

## AGREEMENT FOR BANKING SERVICES

THIS AGREEMENT FOR BANKING SERVICES ("Agreement") is made this 15th day of July, 2002 by and between COLUMBIA STATE BANK, a Washington banking corporation (the "Bank"), and the CITY OF WOODLAND, a municipal corporation (the "City").

### RECITALS

The City desires to maintain a banking relationship with the Bank, and the Bank desires to provide banking services to the City.

### AGREEMENT

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the parties agree as follows:

#### 1. Banking Services

The Bank agrees to provide to the City all of the banking services which are currently being used by the City. The City agrees that during the term of this Agreement, the Bank will be the City's exclusive provider of such services. The City further agrees that in the event the City desires an additional banking service, the City will contact the Bank and offer the Bank a first right to provide such additional services. If the Bank is unable or unwilling to provide such additional services, the City may obtain such additional service from another financial institution, and this Agreement shall be deemed modified to the minimum extent necessary to allow such financial institution to provide such additional service. Notwithstanding, no failure of the Bank to provide such additional service shall constitute a breach or grounds for termination of this Agreement.

#### 2. Terms of Agreement; Termination

This Agreement shall automatically renew after the initial term, which is hereby defined to be from the date of execution through December 31, 2003. Thereafter, this Agreement may be terminated without cause by either party on sixty (60) days written notice to the other. No termination of this Agreement shall affect any obligation of the parties incurred prior to the effective date of such termination.

#### 3. Service Agreements

The parties acknowledge that the services are offered to customers by the Bank pursuant to the terms of the Bank's Deposit Account Agreement and one or more separate agreements and "sign-up" forms ("Service Agreements") including, but not limited to, those Service Agreements previously signed. The City and Bank agree to execute the appropriate Service Agreements applicable to such services, and further agree that upon such execution, such agreements shall be deemed incorporated into this Agreement by reference. Subject to paragraph 7 below, in the

event of a conflict between the terms of this Agreement and any Service Agreement, the terms of this Agreement shall be controlling.

#### **4. Independent Contractors**

The parties understand and agree that the Bank is a business skilled in matters pertaining to banking services and will perform independent functions and responsibilities in the area of this particular field of expertise. The Bank and its personnel shall act as independent contractors and not as employees of the City. As such, the Bank shall have no authority to bind the City nor control employees of the City, its contractors or other entities. With respect to the performance of the services contemplated by this Agreement, the Bank shall work in cooperation with the City's Financial Manager.

#### **5. Non-Discrimination**

The Bank shall not discriminate in employment or services to the public on the basis of race, color, national origin, sex, religion, age, marital status or disability, except employment actions based upon a bona fide occupational qualification.

#### **6. Due Authorization**

The City represents and warrants that it has the requisite corporate power and authority to execute and deliver this Agreement and each of the Service Agreements, and that this Agreement and the Service Agreements have been duly and validly authorized by the City Council, and that no other proceedings are necessary to authorize this Agreement or the banking relationship contemplated thereby.

#### **7. Indemnification**

Except as may otherwise be provided in the Service Agreements, the Bank agrees to indemnify and hold harmless the City, its appointed and elected officers and employees from and against any and all liability, loss, costs, damage and expense, including costs and attorney fees in defense therefore, because of actions, claims or lawsuits resulting from personal physical injury, including death at any time resulting there from, sustained or alleged to have been sustained by any person or persons, and on account of damage to property, arising or alleged to have arisen directly or indirectly out of the Bank's performance of this Agreement, whether such injuries to persons or damage to property are due to the negligence of Bank, its agents, successors or assigns. This provision shall be inapplicable to the extent the negligence of the City, its officers, agents or employees contributed to such injuries or damage. With respect to this paragraph 7 only, in the event of a conflict between the Bank's indemnification obligations as described herein and any indemnification, limitation of liability or similar provision in an applicable Service Agreement, such Service Agreement provision shall be controlling.

**8. Insurance**

During the performance of this Agreement, the Bank shall maintain general commercial liability insurance in the amount of \$1 million per occurrence and \$1 million general aggregate. In addition, the Bank shall maintain fidelity coverage for agents and employees designated or otherwise assigned to handle City funds.

IN WITNESS WHEREOF, the parties have executed this Agreement on the dates set forth below.

CITY OF WOODLAND

By James R. Graham  
James R. Graham

Title Mayor

Date 07-15-2002

COLUMBIA STATE BANK

By Nary D. Leedy

Title Vice President

Date 7-22-02

Attest:

Mari E. Ripp  
Mari E. Ripp, Clerk-Treasurer

Approved as to form:

P. Brock  
Patrick Brock, City Attorney