunction or any delay in carrying out any of its obligations under this Agreement directly resulting from causes beyond such party's reasonable control, including without limitation, fire, casualty, lockout, strike, unavoidable accident, act of God, act of terrorism, riot, war or the enactment, issuance or operation of any adverse governmental law, ruling, regulation, order or decree, or an emergency that prevents such party from operating normally; provided, however, that Customer shall not be relieved of its responsibility for timely performance of any of its payment obligations to us.

### **Termination**

Either party may terminate this Agreement or any Service at any time by giving 30 days' prior written notice of termination to the other party. We may terminate or suspend immediately any Service without notice to Customer if Customer fails to maintain sufficient available funds in any account maintained for such Service. In addition, we may terminate this Agreement or terminate or suspend any Service immediately upon notice to Customer if: (a) Customer closes any account established in connection with the Services without establishing a replacement account; (b) Customer breaches a material obligation under this Agreement, any Applicable Law or any other material agreement with us; (c) Customer becomes insolvent, is placed in receivership or is adjudicated bankrupt or Customer becomes subject to any voluntary or involuntary bankruptcy proceeding or any assignment for the benefit of its creditors; (d) Customer's financial condition has become impaired in our good faith opinion; (e) any person or group acting in concert that is not a controlling stockholder of Customer on the date of this Agreement acquires, directly or indirectly (whether by merger, stock purchase or issuance, recapitalization, reorganization or otherwise), a majority of Customer's outstanding stock; or (f) the continued provision of Services in accordance with the terms of this Agreement would, in our good faith opinion, violate

Applicable Law or subject us to an unacceptable risk of loss.

Upon any termination of this Agreement, Customer shall: (a) promptly pay to us all sums due or to become due under this Agreement; (b) return immediately to us at Customer's expense, the System (if applicable), and all related materials, and all copies and reproductions thereof, whether written or in magnetic media and whether received from us or otherwise and shall pay us for any damages to any such materials (ordinary wear and tear excepted); and (c) have no further right to make use of the System or the Services.

Termination of a Service or this Agreement does not relieve or excuse Customer's payment obligations for any Services that we provide to Customer before or after the Service or this Agreement is terminated, nor does it release Customer or us from any of our respective obligations that arose or became effective prior to such termination. In addition, all provisions of this Agreement relating to the parties' warranties, representations, confidentiality or non-disclosure obligations, proprietary rights, limitation of liability and indemnification shall survive the termination of a Service or this Agreement.

### **Entire Agreement**

This Agreement, together with the Terms and Conditions, any applicable User Guide, the Service Requests, Account Rules, the signature card, Pricing Agreement, account fees, and terms of use (collectively, the "*Related Agreements*") constitutes the complete and exclusive statement of the agreement between the parties with respect to the Services and supersedes any prior or contemporaneous agreements between the parties with respect to such Services. If there is a conflict between this Agreement and the Terms and Conditions or the Account Rules, the Terms and Conditions or the Account Rules, as applicable, shall prevail to the extent necessary to resolve the conflict. Nothing in this Agreement confers a right or benefit on any person or entity other than us and Customer, except for our Processors.

### **Amendment**

This Agreement and the Terms and Conditions may be modified by a written agreement

executed and signed by the parties. We may, however, modify this Agreement or the Terms and Conditions by giving Customer sixty (60) calendar days' prior written notice. If Customer continues to use any Service or the affected Service, as the case may be, after the expiration of the sixty-day period or a later effective date specified in such notice, Customer is bound by the Agreement or Terms and Conditions, as the case may be, as so modified.

Notwithstanding the foregoing, if a modification to this Agreement or the Terms and Conditions is required by or under Applicable Law or by a regulatory authority with jurisdiction over us or is, in our good faith opinion, necessary to preserve or enhance the security of a Service, we may modify this Agreement or the Terms and Conditions by giving Customer notice of the modification by any means permitted by Applicable Law, and the modification will be effective immediately upon us giving such notice.

#### **Assignment**

Customer may not sell, assign or transfer, or grant a security interest in any of its rights or obligations under this Agreement without our prior written consent. We may assign our rights and obligations under this Agreement in whole or in part without Customer's consent (a) pursuant to, or in connection with any merger, consolidation or amalgamation involving us or our parent company, or the sale or transfer of all or substantially all of our assets or stock, or (b) in connection with the sale or other disposition involving a line of our business to which this Agreement relates. We will use reasonable efforts to notify Customer of any such assignment. Customer expressly reserves its right to terminate any or all Services in the event of any such transaction.

#### **Governing Law**

This Agreement and any claims or disputes relating to or arising out of this Agreement or the Service shall exclusively be governed by, and construed in accordance with, the laws of the State of Michigan, without regard to Michigan's conflict of law principles, and with applicable federal laws and regulations.

#### **Waiver of Jury Trial**

Customer agrees that any suit, action or proceeding, whether as part of a claim or counterclaim, brought or instituted by Customer on or with respect to this Agreement or any event, transaction or occurrence arising out of or in any way connected with this Agreement shall be tried only by a court and not by a jury. CUSTOMER EXPRESSLY, KNOWINGLY AND VOLUNTARILY WAIVES ANY RIGHT TO A TRIAL BY JURY IN ANY SUCH SUIT, ACTION OR PROCEEDING.

#### **Miscellaneous**

Notices. Except as otherwise specifically provided in the Terms and Conditions or User Guide with respect to a particular Service, all notices and other communications by either party relating to this Agreement or the Services shall be given promptly in writing or electronic medium and shall be effective either on the date it is actually received or five (5) days after it is mailed, sent by courier, transmitted or posted, whichever is earlier. The address to which all notices (other than notices given electronically as permitted in this Agreement) concerning this Agreement or a Service shall be sent to Customer is that address we have in our records with respect to this Agreement or that Service, respectively. The address for notice to us will be as we specify to Customer in writing.

Counterparts. The Agreement may be executed in counterparts, each of which shall be deemed an original and all of which shall constitute a single instrument.

Severability. If performance of Services in accordance with the terms of this Agreement would result in a violation of any Applicable Law or governmental policy to which we are subject, then this Agreement and any Related Agreement shall be deemed amended to the degree necessary to comply with such Applicable Law, and we shall incur no liability to Customer as a result of such violation or amendment. If any provision of this Agreement is held to be invalid, illegal or unenforceable, such provision shall be valid, legal and enforceable to the maximum extent permitted by such holding and the validity, legality, or enforceability of the other provisions of this

Agreement will not be affected or impaired by such holding.

Headings. Headings are for reference purposes only and are not part of this Agreement.

Waiver. No party's failure or delay in exercising any right or remedy under this Agreement will operate as a waiver of such right or remedy, nor shall any waiver by either party of any breach of the other party's obligations under this Agreement operate as a waiver of any prior, current or subsequent breach. No waiver will be effective unless made in writing.

### **Subsidiaries**

By executing this Agreement, Customer, each "*Subsidiary*" of Customer listed below (if any), and we agree that each such Subsidiary shall have all of the rights and obligations of, and shall for all purposes be a party under this Agreement as "*Customer*." Each Subsidiary will be deemed to make to us all representations and warranties of, and will be subject to and undertake all obligations as "*Customer*" under this Agreement and the Related Agreements. Additional Subsidiaries can be added through an addendum to this Agreement in the form required by us and executed by Customer and us.

Customer represents and warrants to us that Customer (or another Subsidiary) owns a

majority of the outstanding shares or equity interests of each such Subsidiary.

Each Subsidiary acknowledges and agrees that it is responsible for the payment of fees or maintenance of required balances for the Services that it receives from us, and for all obligations and liabilities it incurs.

Customer unconditionally guarantees to us the full and prompt payment and performance by the Subsidiaries of all obligations they or any of them may incur under this Agreement or the Related Agreements, including in any case that any payment to us by a Subsidiary is set aside, rescinded or otherwise required to be returned in any bankruptcy or similar proceeding.

Customer represents and warrants to us that all transfers and commingling of funds, if any, between or among Customer and any Subsidiary whether or not listed (the "*Group*") in connection with any Service are supported by adequate consideration between and among the members of the Group and have been duly authorized by all necessary entity and governing body action on the part of each member of the Group. These representations and warranties shall be continuing while we are providing the Service. Customer agrees to provide to us upon our reasonable request adequate documentary evidence of such authorization from each member of the Group.

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\*\*\*SIGNATURE PAGE FOLLOWS\*\*\*

**SIGNATURE PAGE TO MASTER TREASURY MANAGEMENT AGREEMENT**

**WITNESS, the parties have caused this Agreement to be executed by their respective duly authorized representatives.**

**CUSTOMER NAME:**

**FIFTH THIRD BANK**

\_\_\_\_\_

By: \_\_\_\_\_

**Tax ID:** \_\_\_\_\_

Print name: \_\_\_\_\_

By: \_\_\_\_\_

Print title: \_\_\_\_\_

Print name: \_\_\_\_\_

**DATE:** \_\_\_\_\_

Print title: \_\_\_\_\_

**NOTE: If required by resolution, second officer of Customer must sign below**

By: \_\_\_\_\_

Print name: \_\_\_\_\_

Print title: \_\_\_\_\_

**Signing as a duly authorized officer or agent of each of the Subsidiaries listed below:**

By: \_\_\_\_\_

Print name: \_\_\_\_\_

Print title: \_\_\_\_\_

This Agreement includes the following Subsidiaries:

Subsidiary Name:

Tax ID No.:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**ORIGINAL**

Company Fifth Third Bank

**CITY OF NOVI  
RFP BANKING SERVICES  
FEE PROPOSAL FORM**

AFP CODE	SERVICE DESCRIPTION	TOTAL # OF UNITS PRIOR 12 MONTHS	Unit Price	Annual Cost
	<b>STANDARD:</b>			
15 0100	CCA CHECKS PAID/OTHER DEBITS	8,251	\$ 0.09	\$ 742.59
01 0101	COMMERCIAL DEPOSITS	2,071	\$ 0.60	\$ 1,242.60
10 0230	CHK DEPOSIT ITEMS REJECTED	519	\$ 0.10	\$ 51.90
10 0500	CHK DEPOSIT ADJUSTMENT	8	\$ 6.00	\$ 48.00
10 0230	CHK EXCESSIVE DEPOSIT REJECTS	276	\$ 0.30	\$ 82.80
01 9999	COMPOSITE GROUP		\$ -	\$ -
15 0420	STOP PAYMENT	16	\$ 6.00	\$ 96.00
10 0400	RETURNED ITEM OR CHARGEBACK	74	\$ 2.00	\$ 148.00
15 0300	CHECK PAID MICR REJECT	366	\$ 0.35	\$ 128.10
10 022z	UNENCODED ITEMS DEPOSITED	32,312	\$ 0.05	\$ 1,615.60
01 0000	MONTHLY MAINTENANCE	60	\$ 12.50	\$ 750.00
10 1030	CHK PAPER CHECK ADMIN FEE	32,312	\$ 0.01	\$ 323.12
35 0300	WIRE TRSF INCOMING STRUCT	76	\$ 5.00	\$ 380.00
25 0201	ACH CREDIT ITEMS RECEIVED	1,794	\$ 0.05	\$ 89.70
25 0200	ACH DEBIT ITEMS RECEIVED	198	\$ 0.05	\$ 9.90
25 0202	ACH ADDENDA RECEIVED	1,687	\$ 0.05	\$ 84.35
00 0230	DEPOSIT ADMINISTRATION FEE/FDIC ASSESSMENT	404,971	\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
	<b>ZERO-BALANCE ACCOUNT:</b>			
01 0020	ZBA PARENT ACCOUNT	12	\$ 20.00	\$ 240.00
01 0221	ZBA SUB-ACCOUNT	12	\$ 20.00	\$ 240.00
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
	<b>ACH:</b>			
25 0640	ACH DELETION	1	\$ 15.75	\$ 15.75
25 0302	ACH RETURN ITEMS	20	\$ 5.00	\$ 100.00
25 0302	ACH NOTIFICATION OF CHANGE	21	\$ 5.00	\$ 105.00
99 9999	ACH ONLINE MONTHLY MAINT FEE	12	\$ 10.00	\$ 120.00
25 0101	ACH MODULE CREDITS ORIG	15659	\$ 0.05	\$ 782.95
25 0101	ACH MODULE DEBITS ORIG	6094	\$ 0.05	\$ 304.70
25 0102	ACH MODULE ADDENDA ORIG	50	\$ 0.05	\$ 2.50
25 0505	ACH MODULE FILES PROCESSES	69	\$ -	\$ -
25 0400	ACH RETURN / NOC RPT VIA WEB	11	\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
	<b>CASHIERING - BANKING CENTER:</b>			
10 0015	BKG CNTR DEPOSITED CASH	899036	\$ 0.001	\$ 899.04
10 0011	BKG CNTR DEPOSIT COIN ROLLED	615	\$ -	\$ -
10 0016	BKG CNTR DEPOSIT NOTES STRAP	143	\$ -	\$ -
10 0015	BKG CNTR DEPOSIT NOTES LOOSE	30559	\$ -	\$ -
10 0051	BKG CNTR NIGHT DROP HOLDOVER	7	\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -



**CITY OF NOVI  
RFP BANKING SERVICES  
FEE PROPOSAL FORM**

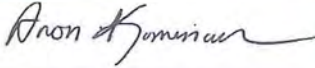
AFP CODE	SERVICE DESCRIPTION	TOTAL # OF UNITS PRIOR 12 MONTHS	Unit Price	Annual Cost
	<b>CASHIERING - VAULT:</b>			
10 0153	CASH VAULT MONTHLY BASE CHARGE	12		\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
	<b>CHECK CLEARING:</b>			
10 0402	PAPER REPRESENTMENT	42	\$ 3.00	\$ 126.00
10 0401	RETURNED ITEM SPECIAL INS	12	\$ 1.00	\$ 12.00
10 0430	RETUREND ITEMS DATA CAPTURE	1198	\$ 0.05	\$ 59.90
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
	<b>DISBURSEMENTS:</b>			
20 0110	ARP MONTHLY BASE CHARGE	24	\$ 20.00	\$ 480.00
20 0100	ARP CHECKS PAID	7980	\$ 0.01	\$ 79.80
20 0110	ARP CHECKS ISSUED	8065	\$ 0.01	\$ 80.65
20 0301	ARP PAID ITEM TRANSMISSION*	7980	\$ 0.01	\$ 79.80
20 020B	ARP ONLINE ISSUE MGMT BASE CHARGE	24	\$ 20.00	\$ 480.00
15 0030	POSITIVE PAY MONTHLY BASE	24	\$ 20.00	\$ 480.00
15 0724	POSITIVE PAY EXCEPTION RE	2	\$ 0.04	\$ 0.08
	* ARP PAID ITEM TRANSMISSION has a \$30 monthly minimum charge per account.		\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
	<b>IMAGE SERVICES:</b>			
15 1353	CHECK IMAGING PER ACCOUNT	36	\$ 2.50	\$ 90.00
15 1351	CHECK IMAGING PER ITEM	8160	\$ 0.03	\$ 244.80
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
	<b>INFO REPORTING:</b>			
40 0052	ONLINE PRIOR DAY REPORTING BASE	12	\$ 40.00	\$ 480.00
40 0272	ONLINE PRIOR DAY PER ACCOUNT	48	\$ 2.50	\$ 120.00
40 0272	ONLINE PRIOR DAY PER ACCOUNT	12	\$ 2.50	\$ 30.00
40 0272	ONLINE PRIOR DAY DETAIL	13008	\$ 0.05	\$ 650.40
40 0055	ONLINE CURRENT DAY / INTRADAY BASE	12	\$ 5.00	\$ 60.00
40 0055	ONLINE CURRENT DAY / INTRADAY ACCOUNT	60	\$ 2.50	\$ 150.00
40 0274	ONLINE CURRENT DAY / INTRADAY DETAIL	1128	\$ 0.05	\$ 56.40
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
	<b>MISCELLANEOUS:</b>			
15 1100	ARP CHECK FINE SORT	844	\$ 0.06	\$ 50.64
20 0211	ARP ISSUE CANCEL	1050	\$ 0.25	\$ 262.50
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -

**CITY OF NOVI  
RFP BANKING SERVICES  
FEE PROPOSAL FORM**

AFP CODE	SERVICE DESCRIPTION	TOTAL # OF UNITS PRIOR 12 MONTHS	Unit Price	Annual Cost
	<b>PORTAL:</b>			
25 1100	ONLINE ACH MODULE BASE	12	\$ 5.00	\$ 60.00
32 0610	ONLINE WIRE TRANSFER MODULE BASE	12	\$ 10.00	\$ 120.00
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
	<b>WIRE:</b>			
35 0202	ONLINE WIRE OUTBOUND DOMESTIC	102	\$ 10.00	\$ 1,020.00
35 0551	WIRE TRSF REPETITIVE STORAGE	36	\$ 3.00	\$ 108.00
35 0402	WIRE TRSF ACTIVITY STATEMENT	7	\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
			\$ -	\$ -
	<b>TOTAL CALCULATED</b>			<b>\$ 13,983.57</b>

WE ACKNOWLEDGE RECEIPT OF THE FOLLOWING ADDENDUMS: Addendum #1

**EXCEPTIONS / OTHER CHARGES / COMMENTS:**  
 The contract period will be for three (3) years. Upon mutual consent of the City of Novi and Fifth Third Bank,  
 The contract may be renewed two (2) times in one (1) year increments. Pricing is based on stated volumes  
 and average operating balances of \$32 million.  
 We will continue to offer annual billing to insure you gain the benefit of cyclical balances.

COMPANY NAME: Fifth Third Bank  
 ADDRESS: 1000 Town Center Drive  
 CITY, STATE, ZIP CODE: Southfield, MI 48075  
 REPRESENTATIVE'S NAME (Please Type): Aron Kominars  
 REPRESENTATIVE'S TITLE (Please Type): Managing Director, Public Funds  
 REPRESENTATIVE' SIGNATURE:   
 TELEPHONE: 248-603-0528  
 FAX: 248-603-0144  
 DATE: 12/17/2013



City of Novi			
Sample Deposit	Quantity	Denomination	Total
<b>Small Deposit</b>			
	20	\$100.00	\$2,000.00
	2	\$50.00	\$100.00
	100	\$20.00	\$2,000.00
	2	\$10.00	\$20.00
	1	\$5.00	\$5.00
	4	\$1.00	\$4.00
	3	\$0.25	\$0.75
	2	\$0.10	\$0.20
	5	\$0.05	\$0.25
	5	\$0.01	\$0.05
			\$4,130.25
<b>Total Fee</b>			<b>\$4.13</b>
<b>Large Deposit</b>			
	150	100	\$15,000.00
	60	50	\$3,000.00
	1500	20	\$30,000.00
	100	10	\$1,000.00
	100	5	\$500.00
	200	1	\$200.00
	83	0.25	\$20.75
	50	0.05	\$2.50
	80	0.01	\$0.80
			\$49,724.05
<b>Total Cash</b>			<b>\$49.72</b>
<b>Total Check</b>	200	0.05	<b>\$10.00</b>
<b>Total Fee</b>			<b>\$59.72</b>



December 17, 2013

Sue Morianti  
Purchasing Manager  
City of Novi  
45175 Ten Mile Rd.  
Novi, MI 48375-3024

Dear Sue:

Fifth Third Bank appreciates the opportunity to provide the enclosed information regarding the Bank's capabilities to provide financial services to The City of Novi. Our relationship team of financial professionals has prepared written summaries of services that would benefit the City in its efforts to improve efficiencies and cost effectiveness while facing the opportunities and challenges in today's financial environment.

Fifth Third's Treasury Management solutions are designed to maximize your working capital. Now, more than ever, it's important to select a banking partner that understands your business requirements, has your best interests at heart, and exhibits sound leadership and stability. We believe Fifth Third is that partner.

As the incumbent bank, our proposal demonstrates that we understand your business. Our recommendations are designed to address the challenges you have identified, including optimizing working capital with more efficient payables processing, optimizing working capital with enhanced receivables processing and more efficient business operations. More importantly, our proposal addresses the business results and improvements you hope to achieve.

Included, in our proposal we'll highlight Fifth Third's business strengths and differentiators that demonstrate why we are confident that we are the best choice for City of Novi. We will serve your business as a trusted advisor and use our experience to address your specific business needs—both now and the future.

We have been a partner with the City for many years. Our staff has been in the community volunteering. Fifth Third is very committed to our relationship and the community.

Thank you for this chance to present our solutions. We look forward to continuing to serve the City of Novi with customized and comprehensive banking solutions for many years to come.

Sincerely,

Handwritten signature of Aron Kominars in black ink.

Aron Kominars, VP  
Managing Director, Public Funds

Handwritten signature of Colette Rush in black ink.

Colette Rush, VP  
Treasury Management

## Executive Summary

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### Your Situation – Our Understanding

*The nationwide financial environment is dynamically shifting. With declining property tax revenues and shrinking interest income, many public sector organizations are looking to their financial partners to help them succeed during this time. Fifth Third understands today's changing climate and believes that we play an important role in helping our public sector clients capitalize on opportunities.*

*Fifth Third is the "Curious Bank" as our approach is to actively listen to our clients in an effort to develop meaningful partnerships. We focus on strategic thinking and creative solutions. Our clients are at the center of all we do.*

### Continuing a Partnership with the City of Novi

Fifth Third believes in partnering with our clients. Not only offering bank services, but to assist them in being better employers, as well as, support them in their goals and visions.

We believe in building long-term partnerships with our clients, as we have demonstrated this with the City of Novi for many years. We have worked to understand your needs, proposed ideas and provided new solutions. Aron Kominars, Relationship Manager and Colette Rush, your Treasury Management Officer assigned to the City of Novi are well respected for their commitment to forging personal, one-on-one relationships with clients. This enables us to offer creative, insightful perspectives and to provide tailored solutions that improve the day-to-day efficiencies of The City's treasury management operation. Our clients are further assisted by 9 dedicated local Client Advisors, ensuring that The City of Novi will receive hands on training along with ongoing prompt and accurate service.

### Why Continue Doing Business With Fifth Third?

Successful organizations know that selecting the right banking partner can significantly impact their chances for business success. Later in this proposal, we detail specific business strengths as requested in your RFP for Banking Services. At the highest-level, however, it's important to know that Fifth Third has the financial strength and demonstrates the thought leadership that you should demand from your bank.

Our long standing relationship, innovation in technology solutions and superior client service, coupled with a reputation for leadership in industry best practices, gives you the assurance that we are ready to meet your current and future needs. Finally, Fifth Third specializes in, and is committed to, the unique and demanding requirements of Public Fund clients.

## Executive Summary

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### Our proposal highlights:

- As this will not be a transition to a new bank, the transition should be minimal as we will only need to modify and build upon the Treasury Solutions in place. This will minimize costs, time and training for The City of Novi.
- With the new contract, Fifth Third will not charge the Deposit Administration fee as the FDIC coverage has changed for non interest bearing accounts as of January 2013
- We will continue to offer annual billing to insure you gain the benefit of cyclical balances
- You have a local dedicated Client Advisor, Janice Strociak. Janice is your primary contact for daily support and will be your point of contact throughout the resolution process and is responsible for periodic updates (if necessary) and follow-up on request resolution. When Janice is not available, the Customer Support Premier Service Team can assist by phone or email. Their extended hours are Monday-Friday, 7:00am to 10:00pm EST.
- Aron Kominars and Colette Rush will continue to support The City of Novi as your dedicated Relationship Team. Aron has over 25 years of banking industry knowledge and leads the local Public Funds Team for Fifth Third Bank. Aron has developed strong relationships and has been proactive with the City introducing new solutions and initiating costs savings solutions for The City as appropriate.

### Enhancements to Consider

- A Public Funds Premier NOW Checking, as your primary account with an Earnings Credit Rate (ECR) to offset service fees. This account type also pays interest on the net free balance, which is the balance remaining once all service charges have been covered.
  - With use of the Public Funds Premier Now account a Sweep account structure is eliminated
  - A Zero Balance Account (ZBA) structure tying of all your accounts including; payroll, payable and Remote Collection
  - For other stand-alone accounts and balances in excess of those needed to offset costs, we recommend NOW accounts based on today's interest rate environment
- Currency Processing Solutions, our innovative smart safe solution, provides secure and immediate deposit of currency right from your office. This solution along with Electronic Deposit of checks can eliminate the need for a daily courier service to the Novi Banking Center.
- To optimize fraud prevention, we recommend ACH Positive Pay, which prevents unauthorized electronic transactions. The service is fully described in our proposal.

## Executive Summary

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- Improvements in technology have provided many benefits; one is being able to provide check images on line for six months. Many of our clients are moving to discontinue the CD ROM and are obtaining images on line. If there is a need to get an image older than six months the bank will provide that for up to seven years, at a nominal charge.

### Fifth Third Bank Background

Fifth Third's growth and innovation reflects the economic strength, vitality, and can-do attitude of the region we serve. The Fifth Third brand began in 1908; however our company's roots extend back over 150 years when our original institution, The Bank of the Ohio Valley, was founded in 1858.

Our length in business is testimony to our adherence to the principles of hard work and our commitment to follow disciplined and sound business practices. Fifth Third's reputation for excellent service and financial strength stems from an unwavering practice of listening to our clients, building financial products and delivery models that solve increasingly complex financial needs.

In a business climate where many banks are struggling, Fifth Third retains its position as one of the largest and most secure financial institutions in the United States. With over \$110 billion in assets, we operate 15 affiliates with 1,310 full-service banking centers. To serve the full scope of our clients' financial needs throughout a 12-state market, Fifth Third operates four core business units: Commercial Banking, Branch Banking, Consumer Lending, and Investment Advisors. We successfully worked through the most difficult financially period since the 1930's and are well positioned to serve our business customers with both time-tested and innovative, new financial products and services. As we look toward our next 150 years, we honestly believe there's never been a better time to be a Fifth Third client.

### About This Proposal

We appreciate this opportunity to demonstrate Fifth Third's capabilities and express our desire to continue to work closely with The City of Novi. This proposal describes how Fifth Third can help you address current business challenges and achieve your most important goals. But beyond describing our recommended enhancements, the proposal also presents salient points about who we are, how we do things, and why we represent the best financial partner for The City of Novi.

As you review this proposal, please make note of any questions that arise or points you would like us to clarify further. We welcome your feedback and look forward to continuing our discussions about how Fifth Third Bank can continue to serve your business and financial needs, now – and into the future.