

RESOLUTION NO. 12-194

A RESOLUTION OF THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, RANKING THE RESPONDENTS TO RFP 005-12 FOR BANKING SERVICES; AUTHORIZING CONTRACT NEGOTIATIONS IN ACCORDANCE WITH THE ACCEPTED PROPOSALS WITH THE TOP RANKED FIRM AND EACH FIRM THEREAFTER AS NECESSARY UNTIL AN ACCEPTABLE CONTRACT IS BROUGHT BEFORE THE COMMISSION; PROVIDING FOR AN EFFECTIVE DATE

WHEREAS, the City, with the assistance of The PFM Group, prepared and issued RFP 005-12 for Banking Services for the City of Key West; and

WHEREAS, the proposals were opened on March 28, 2012, and City staff in consultation with The PFM Group, ranked the top three responsive proposals for consideration by the City Commission as follows:

1. First State Bank
2. BB & T
3. Bank of America

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COMMISSION OF THE CITY OF KEY WEST, FLORIDA, AS FOLLOWS:

Section 1: That the City Commission hereby ranks the top three firms based upon the proposals submitted as:

1. First State Bank
2. B B & T
3. Bank of America

Section 2: That the City Manager is hereby authorized to negotiate and execute a contract with the first-ranked firm; and if the first-ranked firm and the City cannot reach agreement on a contract, the City shall terminate such negotiations and commence negotiations with the second and third-ranked firms in order, until an acceptable agreement is reached.

Section 3: That the City Manager, upon advice and consent of the City Attorney, is authorized to execute a contract with the top-ranked firm.

Section 4: That this Resolution shall go into effect immediately upon its passage and adoption and authentication by the signature of the presiding officer and the Clerk of the Commission.

Passed and adopted by the City Commission at a meeting held this 5th day of June, 2012.

Authenticated by the presiding officer and Clerk of the Commission on June 5, 2012.

Filed with the Clerk June 6, 2012.

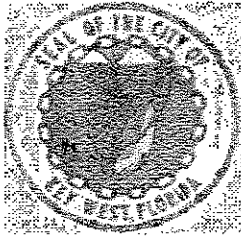


CRAIG CATES, MAYOR

ATTEST:



CHERYL SMITH, CITY CLERK



MEMORANDUM

TO: Mark Z. Finigan, Assistant City Manager
FROM: Roger D. Wittenberg, Finance Director
DATE: May 16, 2012
SUBJECT: City of Key West Request for Proposals (RFP) #005-12 Banking Services Contract Approval

ACTION STATEMENT:

Purpose of this resolution is to rank the responses received to the RFP for Banking Services and to authorize the City Manager to negotiate and execute a contract with the highest ranked firm.

BACKGROUND:

On March 28, 2012 the city received 3 responses to its RFP for Banking Services.

David Jang of The PFM Group (PFM) assisted the City in the preparation of the RFP. He also reviewed and analyzed the responses to the RFP for compliance with the terms and conditions as set forth in the RFP and prepared the Banking Services Pricing Chart. (attached)

Based upon his analysis and my review of the RFP's I have ranked the RFP's as follows:

| | |
|-------------------|------|
| First State Bank: | 95.5 |
| BB&T: | 92.5 |
| Bank of America: | 88.0 |

ANALYSIS:

The City received 3 responses all from well qualified firms. Any of the 3 firms could perform the required services as requested by the City in the RFP.

First State Bank (FSB) is the City's current provider of banking services and has provided outstanding service and customer assistance. FBS met all the requirements of the City RFP and listed all local personnel as part of the City's account team. While FSB proposed the highest monthly fee for banking services it also proposed the most favorable interest on the City's average collected balance, Fed Funds rate plus 10bps with a floor of 81 bps, which would result in a positive net income of approximately \$36,350 annually. FSB did not propose an earnings credit rate.

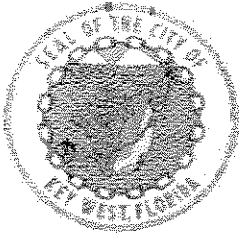
BB & T also provided a very favorable proposal and is highly capable of providing the City with the required service. BB&T enlisted local personnel as part of the City's account personnel. While their fee proposal was somewhat less than FSB, \$500 per month, based upon the volumes in the proposal, the interest earned on available balances was also substantially less, \$2,500 per month. The annual net income to the City for the first year is \$30,000 less than FSB. BB&T proposed an earnings credit rate of Fed Funds minus 25bps with a floor of 65bp and a interest on idle funds of Fed Funds minus 25bps with a floor of 15bps.

Bank of America (BOA) one of the largest banking institution in the United States highly resourceful and highly capable of providing the City with the requested service. BOA presented the lowest monthly fees but also the lowest earnings credit rate with no indication of a floor rate and also indicated the rate was subject to change at any time. BOA also choose not to quote an interest rate on idle funds or a floor rate. BOA listed no local account contact and took numerous exceptions to the City's standard RFP language.

All analysis were based upon the scenario presented in the RFP of a \$9,000,000 daily collected balance. Actual interest earned and bank comparison will change monthly based upon volume of transactions, Fed Funds rate and Average collected balance.

RECOMENDATION

Based upon the a review of the proposals First State Bank scored the highest due to the favorable interest rate proposed on the average collected balance. This rate was sufficiently higher to offset the other proposer who proposed a lesser rate with lesser monthly costs.



MEMORANDUM

TO: Jim Scholl, City Manager
Mark Z. Finigan, Assistant City Manager

FROM: Roger D. Wittenberg, Finance Director

DATE: May 21, 2012

SUBJECT: Banking Selection Committee

On May 21, 2012, we met to discuss the selection of the ranking committee for the Banking Services RFP.

After some discussion we determined that the committee would be made up of Roger Wittenberg, with technical assistance from our investment advisors. We based this decision on the following facts:

- The ranking process for banking services is less subjective and could be evaluated more analytical.
- We were working with our investment advisors who have a strong understanding of the banking environment.
- Forty percent of the total weighted evaluation criteria was "pricing", a very objective based factor. Based on such a high weight it is unlikely the highest rated proposal overall would be other than the proposer that offered the most favorable pricing package.
- Staff's ranking is a recommendation to the Commission, who will make the final ranking.

City of Key West
 Banking RFP
 Proposal Ranking

| CRITERIA | POSSIBLE POINTS | FACTOR | BANK OF AMERICA POINTS | RANKING FACTOR | BB & T | RANKING FACTOR | FIRST STATE BANK | RANKING FACTOR |
|---|-----------------|--------|------------------------|----------------|-------------|----------------|------------------|----------------|
| Customer Service/Experience, Resources and Qualification of Team: | 25.0 | 2.5 | 22.5 | 9.0 | 22.5 | 9.0 | 22.5 | 9.0 |
| Proposed Fees and Earning Potential: | 40.0 | 4.0 | 32.0 | 8.0 | 36.0 | 9.0 | 40.0 | 10.0 |
| Financial Strength: | 10.0 | 1.0 | 8.5 | 8.5 | 9.0 | 9.0 | 8.0 | 8.0 |
| Scope of Services: | 25.0 | 2.5 | 25.0 | 10.0 | 25.0 | 10.0 | 25.0 | 10.0 |
| TOTAL POINTS | 100.0 | | 88.0 | | 92.5 | | 95.5 | |

City of Key West, Florida
Banking Services Pricing Chart

| | Current Provider | | BB&T Bank ¹ | | First State Bank | | Bank of America ² | |
|---|------------------|-------------|------------------------|--------------|------------------|-------------|------------------------------|---------------|
| | Average Volume | Monthly Fee | Unit Price | Monthly Fee | Unit Price | Monthly Fee | Unit Price | Monthly Fee |
| Banking Services | | | | | | | | |
| ACH Credits Fee | 6 | 0.05 | 0.10 | 0.60 | 0.05 | 0.30 | 0.06 | 0.36 |
| On Us Item Fee | 0 | 0.10 | 0.06 | 0.00 | 0.10 | 0.00 | 0.06 | 0.00 |
| Foreign Item Fee 1 | 0 | 0.10 | 0.06 | 0.00 | 0.10 | 0.00 | 0.06 | 0.00 |
| Chargeback Redeposit | 0 | 3.00 | 10.00 | 0.00 | 3.00 | 0.00 | 3.50 | 0.00 |
| Chargeback Fee | 0 | 5.00 | 7.50 | 0.00 | 5.00 | 0.00 | 3.50 | 0.00 |
| Outgoing Wire | 0 | 15.00 | 10.00 | 0.00 | 20.00 | 0.00 | 8.00 | 0.00 |
| Incoming Wire | 0 | 10.00 | 14.00 | 0.00 | 10.00 | 0.00 | 8.00 | 0.00 |
| Stop Payment Fee | 0 | 20.00 | 34.00 | 0.00 | 20.00 | 0.00 | 15.00 | 0.00 |
| Reserve Requirement | | | | | | | | |
| ACH Monthly Maintenance Fee | 0 | 15.00 | 35.00 | 0.00 | 25.00 | 0.00 | 20.00 | 0.00 |
| ACH File Fees | 0 | 3.00 | 5.00 | 0.00 | 5.00 | 0.00 | 10.00 | 0.00 |
| ACH Per Item | 0 | 0.05 | 0.10 | 0.00 | 0.10 | 0.00 | 0.06 | 0.00 |
| Coin Bags | 0 | 8.50 | 1.00 | 0.00 | 8.50 | 0.00 | 0.15 | 0.00 |
| Maintenance Fee | 1 | 12.00 | 8.00 | 8.00 | 12.00 | 12.00 | 8.00 | 8.00 |
| Debits Processed | 0 | 0.15 | 0.18 | 0.00 | 0.15 | 0.00 | 0.15 | 0.00 |
| Credits Processed | 0 | 0.40 | 0.06 | 0.00 | 0.40 | 0.00 | 0.08 | 0.00 |
| ACH Credits Fee | 0 | 0.05 | 0.10 | 0.00 | 0.05 | 0.00 | 0.08 | 0.00 |
| On Us Item Fee | 0 | 0.10 | 0.06 | 0.00 | 0.10 | 0.00 | 0.06 | 0.00 |
| Foreign Item Fee 1 | 0 | 0.10 | 0.06 | 0.00 | 0.10 | 0.00 | 0.06 | 0.00 |
| Chargeback Redeposit | 0 | 3.00 | 10.00 | 0.00 | 3.00 | 0.00 | 3.50 | 0.00 |
| Chargeback Fee | 0 | 5.00 | 7.50 | 0.00 | 5.00 | 0.00 | 3.50 | 0.00 |
| Outgoing Wire | 0 | 15.00 | 10.00 | 0.00 | 20.00 | 0.00 | 8.00 | 0.00 |
| Incoming Wire | 0 | 10.00 | 14.00 | 0.00 | 10.00 | 0.00 | 8.00 | 0.00 |
| Stop Payment Fee | 0 | 20.00 | 34.00 | 0.00 | 20.00 | 0.00 | 15.00 | 0.00 |
| FDIC Assessment | | | | | | | | |
| On-Line Banking Outgoing Wire | 6 | 10.00 | 0.00 | 0.00 | 10.00 | 60.00 | 0.00 | 0.00 |
| On-Line Banking Stop Payment | 1 | 10.00 | 0.13 | 0.00 | 10.00 | 10.00 | 0.00 | 0.00 |
| FDIC Assessment | 9,000 | 0.00 | 0.13 | 1,198.70 | 0.00 | 0.00 | 0.13 | 1,198.70 |
| Estimated Monthly Fee | | \$2,882.85 | \$2,890.86 | \$3,182.45 | \$2,429.96 | | | |
| Estimated Annual Fee | | \$34,726.20 | \$32,280.32 | \$37,949.40 | \$29,159.52 | | | |
| Reserve Requirement | | | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| Fee Waiver (if applicable) | | | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| Current ECR | | | FF-25 bps | 0.65% * | Not Provided | 0.25% | 0.25% | 0.25% |
| Current Interest Rate | | | FF-25 bps | 0.15% * | FF+10bps | 0.81% * | Not Provided | Not Provided |
| Year 1 | | | | | | | | |
| Average Collected Balance | \$9,000,000 | | 0.65% | 4,874,262.63 | 0.00% | - | 0.25% | 11,444,327.74 |
| Minimum required balance to offset fees | | | | 4,968.49 | | | | 1,910.96 |
| Earnings Credit | | | | 2,277.63 | | | | (519.00) |
| Monthly Excess From ECR (Monthly Cost) | | | | 525.61 | | | | |
| Monthly Excess From excess balances | | | 0.37% | 2,828.22 | 0.81% | 6,191.51 | 0.00% | |
| Estimated Annual Income (Annual Cost) | | \$ (787.57) | \$6,307.29 | \$36,348.69 | | | | |

Notes:
 1. BB&T will waive fees for the first 90 days to limit the expense associated with having duplicate services at two financial institutions.
 2. Bank of America will offer the City a conversion allowance equal to six months of treasury services for free.
 * denotes a floor rate

CONTRACT

THIS CONTRACT is made and entered into this 1st day of August, 2012, by and between the **CITY OF KEY WEST**, with an address of P.O. Box 1409, Key West, Florida 33041, hereinafter referred to as the "CITY", and **FIRST STATE BANK OF THE FLORIDA KEYS.**, with an address of 1201 Simonton Street, Key West, Florida, 33040, hereinafter referred to as "FSB".

WHEREAS, the City of Key West has issued a Request for Proposals (RFP) (Exhibit B) for Banking Service (Services) and

WHEREAS, FSB submitted a response to the proposal to provide the Services to the City; and

WHEREAS, FSB is capable of providing the Services requested by the proposal and is in the business of providing these Services; and

WHEREAS, CITY desires to engage FSB to provide the Services specified herein, and those listed in the FSB Proposal (Exhibit A), dated March 28, 2012

NOW, THEREFORE, the parties hereto mutually agree as follows:

SECTION 1. RECITALS

The parties agree that the foregoing recitals are true and correct and are incorporated herein by this reference.

SECTION 2. SCOPE OF SERVICES AND PROJECT COORDINATOR

2.1 The CITY engages FSB to perform those services described in the City's RFP 005-12 (Exhibit "B") scope of services, FSB will provide those services as outlined in their response to RFP 005-12.

SECTION 3. COMPENSATION; TERMS OF PAYMENT

3.1 The CITY and FSB agree that compensation shall be paid according to the terms and conditions contained in RFP (Exhibit "A"). Specifically monthly fees for each banking services account will be drawn monthly from the City's pooled cash account with FSB.

SECTION 4. TERM

4.1 This contract is for a period of three years with an option to renew with two (2) one-year extensions.

SECTION 5. TERMINATION AND REMEDIES

5.1 The City of Key West may terminate this agreement with or without cause by giving FSB written notice at any time. City shall be liable for all fees incurred up to the date of the notice. If the City of Key West does not provide such a notice, it will be obliged to pay all fees for work done and for other charges incurred pursuant to the terms and conditions contained herein. This Agreement shall also terminate upon the filing of any petition for bankruptcy or insolvency proceeding regarding the FSB.

5.2 Except as otherwise provided in Paragraph 3. above, FSB may terminate this agreement and stop performance hereunder if, after five (5) days written notice to City,

- a. City or its duly authorized agents do not comply with this Agreement;
- b. City forms the opinion, on reasonable grounds, that mutual confidence and trust do not exist between both parties; or
- c. FSB believes on reasonable grounds that, by continuing to act for the City, it may breach the professional conduct rules which are binding upon professionals in the financial industry.

SECTION 6. INDEMNIFICATION

FSB agrees to indemnify and hold the CITY harmless from and against any property damage or bodily injury claim, including reasonable legal fees, arising out of FSB's sole negligence.

SECTION 7. NOTICES

Notices, requests, or authorizations provided for herein shall be in writing and shall be delivered or mailed addressed as follows:

| | |
|--------------|--|
| To the CITY: | City of Key West Attention: City Manager James K. Scholl City Attorney Shawn D. Smith P.O. Box 1409 Key West, FL 33041 |
| To FSB: | FSB Attention: Doria Goodrich Vice President 1201 Simonton St Key West, FL 33040 |

or addressed to either party at such other address as such party shall hereinafter furnish to the other party in writing. Each such notice, request, or authorization shall be deemed to have been duly given when so delivered, or, if mailed, when deposited in the U. S. mail, registered or certified, return receipt requested, postage prepaid.

SECTION 8. NON-ASSIGNMENT

This Agreement is an exclusive agreement for Services and may not be assigned in whole or in part without the written approval of the City.

SECTION 9. SEVERABILITY AND CHOICE OF VENUE

This Agreement shall be construed in accordance with the laws of the State of Florida. Wherever possible, each provision of this Agreement shall be interpreted in such manner as to be effective and valid under applicable law, but if any provision of this Agreement shall be prohibited or invalid under applicable law, such provision shall be ineffective to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement. Any action in connection herewith, in law or equity, shall be brought in Monroe County, Florida.

SECTION 10. NO THIRD PARTY RIGHTS

The parties hereto do not intend nor shall this Agreement be construed to grant any rights, privileges or interest to any third party.

SECTION 11. JURY TRIAL WAIVER

As consideration of this Agreement, the parties hereby waive trial by jury in any action or proceeding brought by any party against another party pertaining to any matter whatsoever arising out of or in any way connected with this Agreement.

SECTION 12. MISCELLANEOUS PROVISIONS

Failure of any party to insist upon strict compliance with any provision of this or any other agreement between the parties shall not constitute a waiver of the right to immediately enforce compliance with that provision or any other provision of such agreements. The parties hereto acknowledge that they have read, understand and have had the opportunity to be advised by legal counsel as to each and every one of the terms, conditions, restrictions and effect of all of the provisions of this Agreement, and each agrees to the enforcement of any and all of these provisions and executes this Agreement with full knowledge of these provisions. Should any provision of this Agreement require judicial interpretation, it is agreed that the court interpreting or construing the provision shall not apply a presumption that the terms hereof shall be more strictly construed against one party by reason of the rule of construction that a document is to be construed more strictly against the party who itself or through its agent prepared the document. Should any party be required to seek judicial relief regarding the terms and conditions of this agreement, the prevailing party shall be entitled to recover all reasonable attorneys' fees and costs in such proceeding(s).

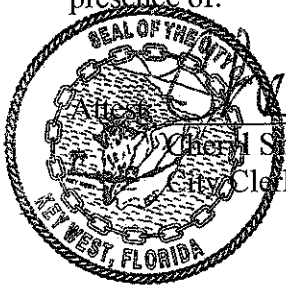
SECTION 13 COUNTERPARTS/FACSIMILE

This Agreement may be executed in any number of counterparts each of which, when executed

and delivered, shall be deemed to be an original with all the counterparts constituting but one and the same instrument. Additionally, facsimile signature shall bind the undersigned. The individuals executing this document warrant and represent they have full authority to do so on behalf of the parties named herein.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the day and year indicated below and shall become effective upon the signature of the last party to the Agreement.

Signed, sealed and delivered in the presence of:



Theresa Smith
City Clerk

City of Key West, Florida

By: [Signature]
City Manager

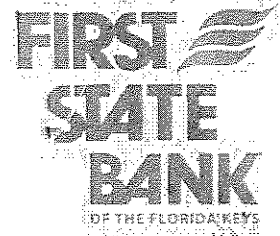
Vivian Perez
Witness

Angela Bodde
Witness

FSB

BY: [Signature]
As its E.O.P.

Exhibit A



March 28, 2012

Roger Wittenberg
City of Key West
3126 Flagler Ave.
Key West, FL 33040

Dear Mr. Wittenberg :

First State Bank of the Florida Keys appreciates the opportunity to continue our partnership with the City of Key West for its banking services.

As the only remaining locally owned community bank headquartered in Key West, serving all of Monroe County, *First State Bank of the Florida Keys* exclusively serves the same county where the City's employees, commissioners, and customers work and live.

We have prepared a comprehensive response to the City of Key West's request for a banking services proposal that includes supporting documentation on the Bank's many services and benefits.

Primary proposal highlights include:

- ✓ Low Services Charges & All Set Up Fees Waived
- ✓ Competitive Interest Rates
- ✓ The City's Funds Protected 4-Ways:
 - First State Bank of the Florida Keys' Financial Strength
 - FDIC Insurance
 - Deposits Pledged with Government Securities
 - Florida Public Funds Statute 280
- ✓ FREE State-of-the-Art Online Banking Cash Management

First State Bank of the Florida Keys is set apart from the non-local banks by its 57-year history of providing local banking, public funds management, lending, business and merchant credit card services, a deep understanding of the Keys market and a historic commitment to both civic and community causes.

The Bank also provides banking services for 15 of Monroe County's public funds giving us both vast experience and a deep understanding of the special financial services needs of our local public entities.

As part of our commitment to the City's banking relationship, Doria Goodrich, Executive Vice President, will serve as the City of Key West's personal account relationship executive.

With over 35 years of local banking experience, public funds expertise and an in-depth knowledge of the Keys community, Doria's professional and personalized attention will assure that the City maximizes its financial opportunities.

As a dedicated community bank, our emergency contingency plan assures that *First State Bank of the Florida Keys* is positioned to be the last bank to close and the first to open in the event of a hurricane or other natural disaster.

In addition, the Bank's fully redundant operations center in Miramar, Florida, provides another level of disaster recovery protection that assures all customer data is protected and that we have the necessary operational resources to meet unexpected emergencies.

Despite challenging economic times, *First State Bank of the Florida Keys* remains a financially sound bank with a conservative business philosophy and a local long term vision that has produced ongoing positive results. We are the *only* locally owned bank left in Monroe County. In the past four years two banks were taken over, two banks failed, one credit union was taken over, one mega bank was taken over by another mega bank, and *all* are headquartered *outside* of Key West and Monroe County.

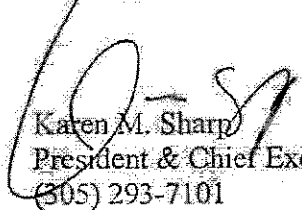
First State Bank of the Florida Keys was recognized with the *GLEE* Green Ambassador & Green Living awards and voted both "*Best Bank*" and "*Best Business*" in the Keys.


With 185 employees, *First State Bank of the Florida Keys* provides the City the convenience of 11 Keyswide branches, utility and related public payment acceptance, evening and Saturday hours and dozens of local ATMs Keyswide, as well as the Publix Presto! ATM network that's free to FSB customers.

First State Bank of the Florida Keys is the only locally owned community bank remaining in the Keys. Our bank's deposits are invested and loaned locally to stimulate the economy, employ our neighbors and support our community.

We look forward to expanding our banking relationship with the City of Key West and remain committed to continuing to provide the expert banking and old-fashioned one-on-one customer service that only a true community bank can provide.

Sincerely,


Karen M. Sharp
President & Chief Executive Officer
(305) 293-7101


Doria Goodrich
EVP & Personal Banking Executive
(305) 293-7104



*Locals Working with Locals
for a Better Community!*

Request for Proposal

03/28/12



57 Years of Community Commitment, Strength & Stability

*Questions for Karen Sharp
President & CEO
First State Bank of the Florida Keys*

Q: Is First State Bank Financially Strong?

A: First State Bank of the Florida Keys remains financially strong despite the lingering recession. The Bank's 2010 accomplishments reflect the positive results of our conservative banking philosophy and prudent lending strategy.

2010 Results & Accomplishments

- ✓ Core Capital grew 14.4%
- ✓ Reserves Increased by 79%
- ✓ 36% of Assets in Cash or Liquid Investments

Q: How is First State Bank managing in the recession?

A: First State Bank of the Florida Keys remained financially strong in 2010 and 2011 despite a slow economic recovery through its local market focus, long-term planning, managed growth, prudent business practices and a conservative lending philosophy.

Q: How has First State Bank avoided the problems other financial institutions experienced?

A: As the only locally owned community bank headquartered in Monroe County, we made a strategic decision not to follow other financial institutions into high-risk lending or rapid growth strategies. As a result, we haven't had to modify our core business philosophy due to the ongoing recession.

In fact, our long-term business plan and prudent business decisions have allowed First State Bank to increase liquidity, grow capital and expand reserves to lend and re-invest in the Keys community to stimulate local economic growth.

Q: How is First State Bank managing in this challenging and competitive environment?

A: The Bank's tested and proven management practices, when combined with a committed, knowledgeable local Board of Directors, team of dedicated banking professionals and historic commitment to the Florida Keys, has positioned First State Bank to adapt and respond to market opportunities despite the challenging economy.

Q: How is First State Bank remaining stable through the recession?

A: Entering our 57th year of providing banking and lending services exclusively to the Keys community, we are proud to report that the Bank's conservative business model and proven operational management principals continue to produce solid results despite the recession and without taking any government bail-out money (TARP).

Continued...

Q: Is First State Bank well capitalized?

A: An important stability factor for all banks is "capital" and First State Bank's capital position is stronger than at any other time in our history! The Bank also has more liquidity than required by the government regulators and a strong balance sheet that provides both income and risk diversification.

Q: What is First State Bank doing to serve the Keys community?

The Bank continues to invest in the Keys community by providing new loans and refinancing on Keyswide redevelopment projects, ventures for hotels, marinas and affordable housing projects including Habitat for Humanity.

Our historic dedication to local community, civic and non-profit organizations continues with sponsorships of over 319 community events, 478 volunteers, over 956 volunteer hours and over \$87,000 in cash contributions and in-kind donations in 2011 alone.

Q: What has First State Bank done to stimulate the local economy?

A: First State Bank of the Florida Keys has invested millions in local commercial real estate and residential loans in Monroe County. These investments employ our neighbors, stimulate our economy and support our community.

In addition, First State Bank leads the community in "Green" initiatives hosting Keyswide community cleanups, having three Branch offices certified as "Green" by the Green Living & Energy Education (GLEE) organization, and being awarded the prestigious GLEE "Green Ambassador's Award" for 2010 and 2011.

Q: How will First State Bank operate in the future?

A: First State Bank remains cautiously optimistic on signs of economic improvement and is positioned for positive growth in 2012 and beyond with our long term strategic vision, conservative banking philosophy and a proven business model.

Building on our 56-year history, First State Bank intends to expand its market share while enhancing brand name recognition and leveraging our unique market position as the only remaining locally owned Keyswide bank headquartered in Monroe County.

Karen M. Sharp
President and Chief Executive Officer



Key West
(305) 296-8535

Lower Keys
(305) 872-4778

Marathon
(305) 289-4393

Key Largo
(305) 852-2070

KeysBank.com



Se Habla Español

Member FDIC 
Equal Housing Lender

Why First State Bank?

A long history with the City of Key West - over 39 years!

We know you, you know us!

Benefits Summary

✓ **City Funds Protected 3 Ways**

- Accounts FDIC Insured
- Unlimited Loss Protection on Public Funds Under FL Statute 280 when Invested in a Florida Qualified Public Depository like First State Bank
- Financial Strength of First State Bank of the Florida Keys

✓ **Sponsor City Programs with Donations & Volunteers**

- Donations including 4 Athletic Scoreboards for City Little League fields - \$35,000
- Key West Ambassadors Program - 7 graduates
- PAL, Love Fund, Toys for Tots, DARE and Officer of the Quarter Donations
- Mayor's Award Sponsor for Affordable Housing and Clean & Green
- Annual participant in Holiday Parade
- Volunteers for City Clean-Ups

✓ **Stable, Established Banking Relationships**

- More Bank Offices - 11 throughout the Keys
- More Banking Hours, Evenings and Saturdays
- More Bank Employees - 185 to Serve You
- More ATMs throughout the Keys + Publix ATM's nationwide
- Same Account Numbers, Deposit Slips, Checks, Online Banking

✓ **Local Commitment to Monroe County - over \$87,000 in Donations Annually**

✓ **Thousands of Volunteer Hours to Our Community**

✓ **The City of Key West and First State Bank of the Florida Keys Serve the Same Community.**



FIRST STATE BANK

OF THE FLORIDA KEYS

| | |
|----------|--|
| 1 | Executive Summary |
| 2 | Request for Proposal Response Addendum |
| 3 | Attachments 1 - 9 |
| 4 | Insurance Coverage |
| 5 | Funds Availability Schedule & General Service Charges |
| 6 | Sample Statements & Sample Reports |
| 7 | Positive Pay & Remote Deposit Service Agreements |
| 8 | Additional Services & Information |

FIRST STATE BANK OF THE FLORIDA KEYS EXECUTIVE SUMMARY

First State Bank of the Florida Keys is proud of its 57 year history as the oldest and only remaining locally owned and headquartered bank in Key West, serving all of Monroe County, delivering professional banking and lending services with an "Old Fashioned" one-on-one customer service commitment. Our long-term strategic vision is to manage conservatively while we embrace change, adapt, improvise and overcome challenges, while pursuing product enhancements and service innovations that benefit our customers.

On behalf of our local Board of Directors, *First State Bank of the Florida Keys* appreciates the opportunity to continue our business partnership with *The City of Key West* by establishing additional banking relationships for banking services.

The Bank has prepared a comprehensive response to the City's request for a banking services proposal that includes supporting documentation on the Bank's many services and benefits. This Executive Summary highlights the key elements of our proposal:

- ✓ Continued Uninterrupted Banking Services – *no conversion costs*
- ✓ Low Service Charges
- ✓ All Set Up Fees Waived
- ✓ Competitive Interest Rates
- ✓ State-of-the-Art Online Banking Cash Management Services
- ✓ Local Key West Management, Decisions & Services, 5 Key West Offices
- ✓ Key West Senior Bank Executive assigned to professionally manage the City's accounts

First State Bank of the Florida Keys is confident that it will be able to meet all of the banking services requirements of the City as outlined in the Request for Proposal (RFP) and summarized here.

1. Proposed Fees & Compensation:

- a. *First State Bank of the Florida Keys* offers the City low prices for the banking services requested as outlined in the proposal.
- b. *First State Bank of the Florida Keys* will waive all of the first-time set up fees.
- c. Summary of additional services *First State Bank of the Florida Keys* will provide the City at *no charge*:
 - i. Cashing City issued checks for non-account holders.
 - ii. State of the Art, 24/7 Online Banking Services.
 - iii. Cash Processing/ Currency Straps.
 - iv. Weekend & Expanded banking hours with 365 days of night drop service.
- d. Investments Services; *First State Bank of the Florida Keys* offers a competitive interest rate of the target Federal Funds rate plus 10 basis points for a current yield of .35% with a floor rate of .81%.
 - i. *First State Bank of the Florida Keys*' investment services are provided at *no cost* to the City.

Online Banking & Cash Management Services:

First State Bank of the Florida Keys offers an ultra modern, "state of the art" 24/7 online banking service including unique features and benefits:

- Free to City of Key West
- Clear "user friendly" functions
- Intuitive easy navigation for all services
Banking services can be reached in just two clicks
- Single page log-on
- Multiple representatives *at no additional charge*
- Multi-Factor security authentication process
- Dual security & transaction limits
- Mobile banking technology

In addition to our unique and distinctive "Keys oriented" Bank Website, we provide a familiar look and feel to our banking services layout with current content, financial management tools, news, stock reports, financial seminars as well as local event listings. (www.KeysBank.com)

2. Branch Locations & Convenience to City:

Headquartered in Key West, Florida, *First State Bank of the Florida Keys* is a locally owned and managed community bank serving Key West with 5 full-service banking offices and Monroe County with 11 full-service banking offices offering evening and Saturday hours throughout Monroe County.

FIRST STATE BANK OF THE FLORIDA KEYS EXECUTIVE SUMMARY

The Bank also provides dozens of local ATMs and access to over 1000 Publix Presto ATM's, providing "no fee" ATM usage for all First State Bank of the Florida Keys customers.

3. Quality & Scope of Implementation Process:

We can assure the City there will be no interruptions or conversions due to the fact that the City already banks at *First State Bank of the Florida Keys*. In addition, we know and have a great working relationship with key personnel at the City.

As part of our commitment to the City's banking relationship, Doria Goodrich, Executive Vice President, will serve as the City's personal account relationship executive to assure smooth, seamless relationship management.

4. Innovation & Value Added Services:

First State Bank of the Florida Keys prides itself with being on the cutting edge of both innovative product design as well as state of the art technology. The Bank intends to continue developing value added products and services to enhance the relationship with all of its customers including:

- New business and consumer deposit product design
- Expanded Online Banking Seminar Programs
- Expanded Green Lending Programs
- Spanish Online Banking Capability & Website

Why First State Bank of the Florida Keys:

1. Established banking relationship – Over 40 years of service to the City of Key West
2. Experienced Professional Banking and Lending Leadership
3. A committed and supportive local Board of Directors, and executive management team:
 - a. A President and CEO who is a CPA, has been with the bank for over 23 years and who has resided in the community for over 30 years,
 - b. Executive management team members are recognized, seasoned financial services professionals.
4. The *only remaining locally owned and headquartered community bank in Key West and Monroe County* with a 57 year reputation for strong core values, trust, local focus.
5. Strong capital with a diversified balance sheet.
6. Strong local civic, education and community involvement and dedication
7. Bank of choice for 15 Public funds entities
8. Founded in 1955 *by locals for locals*
9. Extraordinary personalized customer service
10. Savings: no need to purchase check supplies and deposit slips (\$900 annual value) or bank bags (\$225 value)
11. Efficiency: No interruptions to daily process, no training required, no new procedures to memorize
12. Added Value: additional earnings from 2008 until March 2012 of \$362,605. First State Bank paid a higher rate of interest than we were contractually obligated to pay.
13. In 2011 alone, *First State Bank of the Florida Keys* proudly donated cash, volunteers, tents and/or mobile ATM services to 94 events taking place within and for the benefit of the City of Key West, including the Power Boat World Championship Races, Seafood Festival and Children's Day.

First State Bank of the Florida Keys has always been known as the bank "where everybody knows your name". The Bank stands out as the leader in service, both in customer service to its customers and in Community Service through its countless volunteer hours and generous donations to Keys non-profits and local organizations.

First in the Keys, First for the Keys, *First State Bank of the Florida Keys* has earned a positive reputation with locals; as a friend and as a partner, rather than just another financial institution with which to do business.

First State Bank of the Florida Keys wins the "Gold Star" in Local Vendor certification. With 5 Key West Offices; *First State Bank of the Florida Keys* pays more in taxes, licensing, and fees to the City of Key West, *more than any other Financial Institution*. *First State Bank of the Florida Keys* employs 72% of its employees from Key West and within a 30 mile radius. One hundred thirty one (131) of *First State Bank's* employees represent more in revenue to the City and more people to serve the City of Key West - *more than any other Financial Institution*.

We're Locals....Like You!

**ADDENDUM NO. 1
BANKING SERVICES
RFP NO. 005- 12**

To All Bidders:

The following clarifications are hereby made a part of Banking Services 005-12 as fully as completely as if the same were fully set forth therein:

The following revision is hereby made a part of the Contract Documents as fully as completely as if the same were fully set forth therein:

1. Please provide us the last 3 months of analysis statement from your current provider.
 - a. *Attached are December 2011, January 2012, and February 2012*
2. How much cash do you deposit each month?
 - a. *Attached is the Bank Statement for January 2012.*
3. Which Armored Car Service do you currently contract with?
 - a. *Keys Armored Express*
4. What do you require or want in an automated vault system?
 - a. *Costs benefit analysis. Based upon the statements provided to you, is it cost effective for the city to entertain an automated vault system. If yes, please consider the ease of operation.*
5. Page 15 — Question 3.17: could you please provide clarification for what is expected from Overdraft Protection Services. Does the City expect the bank to cover the items to a certain limit or is the City looking to establish an account Linkage to cover the overdraft?
 - a. *The city would expect to be notified of any overdraft. The bank should provide the most cost effective solution.*
6. Page 15 – Question 3.18: Could you please provide us with an estimate of the Check Cashing volume?
 - a. *No we cannot, but we believe the volume would be minimal.*
7. Page 15 – Question 4.1.4: is Ok to provide the City with our Audited Financials as an enclosures and not counted towards the 37 pages requested?
 - a. *There is no limit on the number of pages in your proposal. It is ok to include your Audited Financials as part of your response or as an enclosure.*

8. Page 16 – Question 4.4.5: "Can the Deposit slips include a designation for each City Location?" Is the City looking to establish a reconciliation account by allowing the City to identify a master account for funding and/or concentration of multiple subsidiary (shadow) accounts? Or is the City looking for a description on the slip?

a. *This is not a requirement of the city. The City is looking for a way to track deposits by department.*

9. Page 22- Banking Services Chart:

i. ACH Per Item: please clarify for each account if these payments are sent to individuals or vendors. Also, if they are sent to both please break down the number of payments sent to each. Are these debit and credit payments?

a. *Please refer to the account analysis attachment.*

ii. Coin Bags: The volume you have provided is that the amount of coins deposited or just the number of bags deposited? If it is just the number of bags please provide us with the amount of coins deposited.

a. *The amount provided is the number of bags. The amount of coins deposited for the month of February 2012 was \$78,000 - majority in quarter \$1,000 bags.*

iii. Credits and Debits processed: Please clarify if the meaning of processed. Does this mean payments that were initiated by the City or are these general transactions that have gone through the account?

a. *All transactions that have gone through the account. Please see the attached bank analysis and bank statement.*

iv. Foreign Item Fee 1: Please clarify what type of items these are (i.e. incoming or outgoing wires, checks...) please also provide which countries these are from or to?

a. *These are checks that are not drawn on our current bank*

10. Page 28: Account Structure: I noticed that the City is requesting information about Zero Balance and Sweep accounts however I do not see those items listed under Banking services Chart. Can we add those items to the Banking Service Chart or would you like the pricing provided in the descriptions? Also, there is a Online Credit Card Account, is the merchant services portion up for bid as well?

a. *Yes, you may add that item to the banking service chart. The zero balance accounts are the payroll and accounts payable accounts on the banking services chart. The merchant services contract is not up for renewal.*

11. General question- Please confirm if the attachments such as sample reports, terms and conditions, examples of analysis statements, etc. are considered part of the 37 page response?

a. *There is no limit to the number of pages in your proposal.*

12. Could you please email me the RFP in word format?

a. *Sorry but our legal department advises us not to.*

All Bidders shall acknowledge receipt and acceptance of this Addendum No.1 by acknowledging Addendum in their proposal or by submitting the addendum with the bid package. Bids submitted without acknowledgement or without this Addendum may be considered non-responsive.


Signature

1ST STATE BANK
Name of Business

City of Key West, Florida



**Request for Proposals
for
Banking Services
005-12**

**Due
March 28, 2012 at 3:00 p.m. EST**

I. INTRODUCTION

The City of Key West FL as the custodian of the City funds (Article VIII, Sec 1 (d) of the Florida Constitution) is currently seeking proposals from qualified public depositories (Chapter 280, Florida Statutes) interested in providing comprehensive banking services to the City. The objective of the City is to secure the most efficient and effective banking services while maintaining sufficient liquidity and protection of all the funds entrusted to the City. The City may award a contract to the best service provider with innovative ideas, which may not be the low price Proposer. The City reserves the right not to award some or all of the services contemplated herein.

First State Bank of the Florida Keys understands. First State Bank of the Florida Keys offers more branches, more hours, more drive-thrus, more employees, more ATMs and more volunteers to serve the Key West community, *than any other Financial Institution*. First State Bank chooses to employ locals for servicing customers instead of outsourcing. Listed below are but a few of our special services:

- Local Coin Rolling Services
- Local, non-automated Switchboard Operator
- Local Call Center
- Local Merchant Services Team
- Local IT Department
- Local Marketing Team
- FREE Account to Non-Profits
- FREE Check cashing to non-First State Bank customers with a First State Bank check.
- Use of our four Old Town parking lots FREE of charge for events within the City of Key West.
- Remote Deposit Capture to reduce your overhead costs

1.1. QUALIFIED PUBLIC DEPOSITORY

1. The Proposer must meet the following criteria in compliance with Chapter 280.17, Florida Statutes:
 - a. Be designated by the Chief Financial Officer of the State of Florida as a Qualified Public Depository;
 - b. Maintain the designation of Qualified Public Depository in good standing throughout any Contract Period(s) resulting from this solicitation and the selected Proposer will be required annually to show proof of the Qualified Public Depository designation; and will immediately notify the City of any anticipated or actual loss of designation
 - c. Maintain its home office or a full service branch within the City of Key West, Florida.
2. The Proposer must provide proof of the above qualification by furnishing copies of letters, certificates, etc. which document said status. Such proof must be provided in Attachment I, Qualified Public Depository.

First State Bank of the Florida Keys meets all of the qualifications above. First State Bank is the only qualified Financial Institution who maintains a home office within the City of Key West.

First State Bank of the Florida Keys has provided our Certificate of Qualified Public Depository as Attachment I.

II. PROPOSAL PROCEDURES

2.1 SCHEDULE OF PROPOSAL

| Description | Date/Time |
|--|-------------------|
| Advertise RFP | February 27, 2012 |
| Deadline for Proposers to submit written questions or seek clarification of the Specifications | March 9, 2012 |
| Addendum to answer questions | March 12, 2012 |
| Proposal Submission Deadline | March 28, 2012 |
| Evaluations Finalized | April 2012 |
| City Commission's Approval | May 2012 |
| Contract Commencement Date | June 2012 |
| Go Live Date | July 2012 |

2.2. PREPARATION OF PROPOSAL

Each proposal shall be prepared simply and economically avoiding the use of elaborate promotional materials beyond those sufficient to provide a complete, accurate and reliable presentation. An authorized representative of the bank shall sign the original proposals. All information requested shall be submitted. Failure to submit all information requested may result in a proposal being considered "non-responsive," and, therefore, rejected.

Each proposal must include an Executive Summary of not more than two (2) pages that highlights each of the key areas of the proposal and that summarizes the Proposer's case why such bank should be selected as the City's bank.

First State Bank of the Florida Keys understands the Preparation of Proposal.

2.3. SUBMISSION OF PROPOSALS

Proposals must be mailed to or delivered to:

City of Key West
3126 Flagler Ave.
Key West, FL 33040
Attn: Cheri Smith, City Clerk

Proposer's response to this RFP shall be due and must be received by the City Clerk-Treasurer no later than March 28, 2012 at 3:00 p.m. EST. The City shall not extend or waive this time requirement for any reason whatsoever. Proposals or amendments to proposals that arrive after March 28, 2012 at 3:00 p.m. EST will not be accepted/considered for any reason whatsoever. Telephone including facsimile and electronic mail and telegraphic proposals and/or amendments to proposals shall not be accepted at any time. On March 28, 2012 at 3:00 p.m. EST all timely proposals will be opened for the sole purpose of recording the names of the Proposers submitting written proposals.

If the Proposer elects to mail in its proposal package, the Proposer must allow sufficient time to ensure City's proper receipt of the proposal package by the time specified above. Regardless of the form of

delivery, it is the responsibility of the Proposer to ensure that the proposal package arrives at the office of the City of Key West, Florida.

Proposals will be accepted up to, and no proposals may be withdrawn after, the deadline for proposal submission time and date shown above. Proposals must be delivered in sealed envelopes clearly marked: **Banking Services**. One (1) Signed Original, Three (3) copies and, One (1) CD-Rom of the proposal must be submitted. All electronic versions of pricing charts must be in an "Excel format".

First State Bank of the Florida Keys understands and will comply with the conditions for submission of proposals.

2.4. EFFECTIVE PERIOD OF PROPOSALS

All proposals must state the period for which the proposal shall remain in effect. Such period shall not be less than 120 days from the proposal date.

This proposal submitted by First State Bank of the Florida Keys shall remain in effect for 120 days from the proposal date or until a contract is negotiated.

2.5. THE REQUEST FOR PROPOSAL (RFP) PROCESS

By publication of a Request for Proposals, the City begins an administrative process that may or may not lead to the award of a contract(s). The City may stop the process at any time, with or without cause, and nothing in the RFP document may be interpreted as an offer to purchase, procure, or otherwise acquire any product or service from any proposer or vendor.

Typically, the RFP process employs the following steps:

- RFP Publication and Distribution to interested parties.
- Questions and Clarifications
- Receipt of Proposals
- Initial Proposal Evaluation
- Vendor Discussions and Fact Finding (if required)
- Final Evaluation and Ranking by the Evaluation Committee
- City's Commission Approval, top three ranked proposals to City Commission for Final Ranking.
- Contract implementation (approximately July 1 2012)

Except as specifically noted in the RFP, there is no time limit either expressed or implied on the completion of each step in the process.

First State Bank of the Florida Keys understands this proposal process.

2.6 DISPOSITION OF PROPOSALS

All proposals become the property of the City, and the City shall have the right to use all ideas, and/ or adaptations of those ideas, contained in any proposal received in response to this RFP. Any parts of the proposal or any other material(s) submitted to the City with the proposal that are copyrighted or expressly marked as "confidential", "proprietary", or "trade secret", will be exempted from the "open records disclosure requirements" of Chapter 119, Florida Statutes, but only to the extent expressly authorized by Florida law. The City's selection or rejection of a proposal will not affect this exemption.

First State Bank of the Florida Keys understands the disposition of proposals.

2.7. AWARD OF CONTRACT

- 2.7.1. The City intends to award a contract or contracts resulting from this solicitation to the responsible offeror(s) whose proposal represents the best value after evaluation in accordance with the criteria in this solicitation.
- 2.7.2. The City may reject any or all proposals if such action is in City's best interest.
- 2.7.3. The City may waive informalities and minor irregularities in proposals received.
- 2.7.4. The City reserves the right to evaluate proposals and award a contract without negotiations with offerors. Therefore, the offeror's initial proposal should contain the offeror's best terms from a cost or price and technical standpoint.
- 2.7.5. The City Commission will conduct the final ranking at a publicly held meeting.
- 2.7.6. The City reserves the right to make an award on any item for a quantity less than the quantity offered, at the unit cost or prices offered, unless the offeror specifies otherwise in the proposal.
- 2.7.7. A written notice of award will be sent to the successful offeror(s).
- 2.7.8. The City reserves the right not to use all services contained in proposal.
- 2.7.9. The City reserves the right to acquire banking services for specific activities outside the scope of this RFP and the resulting contract executed hereunder.

First State Bank of the Florida Keys understands the award of contract.

2.8. EVALUATION AND AWARD CRITERIA

The City seeks a financial institution to provide comprehensive banking services for the City. An evaluation, ranking and justification (the "Analysis") of the proposals will be made by the City's Evaluation Committee. The Evaluation Committee shall conduct an evaluation of all Proposers on the basis of the information provided with the proposal and other evaluation criteria as set forth in the RFP. The Evaluation Committee will be selected by the city manager. The evaluation of the proposals will be based on the following criteria:

| Criteria | Possible Points |
|--|-----------------|
| Customer Service/Experience, Resources and Qualifications of Team: | 25 pts |
| Proposed Fees and Earnings Potential: | 40 pts |
| Financial Strength: | 10 pts |
| Scope of Services: | 25 pts |
| TOTAL SCORE | 100 pts |

The City of Key West reserves the right to ask questions, seek clarifications of any or all Proposers as part of its evaluation. Only the three (3) highest ranked Proposals as determined by the Evaluation Committee will go forward to the City Commission in ranked order. City of Key West local purchasing preference ordinance applies. Final award will be made by the City Commission, based solely on that response which, in their opinion, is in the best interest of the City of Key West all factors considered, irrespective of the Evaluation Committee ranking.

First State Bank of the Florida Keys understands the evaluation process.

2.9 CONTRACT TERM

It is the intent to award a contract for an ~~one~~ **three (3)**—year period. The City may exercise the option to renew the contract period term for an additional two years. The decision to renew or extend the contract will be at the discretion of the City. The selected Proposer will be required semi-annually to review the banking services with the City.

First State Bank of the Florida Keys agrees with the City of Key West's term of a 3-year contract period with the option to renew for up to 2 additional years upon acceptance by both parties. First State Bank of the Florida Keys agrees to a semi-annual review of the banking services.

2.10. CONFLICT OF INTEREST

The award is subject to provisions of applicable State Statutes. All Proposers must disclose with their proposal the name of any officer, director, or agent who is also an employee of the City of Key West, Florida. Further, all Proposers must disclose the name of any City employee who owns, directly or indirectly, an interest in ten percent (10%) or more in the Proposer's firm or any of its branches. Should the awarded Proposer permanently or temporarily hire any City employee who is, or has been, directly involved with the Proposer prior to or during performance of the resulting contract, the contract shall be subject to immediate termination by the City.

First State Bank of the Florida Keys understands.

2.11. LEGAL REQUIREMENTS

Federal, State, County and local laws, ordinances, rules, and regulations that in any manner affect the items covered herein apply. Lack of knowledge by the Proposer shall in no way be a cause for relief from responsibility.

First State Bank of the Florida Keys understands.

2.11.1. Vendors doing business with the City are prohibited from discriminating against any employees, applicant, or client because of race, religion, color, disability, national origin, gender, or age with regard to but not limited to the following: Employment practices, rates of pay or other compensation methods, and training selection.

First State Bank of the Florida Keys understands.

2.12. UNIFORM COMMERCIAL CODE

The Uniform Commercial Code (Florida Statutes, Chapter 672) shall prevail as the basis for contractual obligations between the awarded vendor/ Proposer and the City of Key West, Florida for any terms and conditions not specifically stated in this Invitation for Proposal.

First State Bank of the Florida Keys understands.

2.13. MISTAKES

In the event of extension error(s), the unit price will prevail and the total offer will be corrected accordingly. In the event of addition errors, the extended totals will prevail and the Proposer's total will be corrected accordingly. Proposers must check their proposal where applicable. Failure to do so will be at the Proposer's risk. Proposals having erasures or corrections must be initialed in ink by the Proposer.

First State Bank of the Florida Keys understands.

2.14. EEO STATEMENT

The City is committed to assuring equal opportunity in the award of contracts and, therefore, complies with all laws prohibiting discrimination on the basis of race, color, religion, marital status, national origin, handicap, age and gender.

First State Bank of the Florida Keys understands.

2.15. RFI NOTICE OF AWARD

The top three (3) ranked firms will be notified via e-mail.

First State Bank of the Florida Keys understands.

2.16. RFP AND RELATED COSTS

By submission of a proposal, the Proposer agrees that all costs associated with the preparation of his/her proposal will be the sole responsibility of the Proposer. The Proposer also agrees that the City bear no responsibility for any costs associated with the preparation of the proposal and/ or any administrative or judicial proceedings resulting from the solicitation process.

First State Bank of the Florida Keys understands.

2.17. PUBLIC ENTITY CRIME

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a proposal on a contract with a public entity for the construction or repair of a public building or public work, may not submit proposals on leases of real estate property to a public entity, may not be awarded or perform work as a Proposer, supplier, sub-contractor or consultant under a contract with a public entity, and may not transact business with any public entity in excess of the threshold amount provided in Florida Statute Section 287.017, for CATEGORY TWO for a period of thirty-six (36) months from the date of being placed on the convicted vendor list.

First State Bank of the Florida Keys understands.

2.18. CONFLICT OF INTEREST FORM

Please reference Attachment 6.

First State Bank of the Florida Keys acknowledges Attachment 6.

2.19. INDEMNIFICATION FOR TORT ACTIONS/ LIMITATION OF LIABILITY

The provisions of Florida Statute 768.28 applicable to the City of Key West, Florida, apply in full to this contract. Any legal actions to recover monetary damages in tort for injury or loss of property, personal injury, or death caused by the negligent or wrongful act or omission of any employee of the City acting within the scope of his/ her office or employment are subject to the limitations specified in this statute.

No officer, employee or agent of the City acting within the scope of his / her employment or function shall be held personally liable in tort or named as a defendant in any action for injury or damage suffered as a result of any act, event or failure to act.

The City shall not be liable in tort for the acts or omissions of an officer, employee or agent committed while acting outside the course and scope of his / her employment. This exclusion includes actions committed in bad faith or with malicious purpose, or in a manner exhibiting wanton and willful disregard of human rights, safety, or property.

To the fullest extent permitted by law, the vendor shall defend, indemnify, and hold harmless the City, its officials, agents, and employees from and against any and all claims, suits, judgments, demands, liabilities, damages, cost and expenses (including attorney's fees) of any kind or nature whatsoever arising directly or indirectly out of or caused in whole or in part by any act or omission of the vendor or its sub-contractors (if any), anyone directly or indirectly employed by them, or anyone for whose acts any of them may be liable, excepting those acts or omissions arising out of the sole negligence of the City.

Provided, however, if the contract between the City and the Proposer is deemed by a court of competent jurisdiction to be a construction contract for purposes of Section 725.06, Florida Statutes, any obligation of the Proposer to defend, indemnify or hold harmless the City, shall be limited to an obligation to indemnify or hold harmless the City, its officers and employees from liability damages, losses, and costs, including but not limited to reasonable attorney's fees, to the extent caused by the negligence, recklessness or intentionally wrongful conduct of the Proposer and persons employed or utilized by the Proposer in the performance of the contract.

First State Bank of the Florida Keys understands.

2.20. CLARIFICATIONS

It is the Proposer's responsibility to become familiar with and fully informed regarding the terms, conditions, and specifications of this Request for Proposal. Proposers may contact the City's office via email: rwittenb@keywestcity.com by March 9, 2012 5:00 p.m. EST, the deadline for clarification.

First State Bank of the Florida Keys understands.

2.21. CERTIFICATION OF INDEPENDENT PRICE DETERMINATION

By submission of this proposal, the Proposer certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this procurement:

1. The prices in this proposal have been arrived at independently, without consultation, collusion, communication, or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other Proposer or with any competitor;
2. Unless otherwise required by law, the prices which have been quoted in this proposal have not been knowingly disclosed by the Proposer and will not knowingly be disclosed by the Proposer prior to opening, directly or indirectly, to any other Proposer or to any other Competitor; and;
3. No attempt has been made or will be made by the Proposer to induce any other person or firm to submit or not to submit a proposal for the purpose of restricting competition.

First State Bank of the Florida Keys understands.

2.22. PRICING/AUDIT

The awarded Proposer shall maintain adequate records to justify all prices for all items invoiced as well as all charges, expenses and costs incurred in performing the work for at least three (3) years after completion of this contract. The City shall have access to such books, records, subcontract, financial operations, and documents of the Proposer or its sub-contractors as required in order to comply with this section for the purpose of inspection or audit during normal business hours at the Proposer's place of business.

First State Bank of the Florida Keys understands.

2.23. INSURANCE REQUIREMENTS

1. Before execution of the contract by the City and commencement of the operations and/ or services to be provided, and during the duration of the contract, the vendor may be asked to file with the City current certificates of all required insurance on forms acceptable to the City, which shall include the following provisions:
 - a. All insurance policies shall be issued by companies authorized to do business under the laws of the state of Florida and acceptable to the City.
 - b. The Certificates shall clearly indicate that the vendor has obtained insurance of the type, amount and classification as required for strict compliance with this insurance section.
 - c. No material change or cancellation of the insurance shall be effective without thirty (30) days prior written notice to the City.
2. The vendor shall require and ensure that each of its sub-contractors providing services hereunder (if any) procures and maintains, until the completion of the services, insurance of the types and to the limits specified herein.

First State Bank of the Florida Keys understands.

2.24. COVERAGE REQUIRED

1. Workers' Compensation - The vendor shall provide coverage for its employees with statutory workers' compensation limits, and no less than \$100,000.00 for Employers' Liability. Said coverage shall include a waiver of subrogation in favor of the City and its agents, employees and officials.
2. Commercial General Liability - The vendor shall provide coverage for all operations including, but not limited to Contractual, Products and Completed Operations, and Personal Injury. The limits shall not be less than \$500,000.00 per occurrence, Combined Single Limits (CSL) or its equivalent. The General Aggregate limit shall either apply separately to this CONTRACT or shall be at least twice the required occurrence limit.
3. Business Automobile liability - The vendor shall provide coverage for all owned, non-owned and hired vehicles with limits of not less than \$500,000.00, per occurrence, Combined Single Limits (CSL) or its equivalent.

4. The City of Key West, Florida shall be specifically included as an additional insured on the general liability policy.
5. All such insurance required of the vendor shall be primary to, and not contribute with, any insurance or self-insurance maintained by the City.
6. Any exceptions to the insurance requirements in this section must be approved in writing by the City.
7. Compliance with these insurance requirements shall not relieve or limit the vendor's liabilities and obligations under this contract. Failure of the City to demand such certificate or other evidence of full compliance with these insurance requirements or failure of the City to identify a deficiency from evidence provided will not be construed as a waiver of the vendor's obligation to maintain such insurance.

First State Bank of the Florida Keys understands. All insurance records requested are included in Section 4.

2.25. USE OF CONTRACT BY OTHER AGENCIES

At the option of the vendor/ Proposer, the use of the contract resulting from this solicitation may be extended to other governmental agencies, including the State of Florida, its agencies, political subdivisions, other counties, and cities.

Each governmental agency allowed by the vendor/ Proposer to use this contract shall do so independent of any other governmental entity. Each agency shall be responsible for its own purchases and shall be liable only for goods or services ordered, received and accepted. No agency receives any liability by virtue of this proposal and subsequent contract award.

First State Bank of the Florida Keys understands.

2.26. TERMINATION OF CONTRACT

A. Termination for Default:

The City may, by written notice to the supplier, terminate this contract for default in whole or in part (delivery orders, if applicable) if the supplier fails to:

1. Provide products or services that comply with the specifications herein or fails to meet the City's performance standards
2. Deliver the supplies or to perform the services within the time specified in this contract or any extension
3. Make progress so as to endanger performance of this contract
4. Perform any of the other provisions of this contract.

Prior to termination for default, the City will provide adequate written notice to the supplier through the Director of Procurement, affording him/ her the opportunity to cure the deficiencies or to submit a specific plan to resolve the deficiencies within ten (10) days (or the period specified in the notice) after

receipt of the notice. Failure to adequately cure the deficiency shall result in termination action. Such termination may also result in suspension of purchasing goods / services with the City. The supplier and its sureties (if any) shall be liable for any damage to the City resulting from the supplier's default of the contract. This liability includes any increased costs incurred by the City in completing contract performance.

In the event of termination by the City for any cause, the vendor will have, in no event, any claim against the City for lost profits or compensation for lost opportunities. After a receipt of a Termination Notice and except as otherwise directed by the City the vendor shall:

- a. Stop orders / work on the date to the extent specified.
- b. Terminate and settle all orders and/ or subcontracts relating to the performance of the terminated work.
- c. Transfer all work in process, completed work, and other materials related to the terminated work as directed by the City.
- d. Continue and complete all parts of that work that have not been terminated.

If the supplier's failure to perform the contract arises from causes beyond the control and without the fault or negligence of the supplier's, the contract shall not be terminated for default. Examples of such causes include (1) Acts of God or the public enemy, (2) acts of a government in its sovereign capacity, (3) fires, (4) floods, (5) epidemics, (6) strikes and unusually severe weather.

B. Termination for Convenience:

The City, by written notice, may terminate this contract, in whole or in part, when it is in the City's best interest. If this contract is terminated, the City shall be liable only for goods or services delivered and accepted. The City Notice of Termination may provide the supplier thirty (30) days prior notice before it becomes effective. However, at the City's sole option, a termination for convenience may be effective immediately and may apply to delivery orders (if applicable) or to the contract in whole.

First State Bank of the Florida Keys understands these terms.

2.27. ASSIGNMENT AND AMENDMENT OF CONTRACT

Neither the contract resulting from this RFP, if any, nor any duties or obligations under such contract shall be assignable by the Proposer without the prior written consent of the City. Any contract resulting from this RFP may be amended only in writing signed by the Proposer and City with the same degree of formality evidenced in the contract resulting from this RFP.

First State Bank of the Florida Keys understands.

2.28. INDEPENDENT PARTIES

Except as expressly provided otherwise in the contract resulting from this RFP, if any, City and the Proposer shall remain independent parties and neither shall be an officer, employee, agent, representative or co-partner of or a joint venture with, the other.

First State Bank of the Florida Keys understands.

2.29. PERFORMANCE INVESTIGATIONS

As part of its evaluation process, City may make investigations to determine the ability of the Proposer to perform under this RFP. City reserves the right to REJECT any proposal if the Proposer fails to satisfy City that it is properly qualified to carry out the obligations under this RFP.

First State Bank of the Florida Keys understands.

2.30. SEVERABILITY

If any provision of the contract resulting from this RFP, if any, is contrary to, prohibited by, or deemed invalid by applicable laws or regulations of any jurisdiction in which it is sought to be enforced, then said provision shall be deemed inapplicable and omitted and shall not invalidate the remaining provisions of such contract.

First State Bank of the Florida Keys understands.

2.31. GOVERNING LAW AND VENUE

This RFP and resulting contract and any disputes there under will be governed by the laws of the State of Florida and shall be deemed to have been executed and entered into in the State of Florida. Any such contract shall be construed, performed, and enforced in all respects in accordance with the laws and rules of the State of Florida, and any provision in such contract in conflict with Florida law and rules shall be void and of no effect. City and Proposer hereby agree that this RFP and resulting contract, if any, shall be enforced in the courts of the State of Florida and that venue shall always be in City of Key West, Florida, Florida.

First State Bank of the Florida Keys understands.

2.32. SUBCONTRACTS

The Proposer is fully responsible for all work performed under the contract resulting from this RFP, if any. The Proposer may, with the prior written consent of City, enter into written subcontract(s) for performance of certain of its functions under such contract. The subcontractors and the amount of the subcontract(s) shall be identified in the Proposer's response to this RFP. No subcontract shall be implemented or effective until approved in writing by City. No subcontract(s), which the Proposer enters into under the contract resulting from this RFP, if any, shall in any way relieve the Proposer of any responsibility for performance of its duties under such contract. Proposer is responsible to fully notify any subcontractor(s) of their responsibilities under any subcontract. All payments to subcontractors shall be the sole responsibility of the Proposer.

First State Bank of the Florida Keys understands.

2.33. CONTRACTUAL PRECEDENCE

This RFP shall be included and incorporated in the final contract. The order for contract precedence will be the Contract, City's RFP and RFP Specifications, and Proposer's RFP Response.

First State Bank of the Florida Keys understands.

2.34. ADDITIONAL TERMS AND CONDITIONS

- 2.34.1. Failure to observe any of the instructions or conditions in this Request for Proposal may constitute grounds for rejection.
- 2.34.2. The City reserves the right to request an interview with any Proposer to determine service capabilities in greater detail and to clarify any unclear areas in the proposals. This may include a site visit to the Proposer's facilities. The City will not be liable for any costs incurred by the Proposer in connection with such an interview (i.e., travel, accommodations, etc).
- 2.34.3. In the event the Proposer to whom the contract is awarded does not execute a contract within (15) fifteen days of such award, the City may give notice to such Proposer of intent to award the contract to another Proposer, or to call for new proposals.
- 2.34.4. By submitting a proposal, the Proposer certifies that the bank officer has fully read and understands this RFP and has full knowledge of the scope, nature, quantity, and quality of work to be performed; the detailed requirements of the services to be provided; and the conditions under which the services are to be performed.
- 2.34.5. The Proposer shall furnish such additional information as the City may reasonably require. The City reserves the right to make investigations of the qualifications of the Proposer as it deems appropriate.
- 2.34.6. This RFP contains an anticipated number of transactions. Although this is the City's average volumes over the past twelve months, the City cannot guarantee that such will be the monthly transaction volumes.
- 2.34.7. It is understood that any firm or institution awarded a contract under this Request for Proposal shall maintain the appropriate insurance(s) as indicated in, Indemnification and Insurance Requirements, for the total time period of this contract including any extensions.
- 2.34.8. The City may consider the cost associated with changing financial institutions in addition to the results of the Award Criteria.

First State Bank of the Florida Keys understands all of the additional Terms and Conditions.

As you know, the City does most of their banking with us today; therefore there will be no cost to implement our services. Time savings will occur, because the City will not have to do the following:

- Close old accounts
- Open new accounts
- Prepare corporate resolutions
- Prepare signature cards
- Transfer monies
- Order checks
- Order deposit slips
- Purchase new night deposit bags
- Sign up for online banking, add users, determine access levels
- Complete wire transfer authorization, set-up repetitive & non-repetitive wires, create new templates
- Complete the ACH application process and contracts

While training is expensive the real cost is in the lag time until the staff is fully operational. The City of Key West staff is already familiar with and trained on our services, software, reports, statements, notices, etc.

First State Bank realizes that changing banks is time consuming and expensive for the City of Key West and its staff. This gives First State Bank an edge over the competition. However, we do not take this for granted. We sincerely believe we offer the City several unique advantages:

- First and foremost excellent service beyond compare
- Operations Center run by First State Bank- this adds flexibility to the City and reduces the rigidity of other "out of town" banks
- Decisions made locally- right here in Key West- our hometown and yours!
- Ability to see your bankers- face to face, at your request, help 24/7, not an 800 number

III. SCOPE OF SERVICES / MINIMUM SERVICES REQUIRED

The City is looking for innovative ideas, services and products from the City's banking partner. Key considerations in the proposal review will be Customer Service, Financial Strength and Technological innovations.

- 3.1 Must maintain its home office or a full service branch bank within the City of Key West, Florida. Please provide a street address for each bank branch in the City.

First State Bank of the Florida Keys has the following 6 offices including our "home office" all located within the City of Key West.

Simonton Office (Home Office) - 1201 Simonton Street
Loan Annex - 1127 Simonton Street
Old Town Office - 444 Whitehead Street
Boulevard Office - 3406 North Roosevelt Blvd
Winn Dixie Office - 2778 North Roosevelt Blvd
Stock Island Office - 5450 Mac Donald Ave. (bordering the City limits)

- 3.2. Establish demand deposit accounts as may be necessary to meet the banking requirements of the City. Post deposit and withdrawals in a timely manner.

First State Bank of the Florida Keys would be happy to comply with this requirement

- 3.3. Provide the City electronic copies of all debit and credit adjustment memos.

First State Bank of the Florida Keys can send the deposit adjustment advice with copies of corresponding documents electronically via On-line Banking.

- 3.4. Provide the City all the necessary deposit slips.

First State Bank of the Florida Keys agrees to provide the City with deposit slips free of charge as requested. The City would place the order with its representative at First State Bank.

- 3.5. Provide the City with an accelerated float collection schedule.

All deposits received by First State Bank of the Florida Keys by 4:00 pm will receive same day credit. First State Bank uses the Standard schedule provided by the Federal Government under Regulation CC to apply float. Our Funds Availability Schedule has been provided under Tab 5.

- 3.6. Provide the City all the software and training necessary to access and utilize the Proposer's on-line systems.

First State Bank of the Florida Keys' Online Banking system is very user friendly and easy to navigate, requiring only internet access. First State Bank would be pleased to provide a demo as well as training for its Online Banking Cash Management system.

- 3.7. Provide the City on-line access that equals or exceeds the safety, security and encryption standards established by the information and technology industry.

First State Bank of the Florida Keys provides on-line access that equals or exceeds the safety, security and encryption standards established by the information and technology industry. We maintain state of the art technology, online banking and related technology. First State Bank continues to explore new technology to be able to offer our customers the best in future enhancements.

- 3.8. Disburse funds via repetitive and non-repetitive wire transfer from an on-line system.

First State Bank of the Florida Keys is able to comply with this request. With our online system, you have the flexibility to choose either a regular one-time wire transfer or you can send wires on a recurring basis with additional options to control the frequency, start and end date including scheduling a time certain or indefinite end date. Our online banking solution also allows you to create templates for frequently used wire transfer transactions to increase efficiencies within your office.

- 3.9. Accept and send all ACH transactions (payroll, disbursement and deposit) and provide on-line notification of ACH deposits the same day.

Our robust cash management system provides the ability to electronically transfer funds to and from your accounts via ACH, from payroll, disbursements and incoming deposits. You can easily view all ACH deposits online at anytime and special alerts can be customized to notify you via email.

- 3.10. Provide automated on-line balance reporting services for all City accounts. Available information should include: closing ledger, closing collected, opening ledger, opening collected, float, previous day debit and credit detail (including bankcard deposits, ZBA transfers), and ACH credit and debit detail.

Online Banking and Cash Management Product

First State Bank of the Florida Keys' commitment to customer service extends to our Online Banking website located at www.keysbank.com. Online Banking has allowed us to support our valued customers 24 hours a day, 7 days a week from the comfort of their home or office. In addition to being able to view balance and transaction history for an unlimited number of accounts, customers can perform account transfers, loan payments, disbursements, ACH transactions, view and print front and back images of cancelled checks. Customers can also send ACH files, tax payments, wire transfers, stop payments and much more. We have flexible Cash Management features that include multiple representatives, dual security and transaction limits. Online Banking is a great tool for all your business needs. We are proud of what we have established and look forward to annual enhancements.

All of your accounts, including checking, savings, money market, repurchase agreements, certificates of deposit and loans, can be viewed on one easy to view summary screen. The detail for each account shows recent transactions. In addition to viewing all activity, our online system allows you to:

- View account balances
- View all recent transactions
- Transfer funds between any accounts you hold at the Bank, including the ability to set up recurring transfers
- Request Stop Payments
- Request and set up Wire Transfers, including recurring wires
- Request and set up individual ACH transactions, including recurring ACH transactions
- Ability for you to send NACHA formatted ACH files to the Bank
- Download transaction data to your accounting software
- Set up multi-layered User ID and password security for individuals

- 3.11. Provide the ability to place on-line stop payments and cancellation of issues and on-line access to information regarding cleared, canceled, returned and stop payment checks.

First State Bank of the Florida Keys is pleased to comply. The City would be able to place stop payments through our Online Banking product.

- 3.12. After minimum concentration account balance requirements are met, if applicable, sweep any excess cash balances into an approved overnight investment vehicle. Proposer must submit proposals offering services based on an actual cost basis. Typically \$6,000,000 to \$9,000,000 is available for an overnight investment. Please note: the \$9,000,000 as represented in the "Banking Services Chart" (13.1) is a 2011 average, and going forward this may not be the case.

First State Bank of the Florida Keys agrees to offer a sweep account for all accounts requested at the target Federal Funds Rate set by the Federal Reserve Board adjusted at the beginning of each month (currently .25%) plus 10 basis points for a current yield of .35% with a floor rate of .81%. This rate will apply to all investable balances swept daily into the Pooled Cash account.

- 3.13. Provide online monthly activity statements and reports for all accounts. These statements will include a monthly account analysis. The statement cutoff must be the last day of the month. Statements must be sent no later than the 10th of the following month. The City requires on-line month end statements for both bank account activity and for analysis statements.

First State Bank of the Florida Keys understands. The Bank provides e-statements of monthly activity that reflect all debit and credit postings as well as totals. Analysis statements can be provided electronically via On-line Banking.

- 3.14. Provide the City with the capability to retrieve all reports and images on-line.

First State Bank of the Florida Keys provides images of both paid checks and deposits through our online banking website. The City has the ability to view and print front and back images of checks as well as download and save the images. The City can also save or reprint statements as needed for research or account reconciliation purposes.

3.15. Secure the City accounts with ACH Blocks and/ or Filters as needed.

First State Bank of the Florida Keys is pleased to offer this service. ACH Blocks and/or filters are available with our Positive Pay system. Our Positive Pay product is a simple, secure and automated tool that allows you to customize e-mail alert notifications so that you can review exceptions and make the decision to pay or return the item electronically along with setting ACH transaction blocks and/or filters to meet your needs. This product allows you to take advantage of the latest technology to optimize efficiency and manage potential losses from fraudulent transactions.

3.16. Provide money market accounts for the investment of cash not used during the course of several days.

First State Bank of the Florida Keys is pleased to comply. We would be happy to discuss the variety of long and short term products available to meet the City's investment needs.

3.17. The Proposer will provide overdraft protection services to the City. In the event of an overdraft presented checks shall be paid by the bank after confirmation by the City.

First State Bank of the Florida Keys is pleased to comply with this request.

3.18. Provide cashing of the City created checks at no charge to payee.

First State Bank of the Florida Keys *does not charge a fee* for this service.

3.19. Provide a dedicated Customer Service Representative to service the City's accounts.

Doria Goodrich - EVP/ Personal Banking Executive
1201 Simonton St., Key West, FL 33040
Office - 293-7104 Cell - 304-5660
doriag@keysbank.com

Doria will serve as your primary point of contact. She oversees all Public Funds, Contract Negotiations and Relationship Management.

Diane Gibson - VP/ Corporate Services
3406 N Roosevelt Blvd, Key West, FL 33040
Office - 293-6800 Cell - 923-1689
dgibson@keysbank.com

Diane oversees all Corporate Services. She will be your point of contact for ACH, Credit Card, Positive Pay, Online Business Banking & Remote Deposit services.

Kerry Hadas - AVP/ Personal Banking Officer
1201 Simonton St., Key West, FL 33040
Office - 293-7185
kerryh@keysbank.com

Kerry is responsible for the daily servicing and management of your accounts.

3.20. Provide the City with Semi-annual Treasury Review focused on new services available, and services that will streamline the current banking process as necessary.

First State Bank of the Florida Keys is pleased to comply with this request.

IV. INFORMATION REQUESTED

4.1. QUALIFICATIONS AND EXPERIENCE

4.1.1. Describe the organization, date founded, ownership, and other business affiliations.

First State Bank of the Florida Keys, founded in 1955, is the oldest bank in Monroe County. Because we are locally owned, we are deeply committed to serving the needs of the people who live and work in Monroe County. We are proud to be known as the "Keys" Bank" and are committed to delivering a superior level of service to our customers throughout the city and county.

4.1.2. Provide the address of the office location that will service the account

1201 Simonton Street, Key West, FL 33040
(305)296-8535

4.1.3. Describe the experience of the financial institution in providing similar services for other Florida, City clients.

First State Bank of the Florida Keys has vast experience with government entities and is the leading public funds provider of banking services in Monroe County. We provide banking services for 15 of Monroe County's largest public funds.

4.1.4. Include one (1) copy of the most recent audited financial statement with the proposal. If available, please provide an online address or link to your most recently audited financial statements.

First State Bank of the Florida Keys has provided [as an Enclosure] a copy of our 2009 and 2010 Audited Financials. The Banks 2011 Audited Financial Statement will be issued by April 30th. Un-Audited results show core earnings remain strong and that net earnings improved. Capital increased \$11 million during the year.

The Bank's Capital in 2007 was at \$48 million. The Bank increased its capital in 2010 and 2011 and now has the highest capital level in its 57 year history at \$69 million.

First State Bank's capital ratios, as of December 31, 2011, are well above the regulatory guidelines as follows:

- a. Risked Based Capital is 17.03%.
 - 10% is the regulatory requirement to be classified as "Well Capitalized".
- b. Leverage Capital stood at 8.30%.
 - 5% is the regulatory requirement to be classified as "Well Capitalized"

4.1.5. Provide a list of branch addresses for banking centers located in near each of the City's locations (Attachment 3).

| City Location | First State Bank Office |
|----------------------------------|---|
| Transfer Station Rockland Key | Stock Island Office 5450 MacDonald Ave Stock Island, FL 33040 |
| Garrison Bight Marina | Simonton Office 1201 Simonton Street Key West, FL 33040 |
| Key West Bight Marina | Simonton Office 1201 Simonton Street Key West, FL 33040 |
| Key West DOT Office | Simonton Office 1201 Simonton Street Key West, FL 33040 |
| Key West DOT Buses | Simonton Office 1201 Simonton Street Key West, FL 33040 |
| Building Department | Boulevard Office 3406 North Roosevelt Blvd Key West, FL 33040 |
| Parking Meters/Pay Stations | Old Town Office 444 Whitehead St Key West, FL 33040 |
| Parking Enforcement | Boulevard Office 3406 North Roosevelt Blvd Key West, FL 33040 |
| Cemetery | Simonton Office 1201 Simonton Street Key West, FL 33040 |
| Port | Old Town Office 444 Whitehead St Key West, FL 33040 |
| Code Enforcement | Boulevard Office 3406 North Roosevelt Blvd Key West, FL 33040 |
| Revenue/Utilities | Boulevard Office 3406 North Roosevelt Blvd Key West, FL 33040 |
| Finance | Boulevard Office 3406 North Roosevelt Blvd Key West, FL 33040 |

4.2. PERSONNEL

- 4.2.1. Provide biographical information on all bank officers that will be directly involved in the management of the City's accounts; who the primary contact will be and what, if any, experience these officers have in working with governmental clients. Please include customer service.

SENIOR MANAGEMENT STAFF

Doria Goodrich
EVP/Personal Banking Executive.

Doria began her banking career with FSB 35 years ago. She has a B.A. in Education from Nova University and is a graduate of the Florida School of Banking at the University of Florida in Gainesville. Doria has an intimate knowledge of both Retail Branch Banking and Public Funds Banking. Prior to developing the Personal and Public Funds Banking Department in 2008, Doria was the Key West and Lower Keys Regional Manager overseeing nine branches. Her community involvement includes; Vice-President of The Cancer Foundation of the Florida Keys, Key West Chamber Education Committee, Alumni Association of the Convent of Mary Immaculate; Treasurer, St Mary Star of the Sea, Finance Committee, Secretary, FKCC Business Advisory Committee, Star of the Sea Mission; Secretary, Key West Art & Historical Society; Treasurer, Navy League and the Key West Women's Club.

ACCOUNT REPRESENTATIVES

Kerry Hadas
AVP/Personal Banking Officer.

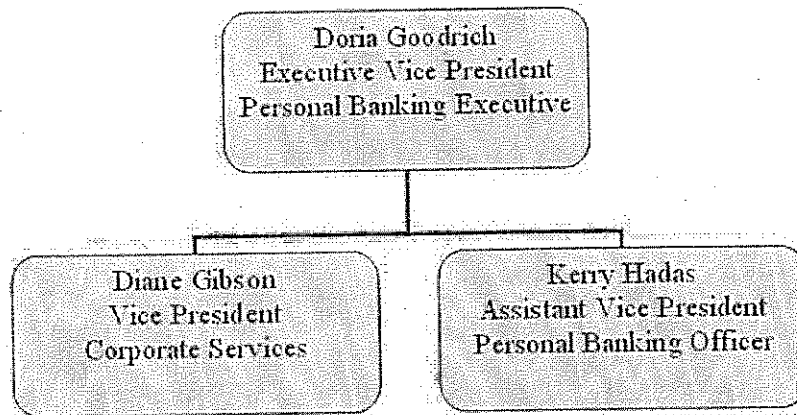
Kerry has over 20 years banking experience at FSB having worked numerous Retail Banking positions from teller, to Head Teller, to Customer Service Coordinator to Assistant Branch Manager of the Main Branch before assuming her current position in 2008. She has intimate knowledge of Public Funds Banking processes and has been the "go to" person for all of our Public Funds accounts for many years.

Diane Gibson
VP/Corporate Services and Business Development Manager.

Diane has 30 years of banking experience and has been an integral part of the Retail Management team since 1997. Prior to her promotion to her current position in 2010, Diane was VP/Branch Manager for our Boulevard Branch. Her deep knowledge of both Retail Banking and Corporate Services (including credit cards, ACH, and Remote Deposit Capture) has made her instrumental in assisting our Public Funds customers.

Her community involvement includes; Key West Association of Realtors, Key West Attractions Association, Key West Business Guild, Key West Chamber of Commerce Past President, Image, Tourism, Economic Development and Membership Committees; Key West Lodging Association, Crime Stoppers of the Florida Keys Project Director and Board Member; Lower Keys Heart Council Board of Directors and Key West Rotary (Noon).

4.2.2. Provide an organizational chart for the personnel who will be associated with the City's accounts, including the roles of each person that illustrates the relationship among the personnel.



4.2.3. Provide the geographical area of responsibility for each person on the Responder's team that will support the City.

Doria Goodrich -
EVP/ Personal Banking Executive
1201 Simonton St., Key West, FL 33040
Office - 293-7104
Cell - 304-5660
doriag@keysbank.com

Doria will serve as your primary point of contact. She oversees all Public Funds, Contract Negotiations and Relationship Management.

Diane Gibson -
VP/ Corporate Services
3406 N Roosevelt Blvd, Key West, FL 33040
Office - 293-6800
Cell - 923-1689
dgibson@keysbank.com

Diane oversees all Corporate Services. She will be your point of contact for ACH, Credit Card, Positive Pay, Online Business Banking & Remote Deposit services.

Kerry Hadas
AVP/ Personal Banking Officer
1201 Simonton St., Key West, FL 33040
Office - 293-7185
kerryh@keysbank.com

Kerry is responsible for the daily servicing and management of your accounts.

4.3. INTEREST EARNED, AND EARNINGS CREDITS

- 4.3.1. The bank must invest the collected balance of all accounts at 6:00 P.M. Eastern Standard Time at the proposed investment rate and in compliance with the City's investment policy. The collected balance must include any wire transfers received during the day, less any outgoing wire transfers. Interest earned and fees charged will be posted monthly. The total average collected balance of all accounts is included in Attachment 5. In the event that any account has a negative collected balance, interest charged on any overdrawn accounts will be calculated using the same formula by which the account receives interest. The Proposer will not assess any fees or penalties on the negative balance or fees for transfers between City accounts.

First State Bank of the Florida Keys is pleased to comply with this request.

- 4.3.2. Quote the interest rate the Proposer is currently offering the City on funds remaining in an account overnight (Attachment 4) and an interest rate floor. If a Public Funds account is available to the City, describe how interest will be calculated and credited on all accounts. Be specific.

First State Bank of the Florida Keys is pleased to offer a Public Funds Super Now Checking, tied to Public Funds checking accounts. All collected funds would "sweep" nightly into the Super Now Checking at no charge. The Super Now Checking Account would earn interest based on the Fed Funds rate + .10 basis points (today the rate would be .35%). As the Fed Funds rate increases, the interest rate paid to the City would increase. Interest will accrue daily and will be credited at the end of each month. First State Bank of the Florida Keys is pleased to offer a floor rate of .81%.

- 4.3.3. Describe the method used to calculate the earnings credit rate (ECR). Are the reserve requirement and FDIC charges deducted from the available balance before the ECR is calculated? If not, please include in the bank explanation the impact of the bank reserve requirements and/ or FDIC charges. Also include the bank formula for converting service charges to balance requirements and a listing of the bank earnings credits and reserve requirements for the last 12 months.

First State Bank of the Florida Keys calculates the earnings credit on non-interest bearing accounts by applying an earnings credit rate to the positive average daily collected balance less an allowance for the 10% Federal Reserve requirement. The earnings credit is subtracted from the fees for services to determine the charges, if any, to your account.

4.4. DEPOSIT PROCESSING

The City collects checks at its locations throughout the City of Key West, Florida as listed on Attachment 3. Many of these locations will deposit checks directly into a local bank. Based on this information please provide answers to the following questions.

- 4.4.1. What is the deposit cut-off time to ensure same day ledger credit? 4:00 PM
- Is it the same for cash as for checks, drafts, etc? Yes
 - Are there any options that might affect this cut-off time (e.g., provisional credit, and delayed verification)? No
 - If the City decides to use a Remote Deposit System will this change the cut off time? No

4.4.2. Are weekend or holiday deposit services available? Is there an additional fee/or discount for utilizing these services?

Some of our branches offer weekend services. Please refer to our Branch locations and Hours flyer attached. Weekend deposits are processed on the next bank business day. *There are no fees for these services.*

4.4.3. What type of deposit bags does the bank allow/require?

First State Bank of the Florida Keys requires deposits to be sealed in either locking bank bags or tamper evident plastic security bags.

a. Does the Proposer provide these bags? Yes

b. Does the Proposer charge a fee for these bags? The locking bank bags cost \$25.00 per bag and the plastic security bags would be ordered through a vendor at cost.

4.4.4. Are there any benefits to the City to separate cash and checks into two deposit bags?

Yes, there are benefits. Due to the amount of coin deposited, separating the two would allow for faster processing of the checks dependant on the time the courier arrives with the deposits.

4.4.5. Are the deposit slips that the bank provides available in multiple part forms? How many copies does the bank require? Can the deposit slips include a designation for each City location?

First State Bank of the Florida Keys can provide multiple part deposit slips. The bank only requires the original deposit slip be included with the deposit. Deposit slips can include a designation for each City location.

4.4.6. Does the Proposer require that cash be deposited in standard straps only? Is there a penalty for using non-standard straps?

First State Bank prefers that cash be deposited in standard straps, but would not impose a penalty for non-standard straps.

4.4.7. Does the Proposer accept loose and/ or rolled coin for deposit at the vault and branch locations? Is there a fee for depositing loose or rolled coin?

First State Bank of the Florida Keys is the only bank in Monroe County which accepts loose coin, rolls and credits its customer's accounts within one business day. The fee for this service is \$8.50 per coin bag.

4.4.8. How does the Proposer determine and calculate funds availability for deposited items?

First State Bank of the Florida Keys follows Regulation CC for funds availability.

- a. Does the Proposer give immediate credit for on-us items? On-Us items receive next day availability.
- b. Does the Proposer calculate funds availability by item or formula? By item.
- c. Does the Proposer use a standard schedule? Accelerated schedule? How often is it updated? First State Bank of the Florida Keys uses the standard schedule provided by the Federal Government under Regulation CC.
- d. Provide a copy of the funds availability schedule that will apply to deposits into the City's accounts. Our Funds availability schedule has been provided under Tab 5.

4.4.9. Provide a list of the bank's holidays.

First State Bank of the Florida Keys follows the same holiday schedule observed by the Federal Reserve. Below is a 2012 through 2016 Federal Reserve holiday schedule. For holidays falling on Sunday, our offices will be closed the following Monday.

| | 2012 | 2013 | 2014 | 2015 | 2016 |
|-------------------------------------|-------------|-------------|-------------|-------------|-------------|
| New Year's Day | January 2 | January 1 | January 1 | January 1 | January 1 |
| Birthday of Martin Luther King, Jr. | January 16 | January 21 | January 20 | January 19 | January 18 |
| Washington's Birthday | February 20 | February 18 | February 17 | February 16 | February 15 |
| Memorial Day | May 28 | May 27 | May 26 | May 25 | May 30 |
| Independence Day | July 4 | July 4 | July 4 | July 4* | July 4 |
| Labor Day | September 3 | September 2 | September 1 | September 7 | September 5 |
| Columbus Day | October 8 | October 14 | October 13 | October 12 | October 10 |
| Veterans Day | November 12 | November 11 | November 11 | November 11 | November 11 |
| Thanksgiving Day | November 22 | November 28 | November 27 | November 26 | November 24 |
| Christmas Day | December 26 | December 25 | December 25 | December 25 | December 26 |

* Saturday

4.5. DEPOSIT VERIFICATION

4.5.1. How will the Proposer return the validated deposit to the City? Within what time frame?

If the City were to utilize our Easy Deposit product, confirmation of deposits would be the same day. If the City utilizes a courier service or night drop service, validated deposit receipts would be returned to the City the next day.

4.5.2. Does the Proposer identify and adjust all discrepancies?

- a. If no, at what dollar amount does the Proposer write off discrepancies?
- b. What is the standard procedure for reporting deposit adjustments? What additional options are available (e.g., copies to multiple locations)?

First State Bank of the Florida Keys' policy is to notify our customer of any cash discrepancies immediately upon discovery, regardless of amount. Any other discrepancy, such as an error in addition, check listed incorrectly, missing item, extra item, etc. are corrected during processing; notification is mailed the following business day. Typically non-cash adjustments are not made for discrepancies of \$1.00 or less.

4.5.3. What is the Proposer's policy on receipt of tampered deposit bags?

Deposit Bags are accessed and worked under dual control. Any discrepancies would be immediately reported to the City.

- 4.5.4. When counterfeit bills are discovered, what are the Proposer's notification and adjustment policy and process?

All suspected counterfeits are surrendered directly to the US Secret Service. A correction of deposit is processed and a copy of the correction is given to the City.

4.6. VAULT SERVICES

- 4.6.1. Does the Proposer have an automated vault service? Describe the deposit and change order procedures, cut-off times, and other features of this system.

First State Bank of the Florida Keys can accept delivery of deposits through Armored Courier Service for each of your locations with same-day credit to your account for deposits received before 4pm. Coin deposits received by Noon would also receive same-day credit.

- 4.6.2. Does the Proposer offer Courier Service? Will it provide this service to the City? If so, what is the cost of this service?

For Security reasons, based on the amount of Cash and Coin deposited by the City, First State Bank of the Florida Keys does not have the means to transport this type of deposit. We feel the City would be better served through an Armored Courier Service.

- 4.6.3. Based on the City's volume of cash would the courier need to go to a cash vault?

First State Bank's vault services are located at our Main Office on 1201 Simonton Street, Key West, FL 33040.

4.7. RETURN ITEM PROCESSING

- 4.7.1. Can return items be automatically re-deposited? If so, how many times?

First State Bank of the Florida Keys can automatically re-deposit all NSF checks. Return items may be re-deposited once.

- 4.7.2. Does the Proposer have an electronic return notification? If so, what type of information is available? Can the data be customized?

First State Bank provides a paper "Chargeback" notification that lists all returned items for a single day. The information on the notice includes the maker, amount of the return, and the return reason. The notice is sent to the City along with the return item via On-Line Banking.

- a. Is there a separate record for each returned item? Yes, each returned item is listed individually on the "chargeback" notice.
- b. Can these records identify the depositing location and the type of item being returned (e.g., personal check, traveler's check, and money order)? The notice will provide the maker, amount of the return and the return reason.
- c. Are imaged documents available on-line? First State Bank would be willing to provide images of the City's return items through On-Line banking.

4.7.3. Does the Proposer have a policy to refuse return items not sent through the system in a timely manner?

First State Bank may present a "late" return claim against the "payor" bank if the return item meets the late return criteria.

4.7.4. Does the Proposer assign float to return items? If so, describe.

First State Bank does not assign additional float to "return" items that are re-deposited.

4.7.5. Does the Proposer have the ability to convert a returned check into an ACH item (RCK)?

First State Bank has the ability to convert a returned item into an electronic image and process the item in Image Cash Letter through the Federal Reserve Bank. The Federal Reserve Bank will process the item electronically to the bank of first deposit improving the quality and speed of the return collection process, eliminating the physical handling of the item and reducing exception processing. We do not process a returned check as an ACH item (RCK) instead we use the electronic Image Cash Letter presentment delivery method.

4.7.6. Describe any advantages and disadvantages to the City for using RCK?

The re-presentation of a return item using either the Image Cash Letter depositing option or the ACH (RCK) option have advantages; 1.) speed of the returns, 2.) elimination of physical handling and 3.) reduction of possible financial loss.

4.8. WIRE TRANSFERS

4.8.1. What are the beginning and ending cut-off times in Eastern Standard Time for initiating wire transfers to ensure same-day execution? Is the time the same for telephone call in wires?

Processing hours for outgoing wire transfers for same day processing are from 8:00am EST until 4:00pm EST. For wires received by phone, fax, or email the bank will perform a call-back to confirm the request before sending.

4.8.2. What is the cut-off time for receiving incoming domestic wire transfers in order to receive same day credit?

First State Bank of the Florida Keys will make available for investment all incoming wire transfers received by the bank before the end of the bank's business day, which is currently identified as 4:00pm EST.

4.8.3. How does the City track the status of transfers once the transfer is in the system (input approved and released)? How does this differ for telephone initiated wire transfers?

For wires entered through On-Line Banking the status will change from "Drafted" to "Authorized" to "Processed" as the wire is input, approved and received by the bank. Telephone initiated wires would reflect as a difference in your Current and Available balances as well as in your online pending items once the wire has been processed.

4.8.4. How is access to the Proposer's wire transfer system controlled?

First State Bank of the Florida Keys uses the FedLine system, which is a direct link to the Federal Reserve's system for funds transfers and ACH processing. FedLine is a web-based electronic delivery system that provides access to the Federal Reserve's online services and information. All wire transfers and ACH transactions are processed under dual control for security reasons and to ensure accurate processing. There are numerous checks and balances performed in the Electronic Banking Department in order to protect the Bank and its customers. Processing hours are from 8:00 AM until 4:00 PM.

Our wire and ACH systems incorporate three different types of security controls to protect against unauthorized access into the system. They include 1) local security access controls 2) access to the host computer controls and 3) data encryption.

Data encryption encodes the message before it leaves First State Bank. This message is decoded when it arrives at the Federal Reserve Bank. Data encryption is designed to safeguard the content of the message as it passes through communication lines between First State Bank's computer and the Federal Reserve Bank's computer.

4.8.5. Does the Proposer offer its customers dual control release options (intermediary approval level) for electronically initiated transfers? If so, describe.

First State Bank's On-Line Banking website has flexible Cash Management features that include dual security as well as multiple levels of security and dollar limits for various individuals, for example, some individuals may be authorized to create outgoing transactions while others may be authorized to approve them.

4.8.6. Are security access codes (passwords) encrypted or authenticated? How often is the password required to be changed? Is a Log-on Audit Report available that shows all log-ons over a given period, including User ID, date and time?

Passwords are required for authentication and are sent by means of encrypted transmission. Default settings do not require the password to be changed; however, we can accommodate any expiration period the City requires. The bank can provide a Log-on Audit that shows all log-ins over a given period, including User ID, date and time by request.

4.8.7. Can dollar limits by user and function be established for single transaction amounts and daily aggregate amounts?

Dollar limits by user and function can be established for amount per transaction, amount per account per day, amount per day, and amount per month.

4.8.8. Can the Proposer's on-line wire system create non-repetitive wires in U.S. Denominated currency?

All wires sent by First State Bank of the Florida Keys are in U.S. currency.

4.9. DISASTER RECOVERY AND CONTROL

- 4.9.1. Describe the bank's electronic data procedures and/ or manual system used to provide banking services along with backup and recovery capabilities, in the event of a disaster.

As a dedicated community bank, our emergency contingency plan assures that First State Bank of the Florida Keys is positioned to be the *last* bank to close and the *first* to open in the event of a hurricane or other natural disaster.

- 4.9.2. Are off-site facilities strategically located away from each other in the event of a disaster?

First State Bank's fully redundant operations center in Miramar, Florida, provides another level of disaster recovery protection that assures all customer data is protected and that we have the necessary operational resources to meet unexpected emergencies. Our Item Processing Services disaster recovery system is located at our Boulevard Operation Center in Key West. We contract with a third-party company and have access to recover our core banking system at several hot-site locations outside of the state of Florida.

- 4.9.3. How quickly can the "hot" site be implemented in case of an emergency?

Depending on the system and the disaster, First State Bank's "hot" site could be on-line and ready within 24 to 72 hours.

- 4.9.4. Provide a description of the controls in place to insure the integrity of the funds transfer system.

The funds-transfer system is an Internet web-based system providing access that allows transfers to be performed remotely.

- 4.9.5. Describe the types of insurance and bonding carried.

First State Bank's commercial liability package provides up to \$2 million in coverage for buildings and contents in the event of fire or other disasters such as lightning strikes or vandalism. In addition, we also have additional expense coverage which covers trailers for operating in the event we lose a building. We also have flood and windstorm coverage for individual branches. Both our commercial liability package and our individual branch insurance package protect the bank and its branch offices. These insurances also enable the bank to open and operate in the event of a disaster.

- 4.9.6. How often are emergency operations tested? How are they tested?

Disaster recovery core banking as well as all banking services are tested annually. Our systems are tested using test plans approved by our IT Steering Committee. These plans are reviewed by our Board of Directors, and regulators. These plans are updated annually and as needed to accommodate changes in technology.

4.10. ACCOUNT REPORTING

- 4.10.1. Will the account reporting system provide beginning and ending ledger (book) balances, collected balances, available balances, and float assignment?

First State Bank's Online Banking provides all of the above.

4.10.2. What current-day reporting is available through the reporting system?

First State Bank's current day reporting includes pending items such as: incoming and outgoing wire transfers, ACH debits and credits, transactions processed by a teller, and miscellaneous credits and debits.

4.10.3. How many business days is data stored on the Proposer's reporting system and available for the City to access?

Twenty four months.

4.10.4. What technical specifications will be required of the City's system?

Internet is required to access First State Bank's Online Banking.

Any one of the browser versions listed below can be used to access our Online Banking system:

For Microsoft Windows:

- Internet Explorer 9.x, 8.x, 7.x
- Firefox 4.x, 3.6
- AOL Browser 9 SE
- Safari 5.x
- Chrome 11.x

For Macintosh:

- Firefox 4.x, 3.6
- AOL Browser 10.3.x
- Safari 5.x, 4.x, 3.x
- Chrome 11.x

The recommended minimum user hardware and connection are as follows:

- Standard PC or Mac
- Microsoft Windows XP SP3/Vista SP2/7 or Mac OS-X
- Cable, DSL or ISDN Internet connection
- Security, anti-virus and Spyware update applied

4.10.5. Is specific software required to communicate with the Proposer's system and how many systems are required to be maintained? Include but not limited to:

First State Bank of the Florida Keys does not require any specific software to access our Online Banking.

- a. Does your service require a stand alone PC? Can your service co-exist on the same PC with other software? Online Banking does not require a stand alone PC and can be accessed on any PC with internet access and a browser.
- b. List any additional peripheral hardware that maybe required for optimal performance of your service. No additional peripheral hardware is required for optimal performance of Online Banking.
- c. Can the software be accessible in a Citrix environment? As long as the Citrix environment has internet access and can run one of the browsers listed above.

4.10.6 Security/Administrative Rights/ User Security

- a. Discuss the methods used to authenticate items such as users, files, locations, or other identifying criteria

At First State Bank of the Florida Keys, assuring the security of all Online Banking transactions and protecting your data remains our primary concern. First State Bank's Online Banking service provides an additional level of security and protection for our online banking customers through its Multi-Factor Authentication (MFA) program. This robust online security solution employs true multi-factor authentication using a combination of user ID and password and requires the delivery of a unique "Secure Access Code" sent directly to the customer by telephone or email. The Secure Access code acts as a second factor of protection in combination with the user ID and password. The process also allows the option of browser registration of the user's computer(s) to access electronic banking services for all future use. The default setting of this feature is to allow browser activation on multiple browsers or machines; however, the City can choose to limit browser activation to a single browser or machine for increased security.

- b. Describe the process we would use to establish and verify user profiles.

By use of our Cash Management Representative Form, First State Bank's Cash Management feature allows you to customize user access to meet the needs of their job responsibilities and you can easily establish and restrict users by granting or limiting functionality, dollar amounts thresholds, prepare transactions under dual control limits and can be revised as needs change by simply executing updated paperwork. Verification is completed by the Bank as all user profile changes go through a quality review.

- c. How does the user authentication expire?

The Bank does not set expiration dates on user authentication; however, the City may choose to customize password expiration.

4.10.7. Automated balance reporting services for the City's accounts should be provided. Ledger and collected balances should be available for opening and current day. Transaction details for prior and current day should include debit and credits (i.e. wire transfers, ACH transactions, bankcard deposits, ZBA transfers).

First State Bank's Online Banking complies with this request.

4.11. OVERDRAFTS

It is not the intention of the City to overdraw any account. In the event of an overdraft, all checks presented for payment must be paid. The City or designee shall confirm wires or ACH transfers that will result in an overdraft. The Proposer shall complete the wire/ ACH transfer after confirmation. No service fee shall be charged to the City for overdrafts.

First State Bank understands and is willing to accommodate this request.

4.12. STOP PAYMENTS

Stop payment orders will routinely be initiated electronically. On rare occasions it may be necessary to initiate a stop payment by telephone. When the City initiates a stop payment order, the Proposer will immediately inform the City electronically if the check has been paid and provide an image of the paid item to the City. If not paid, the Proposer will provide an electronic confirmation of the stop payment. Stop payments shall be effective for a period of not less than twelve months. Cancellation of a stop payment order will be processed in the same way as the stop payment order. All checks paid by the Proposer after a stop payment order has been confirmed will be the responsibility of the Proposer.

First State Bank of the Florida Keys understands. Stop-Payment requests may be created through our Online Banking product, requested by phone, or at any of our branches.

4.12.1. Does the Proposer offer an automatic escheatment solution for checks once they become (6) six months old?

First State Bank can automatically void checks after any period defined in the positive pay system so that an exception item would be generated. A state dated check report can be run on demand.

4.13. Additional Services and Technological Innovation

Include information on any other cash management services currently provided or planned by the bank that may benefit the City. The City has provided a historical average of the types of transactions presently used. The City would like to see a detailed analysis of what your institution would recommend to the City to implement The Respondent must also submit a cost/benefit analysis with its Proposal for any proposed additional services

Positive Pay

First State Bank offers full Check and ACH exception management account services through our Positive Pay product which tracks all activity in an account including paid items, voided items and stop payments. This product will assist you in monitoring your account for any fraudulent and unauthorized transactions.

Overview

The Positive Pay process consists of comparing specified debit items posted to the Bank's system against a master list of items issued by the City.

The Positive Pay module allows you to:

- Build and save a custom template containing the information about the fields in your daily issued items files.
- Submit an issued items file to add to your master list.
- View, delete, add or edit the master list for each enabled account.
- Each time history is updated, the new Issued Items module will compare the transactions in the history file to the issued items master list, marking off those items that match exactly and creating an exception for each of the other items.

Process Flow

- Checks are issued by the City.
- The City enters or uploads issued items into Positive Pay, including check number, issue date and amount. ACH information can also be uploaded.
- Check or ACH is presented at Bank for payment.
- Positive Pay process compares the nightly file to the issued items or authorized ACH filters provided by the City to match them based on check number, issue date and amount.
- Items that do not match are provided to the City in an Exceptions screen for a pay/return decision.

Issued Items - Matches Process

- Change the issued item status to Cleared.
- Update the Cleared Date in the issued item with value in the Effective Date field of the history item.
- Assign the Transaction ID of the history item to the Matching Transaction field of the Issued Item.
- A copy of that record will be placed into the Positive Pay Recap with all the information in the issued items record plus the Exception Reason.

Issued Items – Exceptions Process

For each unmatched record, a copy of that record will be placed into the Exceptions option. The record will include all the information in the issued items record plus the Exception Reason.

The exception reasons are:

- Paid check is "stale dated"
- Paid not issued checks
- Checks with zero/blank check number
- Amount Variance
- Unlisted Item
- Duplicate Item
- ACH exceptions

All Exceptions are updated in the Issued Items function with the assigned Issued Item ID, the exception type to Positive Pay, the Exception reason and the Resolution Status to Pending.

Issued Items – Added or Imported

- The City adds its issued items each day.
- The City can import the issued items file but must first create an issued items template. The template is used to tell the system where the items can be found on the file.
- If the import or addition of an individual item is duplicated, the City will receive error messages.

Positive Pay Recap

This allows the City to view the transaction history and the list of Issued Items for comparative purposes for Positive Pay.

To use this feature, click the "Positive Pay Recap" link either from the navigation bar, the left hand frame or by using the mouse-over function. To view the items for a different account, select the account number and date from the drop-down list box.

- Exception items are items that either did not match any corresponding item or did not exist on the Issued Items List.
- Cleared items are items that have posted correctly to the account.
- Outstanding items are items that are yet to post on the selected day.
- Stop Payment items are items that have been issued but never presented.
- Void items are items issued but have been voided for reasons such as payroll deductions.

Days to retain Issued Items & Exceptions – 30 days

Issued Items will purge ONLY if status is Cleared.

Exception Items will purge ONLY if status is Closed.

Manage Exceptions

Each day the City must go into the Exceptions option to view the exceptions and mark items, Pay or Return. This must be done before the 12:00pm cut-off time set by the Bank. At the cut-off time, the close-out process will mark all as Cleared unless the City has marked them to Return. The Bank will use the City's Exceptions Report to return items.

Positive Pay Pricing:

Monthly Fee: \$25
Per Item: \$0.04
Set Up Fee: \$50 (waived for the City)
Template set up: \$10 (waived for the City)
Monthly Reverse File Extract: \$5 (per account if Reverse Positive Pay option is chosen)

City Cost Analysis:

Per Item: Based on 582 debit items = $582 \times \$0.04 = \23.28
Monthly Fee: \$25

Easy Deposit

First State Bank offers *Easy Deposit* as our remote deposit solution. *Easy Deposit* is a remote deposit capture product that gives clients the ability to deposit checks from their office without having to deliver them physically to the bank. The web remote capture application is a software program that gives you the ability to create images of checks you receive throughout the day and deposit them to your bank account(s) electronically. The process is made simple by using a small tabletop scanning device and access to the web client interface to image your check deposits. The software automatically verifies each check using advanced handwriting recognition software. Then completed and balanced deposits are transmitted to First State Bank via a secure Internet connection. You have the ability to research transaction-related questions and create management reports, all from within the remote capture application.

Our First State Bank team would be willing to offer on-site set up and training, followed by our web-based training, a comprehensive scanner maintenance program, integration to QuickBooks, online sales training including demos, and other tools to get you up to speed quickly.

We believe that the City would receive the following benefits by using this product:

- Increased efficiencies by scanning checks instead of endorsing by hand
- Reduced time spent preparing deposits by not having to manually list each check on the deposit slip
- Deposit slips are created virtually – reduced printing charges – eliminates need for additional storage space
- Reduced/control administrative costs when allocating resources to this area – time savings benefit
- Reduced additional trips to the bank – save on time and gas
- Multiple deposits can be made during the day or grouped into one deposit
- Convenience of making deposits anytime
- District can scan to multiple accounts
- Tremendous time saving integration solution for the City as deposits can be uploaded easily to QuickBooks or other software systems and will streamline the process for you by eliminating manual input and updating
- Reduced inputting errors and increased efficiencies
- Increased image enabled research capabilities
- Increased reporting options
- Improved security of deposits
- Improved cash flow by making deposits on same business day
- Multiple scanner locations available
- Multiple accounts available
- Multiple users available
- Free online system reports
- No documentation fee
- No set up fee
- Free online research available 60 days from the date of deposit

- Equipment options available to suit your needs
- Requires only a PC, internet connection and a check scanner to work

Easy Deposit Pricing:

| | |
|--------------------|--|
| Monthly Fee: | \$50 commercial |
| Scanner: | Can purchase (commercial TS230-35 \$925) or rent \$50/month |
| Per Item: | 500 items processed FREE per month – over 500 is \$0.04 per item |
| Systems Report: | Free |
| Documentation Fee: | Free |
| Setup fee: | Free |

City Cost Analysis:

| | |
|--------------------|---|
| Per item: | Based on 6455 deposited items (-500 items) = 5955 x \$0.04 = \$238.20 |
| Scanners: | Assuming purchase – monthly cost would be -0- |
| Monthly Fee: | \$50 - up to 10 accounts can be added for same cost |
| Systems Report: | Free |
| Documentation Fee: | Free |
| Setup Fee: | Free |

Business Edition Visa Credit Card Program

First State Bank of the Florida Keys offers various types of credit cards to meet your specific needs. Our recommendation would be either of the following:

Business Edition Visa Card

Annual Percentage Rate (APR) On Purchases 9.99% APR variable or 15.99% APR variable depending on credit criteria

Other APRs Balance Transfer APR of 9.99% variable or 15.99% variable depending on credit criteria

Annual or Monthly Fees None

Minimum Finance Charge \$1.75 (any billing cycle a finance charge is imposed)

Over Limit Fee \$39

Transaction Fee for Balance The greater of \$10 or 5% of the transaction, whichever is greater

Late Payment Fee \$35 if our new balance is less than \$500; or \$39 if your new balance is equal to or greater than \$500

Business Edition Visa Card with Maximum Rewards

Annual Percentage Rate (APR) On Purchases 11.99% APR variable or 17.99% APR variable depending on credit criteria

Other APRs Balance Transfer APR: 11.99% variable or 17.99% variable depending on credit criteria

| | |
|---------------------------------------|--|
| Annual or Monthly Fees | None. Please see Rewards Terms & Conditions Information about any applicable reward membership fees. |
| Minimum Finance Charge | \$1.75 (any billing cycle a finance charge is imposed) |
| Over Limit Fee | \$39 |
| Transaction Fee for Balance Transfers | The greater of \$10 or 5% of the transaction, whichever is greater. |
| Late Payment Fee | \$35 if your new balance is less than \$500; or \$39 if your new balance is equal to or greater than \$500 |

This credit card will allow you to earn 1 point for every qualifying \$1 spent (see Rewards Terms and Conditions brochure for more information), plus there is no limit to the points you can earn! The rewards start at 2,750 points and can be redeemed for an account credit, travel, merchandise and gift certificates. Plus, you can combine points at company level or redeem separately for each cardholder.

Other features for both cards are as follows:

- Up to 10 cards can be issued on either type of Business Credit Card
- Convenience and easy online account access is available 24 hours a day, 7 days a week.
- Monitor and easily track business expenses with detailed reports which help with budget forecasting & tax preparation.
- Individual statements are provided for easy record keeping.
- 20 day grace period for repayment of balance for purchases (provided that the previous new balance has been paid in full by the due date)
- No Annual Fee (refer to Rewards Terms & Conditions if applicable)

Visa Commercial and Purchasing Edition Solution Cards

Visa Commercial and Purchasing Edition Solution cards streamline operations without eliminating controls. These cards give flexible, leading-edge payment solutions that meet all business needs, from travel and entertainment to procurement of goods and services. With Visa Commercial and Purchasing Edition Solutions, you get the comprehensive data you need to manage your programs. A simplified reporting service provides a low-maintenance, easily accessible data management tool. Visa Information Source is a user-friendly, Web-based system that gives the City of Key West access to its transactions. This gives the City of Key West the capability to monitor, analyze, and report expenditures with an easy-to-use reporting tool.

Easy to use reporting capabilities

Featuring twenty built-in standard report options, Visa Information Source details all aspects of the City of Key West transactions from spending analysis and travel management to program administration and exception reporting. Easy-to-read reports can be delivered via e-mail on a predetermined schedule that best meets your needs.

Spending Analysis Reports:

Travel and Entertainment; Suppliers Summary; Purchasing Suppliers Summary; Supplier Analysis by Location; Organization Spending Summary; Annual Cardholder or Company

Summary: Quarterly Cardholder or Company Summary; Spending by Merchant category Group.

Program Administration Reports:

Cardholder Detail; Company Billing; Company Statistics.

Travel Management Reports:

Cash Advance; Travel Activity; Airline Credit Detail; Airline Itinerary Detail; Lodging Spending Detail; Car Rental Spending Detail.

Exception Reports:

Past Due Accounts; Over/Under Spending Limit; Credit Detail; Track spending by employee with the Cardholder Detail report. View overall spending by merchant type.

Visa Information Source easily integrates with your financial system, whether you are running packaged software like Intuit Quicken® and QuickBooks® or Microsoft® Money, or using customized accounting solutions developed in-house. Powerful and flexible data management capabilities let you extract data files in common file formats including delimited, spreadsheet, database, and HTML. This data can be uploaded directly into your ledger or accounts payable system, or the data can be imported into spreadsheet software like Microsoft® Excel or similar packages for further analysis and creation of customized reports.

Safeguard critical information.

Your data is secured through customized, password-restricted user access. Files are downloaded using a high encryption internet browser. You also get the confidence that comes from knowing Visa is one of the world's leading suppliers of commercial payment systems and transaction information.

Cost

We believe you will find our rebates and fees competitive and welcome the opportunity to provide a detailed cost comparison for you once we determine your volume and type of card to meet your needs.

V. CUSTOMER SERVICE AND QUALITY

- 5.1. The City requires a dedicated customer service representative be assigned to handle the City account.
- Describe the responsibilities of the customer service personnel, including the chain of command for problem resolution.
 - Is local customer service support available for the City's accounts?

First State Bank of the Florida Keys is pleased to provide local customer service support. The following individuals have been identified to provide dedicated customer service to the City.

Doria Goodrich -
EVP/ Personal Banking Executive
1201 Simonton St., Key West, FL 33040
Office - 293-7104
Cell - 304-5660
doriag@keysbank.com

Doria will serve as your primary point of contact. She oversees all Public Funds, Contract Negotiations and Relationship Management.

Diane Gibson -
VP/ Corporate Services
3406 N Roosevelt Blvd. Key West, FL 33040
Office - 293-6800
Cell - 923-1689
dgibson@keysbank.com

Diane oversees all Corporate Services. She will be your point of contact for ACH, Credit Card, Positive Pay, Online Business Banking & Remote Deposit services.

Kerry Hadas
AVP/ Personal Banking Officer
1201 Simonton St., Key West, FL 33040
Office - 293-7185
kerryh@keysbank.com

Kerry is responsible for the daily servicing and management of your accounts.

First State Bank of the Florida Keys' local phone number (305)296-8535, is manned by a First State Bank employee in Key West. It is not outsourced or automated and is also available to the City of Key West from 8:00 AM to 8:00 PM six days a week, from Monday through Saturday.

- 5.2. What are the hours of operation of the Proposer's service unit? [Specify time]

Normal hours - 8:00 AM to 5:00 PM Emergency hours - 24/7 via your Personal Banking Executive

- 5.3. How does the Proposer handle inquiries requiring research and adjustments? The City requires supporting documentation on any debit or credit correction memo.

All research requests and adjustments would be directed to the City's assigned customer service representative. Supporting documentation is supplied on all corrections.

5.4. Are there established turn-around times for research and adjustment items? If yes, specify.

First State Bank of the Florida Keys makes every effort to make any adjustments the same day the bank is notified. Turn around times for research is dependant upon the type and amount of research. The bank will make every effort to reply within the same day the request is made.

5.5. Does the Proposer provide technical customer support for computer hardware, software, and communications problems?

Yes

VI. BANK FEES

6.1. Provide the proposed prices for the list of banking services as presented on the Prices and Services Chart in Section XVII. Prices must be guaranteed for the five (5) year term of the contract. In an extended contract period the Proposer has the right to increase services charges. If the Proposer increases these charges, the Proposer must notify the City in writing six (6) months prior to the price increase, of the amount of the increase and the period the increase is effective. It is then the City's option to extend the contract or re-proposal the services.

First State Bank of the Florida Keys understands and agrees.

6.2. The City requests that deposit slips be furnished by the Proposer at no cost to the City. Under these circumstances, would the City order deposit slips through the Proposer or directly from a vendor?

First State Bank of the Florida Keys agrees to provide the City with deposit slips *free of charge*. The City would place the order with its representative at First State Bank.

6.3. The City requests the Proposer to cash City created checks without charge to the payee. Will any charges incurred be passed through to the City? If so, please list these in Section 15.1. What controls are in place to minimize check fraud?

First State Bank of the Florida Keys *does not charge a fee* to cash checks drawn on First State Bank. Check cashing policies will be followed when cashing the City's checks including the request of proper identification for all non-customers.

6.4. Will the Proposer charge any one time implementation fees to the City for setting up new services? Please explain these fees if not included in your pricing proposal.

First State Bank of the Florida Keys has chosen to *wave* implementation fees for services requested in this proposal.

6.5. Does the Proposer charge for use of uncollected funds? If so, how is the charge calculated?

Accounts with a *negative* average daily collected balance are charged a rate of 2 percentage points over the Bank's prime rate times the negative daily collected balance in the account.

6.6. How soon after the close of the billing period is the account analysis available to the City?

First State Bank's account analysis statement is available within 5 business days after the close of the statement period.

6.7. How are adjustments reflected on the account analysis?

All adjustments are listed on your statement as a miscellaneous credit or debit.

6.8. Is the Proposer's account analysis available electronically via the Internet?

First State Bank provides the account analysis statements via U.S. mail.

6.9. Please describe the procedures used to adjust Proposer statements and to assure corresponding adjustment to account analysis statement. How is the adjustment handled if the analysis period has already ended?

First State Bank will immediately process adjustments upon notification by the City. If the statement period has already ended, adjustments will be reflected within the next statement period.

6.10. Please list any additional fees for additional services not specifically requested related to conversion, training, and/or other Banking Services. Fees for Banking Services not indicated within this proposal will be considered provided at no additional cost than what is submitted in the proposal.

Charges for services not requested in this "Proposal For Banking Services" will be provided by First State Bank at the "standard prices" in effect at the time of service. Please refer to our Commercial General Service Charges under Tab 5.

6.11. Please provide a sample invoice for the City account.

Sample Statements have been provided under Tab 6.

VII. PAYMENT FOR BANKING SERVICES

The City is receptive to the City either paying banking fees directly or applying compensating balance earnings toward bank charges with interest paid on excess balances. Please evaluate the best scenario for the account and make recommendation on a monthly or quarterly basis as to the best mix of balances to offset services charges.

First State Bank of the Florida Keys understands and is pleased to comply with this request.

VIII. STRENGTH OF FINANCIAL INSTITUTION

8.1. Please provide the collateral level that your bank is required to post for Florida Public Deposits

First State Bank of the Florida Keys is currently pledging at 125%.

8.2. Please, provide ratings for you from two of the following agencies: Standard & Poor's, Moody's, Fitch. Include ratings for: Commercial Paper, Long-Term Debt for the bank entity and Moody's Bank Financial Rating.

First State Bank of the Florida Keys is a privately owned bank, given that fact, the Bank has no ratings from any of the three nationally recognized rating agencies. The Bank's Total Risk-Based Capital Ratio, Tier 1 Risk-Based Capital Ratio and Tier 1 Leverage Capital Ratio all exceed the benchmarks set by the Regulators' definition of a "well capitalized" bank.

IX. CONVERSION AND IMPLEMENTATION

9.1. Describe a conversion plan to transfer assets of the City to your financial institution.

First State Bank currently services the City of Key West therefore a conversion would not be necessary.

9.2. What is the lead time required for conversion and implementation, based on a start date of July 1, 2012? What are the critical factors that may impact that lead time?

Because the City of Key West currently banks with First State Bank of the Florida Keys, there is *no lead time* required for conversion or implementation. The new contract can be fully implemented on July 1, 2012 at the City's request.

9.3. Indicate your plans and all costs associated with the conversion and for educating and training the City employees in the use of your systems.

There are *no costs* associated with choosing to stay with First State Bank. Benefits include; no need to purchase check stock, deposit slips or bank bags. There are no one-time set up fees, no interruptions, no conversions and no new procedures for your staff to learn. Training can be one of the most expensive costs associated with a conversion. The City employees are familiar and knowledgeable with the following systems and processing procedures:

- ACH processing
- Payroll processing
- Online Banking
- Statements
- Research
- Wire Transfers
- Vendor Payments
- Tax Payments
- Transfers
- Deposit Corrections
- Charge-backs
- Stop Payments

However, we would like to take this opportunity to provide any on-site *re-training* of our systems to the City employees *free of charge*.

9.4. Provide a copy of all agreements that will be required to initiate the banking services agreement.

We have provided our Remote Deposit Capture and Positive Pay agreements under TAB 7. All current contracts are in place, such as ACH, Wire and Online Cash Management. These contracts may remain in effect. The City will not need to waste valuable time completing new contracts.

9.5. Provide a detailed description of the implementation process, including testing and a sample implementation schedule.

With First State Bank, everything is in place. Business can continue without interruption, with the security of knowing your bank is a phone call or e-mail away, ready at all times to deliver the very best service to the City and its staff. In today's business environment this service is invaluable.

9.6. Does the Proposer assign an implementation team? If so, is an Implementation Manager assigned?

The First State Bank of the Florida Keys team currently assigned to the City of Key West, Dorla Goodrich, Kerry Hadas and Diane Gibson will continue to work with the City of Key West. There will be no need to go through an implementation phase – another cost savings to the City of Key West.

X. REPORTING

Please provide copies of the reports most likely to be used by the City based on the services recommended by the Proposer.

First State Bank of the Florida Keys has provided Sample Statements and Reports under Tab 6.

XI. REFERENCES

Provide three (3) public references within the state of Florida, (if possible, where similar services were provided), including the length of time the Proposer has provided services, client name, contact personnel, address, and phone number. The City may contact these references during the evaluation process. If three Florida public references are not possible, provide three private references whose banking services most closely resemble the account structure used by the City.

First State Bank is very proud of the long standing relationships we have with other Monroe County governmental agencies who have banking needs as complex as the City of Key West. Our experience in managing accounts similar to yours includes the following long-term relationships. As you can see we have a tremendous amount of experience in being the Bank of Choice for most Government Entities in Monroe County.

Utility Board - Keys Energy 56 Years of Banking with FSB

1001 James Street, Key West, FL 33040

Contact: Jack Wetzler, 295-1013

Monroe County Property Appraiser 55 Years of Banking with FSB

500 Whitehead Street, Key West, FL 33040

Contact: Karl Borglum, 292-3420

City of Marathon 4 Years of Banking with FSB

9805 Overseas Highway, Marathon, FL 33050

Contact: Peter Rosasco, 743-6586

Monroe County Sheriff's Office 3 Years of Banking with FSB

5525 College Rd, Key West, FL 33040

Contact: Amy Heavilin, 292-7012

Key West Housing Authority 29 Years of Banking with FSB

P.O. Box 2476, Key West, FL 33045

Contact: Manuel Castillo, 292-6143

Florida Keys Community College 23 Years of Banking with FSB

5901 W. College Road, Key West, FL 33040

Contact: Jean Mauk, 809-3266

Monroe County Land Authority 21 Years of Banking with FSB

1200 Truman Avenue, Suite 207, Key West, FL 33040

Contact: Kim Nystrom, 295-5180

Monroe County Supervisor of Elections 15 Years of Banking with FSB

530 Whitehead Street, Key West, FL 33040

Contact: Harry Sawyer, 292-3416

Monroe County School District 17 Years of Banking with FSB

241 Trumbo Road, Key West, FL 33040

Contact: Dr. Jesus Jara, 293-1400

Monroe County Tax Collector 53 years of Banking with FSB

1200 Truman Avenue, Key West, FL 33040

Contact: Danise Henriquez, 295-5055

Florida Keys Electric Cooperative Association 14 Years of Banking with FSB

91605 US Highway 1, Tavernier, FL 33070

Contact: Timothy Planner, 852-2431

Monroe County Education Foundation 5 Years of Banking with FSB

241 Trumbo Road, Key West, FL 33040

Contact: Sandra Higgs, 293-1400

City of Key Colony Beach 6 Years of Banking with FSB

600 West Ocean Dr., Key Colony Beach, FL 33051

Contact: Ronald Sutton, 289-1212

XII. CURRENT BANKING ENVIROMENT

See attachment 3 for narrative.

XIII. PRICES AND SERVICES CHARTS

Listed below is a monthly average of activity for the period January 2011 — December 2011. Volumes are estimated and not guaranteed as minimums or maximums. Based on the information contained in this proposal, provide unit charges for the new services. The Proposer must use this format, adding any other service fees that will be charged. Additionally, Proposers are requested to provide the information below electronically (Excel is preferred) to the City. Information on additional recommended banking services not covered in the proposal must be added in Attachment 7. Fees not included on the following table should be included at the bottom of each section as applicable.

13.1 Banking Services Chart

| Banking Services | Average Volume | Unit Price | Monthly Fee |
|-----------------------------------|-----------------------|-------------------|--------------------|
| <i>Pooled Cash Account</i> | | | |
| ACH Monthly Maintenance Fee | 1 | 25.00 | 25.00 |
| ACH File Fees | 10 | 5.00 | 50.00 |
| ACH Per Item | 4172 | 0.10 | 417.20 |
| Coin Bags | 158 | 8.50 | 1,343.00 |
| Maintenance Fee | 1 | 12.00 | 12.00 |
| Debits Processed | 7 | 0.15 | 1.05 |
| Credits Processed | 643 | 0.40 | 257.20 |
| ACH Credits Fee | 383 | 0.05 | 19.15 |
| On Us Item Fee | 1492 | 0.10 | 149.20 |
| Foreign Item Fee 1 | 4963 | 0.10 | 496.30 |
| Chargeback Redeposit | 9 | 3.00 | 27.00 |
| Chargeback Fee | 6 | 5.00 | 30.00 |
| On-line Banking Outgoing Wire | 6 | 10.00 | 60.00 |
| Outgoing Wire | 6 | 20.00 | 120.00 |
| Incoming Wire | 0 | 5.00 | 0.00 |
| On-line Banking Stop Payment | 0 | 10.00 | 0.00 |
| Stop Payment Fee | 0 | 20.00 | 0.00 |
| <i>Payroll Account</i> | | | |
| ACH Monthly Maintenance Fee | 0 | 25.00 | 0.00 |
| ACH File Fees | 0 | 5.00 | 0.00 |
| ACH Per Item | 0 | 0.10 | 0.00 |
| Coin Bags | 0 | 8.50 | 0.00 |
| Maintenance Fee | 1 | 12.00 | 12.00 |
| Debits Processed | 130 | 0.15 | 19.50 |
| Credits Processed | 1 | 0.40 | 0.40 |
| ACH Credits Fee | 0 | 0.05 | 0.00 |
| On Us Item Fee | 0 | 0.10 | 0.00 |
| Foreign Item Fee 1 | 0 | 0.10 | 0.00 |

| Banking Services | Average Volume | Unit Price | Monthly Fee |
|---|-----------------------|-------------------|--------------------|
| Chargeback Redeposit | 0 | 3.00 | 0.00 |
| Chargeback Fee | 0 | 5.00 | 0.00 |
| On-line Banking Outgoing Wire | 0 | 10.00 | 0.00 |
| Outgoing Wire | 0 | 20.00 | 0.00 |
| Incoming Wire | 0 | 5.00 | 0.00 |
| On-line Banking Stop Payment | 0 | 10.00 | 0.00 |
| Stop Payment Fee | 0 | 20.00 | 0.00 |
| Operating Account | | | |
| ACH Monthly Maintenance Fee | 0 | 25.00 | 0.00 |
| ACH File Fees | 0 | 5.00 | 0.00 |
| ACH Per Item | 0 | 0.10 | 0.00 |
| Coin Bags | 0 | 8.50 | 0.00 |
| Maintenance Fee | 1 | 12.00 | 12.00 |
| Debits Processed | 445 | 0.15 | 66.75 |
| Credits Processed | 0 | 0.40 | 0.00 |
| ACH Credits Fee | 0 | 0.05 | 0.00 |
| On Us Item Fee | 0 | 0.10 | 0.00 |
| Foreign Item Fee 1 | 0 | 0.10 | 0.00 |
| Chargeback Redeposit | 0 | 3.00 | 0.00 |
| Chargeback Fee | 0 | 5.00 | 0.00 |
| On-line Banking Outgoing Wire | 0 | 10.00 | 0.00 |
| Outgoing Wire | 0 | 20.00 | 0.00 |
| Incoming Wire | 0 | 5.00 | 0.00 |
| On-line Banking Stop Payment | 1 | 10.00 | 10.00 |
| Stop Payment Fee | 0 | 20.00 | 20.00 |
| Online Credit Card Payment Account | | | |
| ACH Monthly Maintenance Fee | 0 | 25.00 | 0.00 |
| ACH File Fees | 0 | 5.00 | 0.00 |
| ACH Per Item | 0 | 0.10 | 0.00 |
| Coin Bags | 0 | 8.50 | 0.00 |
| Maintenance Fee | 0 | 12.00 | 0.00 |
| Debits Processed | 0 | 0.15 | 0.00 |
| Credits Processed | 6 | 0.40 | 2.40 |
| ACH Credits Fee | 6 | 0.05 | 0.30 |
| On Us Item Fee | 0 | 0.10 | 0.00 |
| Foreign Item Fee 1 | 0 | 0.10 | 0.00 |
| Chargeback Redeposit | 0 | 3.00 | 0.00 |
| Chargeback Fee | 0 | 5.00 | 0.00 |
| On-line Banking Outgoing Wire | 0 | 10.00 | 0.00 |
| Outgoing Wire | 0 | 20.00 | 0.00 |
| Incoming Wire | 0 | 5.00 | 0.00 |
| On-line Banking Stop Payment | 0 | 10.00 | 0.00 |
| Stop Payment Fee | 0 | 20.00 | 10.00 |
| Police Investigation Account | | | |
| ACH Monthly Maintenance Fee | 0 | 25.00 | 0.00 |
| ACH File Fees | 0 | 5.00 | 0.00 |

| Banking Services | Average Volume | Unit Price | Monthly Fee |
|-------------------------------|----------------|------------|-------------|
| ACH Per Item | 0 | 0.10 | 0.00 |
| Coin Bags | 0 | 8.50 | 0.00 |
| Maintenance Fee | 1 | 12.00 | 12.00 |
| Debits Processed | 0 | 0.15 | 0.00 |
| Credits Processed | 0 | 0.40 | 0.00 |
| ACH Credits Fee | 0 | 0.05 | 0.00 |
| On Us Item Fee | 0 | 0.10 | 0.00 |
| Foreign Item Fee 1 | 0 | 0.10 | 0.00 |
| Chargeback Redeposit | 0 | 3.00 | 0.00 |
| Chargeback Fee | 0 | 5.00 | 0.00 |
| On-line Banking Outgoing Wire | 0 | 10.00 | 0.00 |
| Outgoing Wire | 0 | 20.00 | 0.00 |
| Incoming Wire | 0 | 5.00 | 0.00 |
| On-line Banking Stop Payment | 0 | 10.00 | 0.00 |
| Stop Payment Fee | 0 | 20.00 | 0.00 |

| | |
|------------------------------|-----------------|
| Average Collected Balance | \$9,000,000 |
| Current Earnings Credit Rate | * |
| Floor Rate for ECR | N/A |
| FDIC Assessment | * |
| Fee Waiver (if applicable) | |
| Current Interest Rate | FF + .10 = .35% |
| Floor Interest Rate | .81% |

* This applies to non-interest bearing accounts only; it does not apply to the City of Key West.

First State Bank was awarded the City of Key West accounts in March of 2000. Our contract was for three years with two one year extensions. Though not contractually obligated, First State Bank continued to honor the terms and agreements of the City's contract without any increases in service charges or fees and continued to pay interest to the City on its accounts.

In 2004, interest rates began to plummet with the downturn in the economy. In 2008, when the Fed Funds rate dropped to an all-time low, according to the contract, the City's earnings would have been dramatically reduced.

As a result of these historical low interest rates, First State Bank had the opportunity to prove to the City, that our relationship and our concern for local budgetary issues, was more important than minimum contractual obligations.

First State Bank chose to offer the City a special rate to offset these losses. First State Bank felt it was its civic obligation to do this because our Board, our employees and our customers live here in Key West- this is our hometown.

This commitment to "do the right thing" is what gives the City "added value" in partnering with First State Bank.

Below is a summary of the years 2008 thru 2012 which total \$362,605.71 in additional earnings above and beyond the original contract.

| | Average Balance | Contracted Earnings* | Actual Paid Earnings | Additional Earnings* |
|------|--------------------|-------------------------|-------------------------|-------------------------|
| 2008 | \$12,536,634 | \$234,601.38 | \$412,638.67 | \$178,037.28 |
| 2009 | \$8,223,080 | \$0 | \$109,188.02 | \$109,188.02 |
| 2010 | \$6,089,683 | \$0 | \$28,658.60 | \$28,658.60 |
| 2011 | \$9,313,659 | \$0 | \$34,445.24 | \$34,445.24 |
| 2012 | \$14,078,838 | \$0 | \$12,276.57 | \$12,276.57 |
| | | <u>\$234,601.38</u> | <u>\$597,207.10</u> | <u>\$362,605.71</u> |

* Based on Fed Funds - .25%. Please note that during 2009 through 2012 the rate would have been zero. First State Bank chose to pay the City of Key West .37% even though we were not contractually obligated to do so.

When you choose to do business with First State Bank, we can commit to you that because we are sensitive to local issues, we will be flexible and reactive to any situation that may arise.

XIV. ATTACHMENTS

- Attachment 1— Qualified Public Depository
- Attachment 2— Equal Employment Opportunity Statement
- Attachment 3-- Current Banking Environment
- Attachment 4—Interest Rates
- Attachment 5— Statement on Public Entity Crimes
- Attachment 6— Conflict/Non conflict of interest statement
- Attachment 7— Permit Requirements
- Attachment 8— Anti-Kickback
- Attachment 9— Local Vendor Certification

ATTACHMENT 1

QUALIFIED PUBLIC DEPOSITORY



STATE OF FLORIDA
Office of the Treasurer and Insurance Commissioner
Division of Treasury
Bureau of Collateral Securities

**CERTIFICATE OF QUALIFIED PUBLIC DEPOSITORY
UNDER THE FLORIDA SECURITY FOR
PUBLIC DEPOSITS ACT**

This is to certify that **FIRST STATE BANK OF THE FLORIDA KEYS**
1201 SIMONTON ST
KEY WEST, FL 33040

has fully qualified as a public depository pursuant to Chapter 280, Florida Statutes, otherwise known as the Florida Security for Public Deposits Act. As such, said bank or savings association is hereby designated to receive public deposits, as defined in Subsection 280.02(13), Florida Statutes.

Given under my hand this 25th day of August, 1994.


TREASURER, STATE OF FLORIDA

DS-1002
REV. 1/92

ATTACHMENT 2

EQUAL EMPLOYMENT OPPORTUNITY STATEMENT

The undersigned Proposer, by the signature below, represents that the foregoing information is true and correct. The undersigned Proposer, by the signature below, provides assurances to the City of its compliance with Federal, State and City affirmative action and equal employment opportunity requirements. The undersigned Proposer further assures that it and its sub-contractors/sub-recipients facilities are accessible to the handicapped (if applicable).

IN WITNESS WHEREOF, this Equal Employment Opportunity Statement is hereby signed as of the date indicated.

PROPOSER: First State Bank of the Florida Keys

ATTEST

By Kay Miller
Authorized Signature signed in ink before a
Notary Public

Lara Dwyer
Witness

Kay Miller
Typed name of person signing above

Mira Castillo
Witness

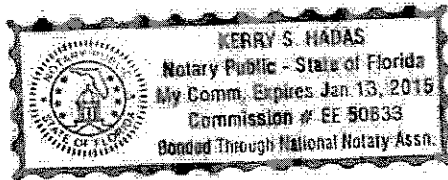
Vice President & Human Resources Director
Title of person signing above

Date signed:

3/16/12
Florida
1/13/15

Notary Public, State of

My commission expires:



ATTACHMENT 3

Current Banking Environment

- A. General** — The City is looking for the most beneficial account type(s) that will provide the most service and least cost for the amount of activity of each account. The City desires to maximize the amount of cash available for investment purposes.
- B. Accounts Included**
Currently banking services are being conducted with the following accounts.
- Pooled Cash Concentration Account** - All deposits of the City are made into the Pooled Cash account and this account is used to fund checks presented in the accounts payable and payroll accounts.
 - Payroll Zero Balance Account** — All employee wage payments are made against this account. When checks are presented they are funded by the Pooled Cash account.
 - Accounts Payable Zero Balance**—All vendor payments are made against this account. When checks are presented they are funded by the Pooled Cash account.
 - Online Credit Card Account** - This account is used for processing all utility credit card payments made online when using the City's on-line payment software.
 - Police Investigative Fund** - used as a standard checking account for police investigative needs.
- C. Account Structure**
- a. Pooled Cash Concentration Account** — All deposits are made into the Pooled Cash account. That represents 600-700 bank deposits per month in addition to around 400 ACH credits into the account monthly. The funds in the accounts are swept into the two zero balance accounts when checks are presented for payments. The average bank collected balance in the account earns interest monthly. The City reserves the right to make investment in other options using the funds of the Pooled Cash account.
 - b. Payroll Zero Balance Clearing** — All payroll checks are presented against this account approximately 150 per month. The account maintains a zero balance as checks are presented the bank sweeps the Pooled Cash account to offset the charges- Most of the City's payroll is directly deposited into employee accounts this represents approximately 1100 ACH payroll items monthly.
 - c. Accounts Payable Zero Balance Clearing**—All accounts payable checks are presented against this account approximately 450 per month. The account maintains a zero balance as checks are presented the bank sweeps the Pooled Cash account to offset the charges. Currently no ACH files are generated through the accounts payable process.
 - d. Online Credit Card** — This account is used to account for credit card payments made by customers using the City's online web based software. Currently the City only uses this account for utility payments on-line. Monthly upon reconciliation the proceeds in this account are transferred to the Pooled Cash account.
 - e. Police Investigative Fund** — This account is used as a checking account for the police department when special needs arise. The volume in this account is minimal with only one or two transactions per month.

D. Revenue Collection

The City collects revenue at numerous locations throughout the city.

| Location | Days collecting | Transmitted | Type of Collection | Annual Volume |
|----------------------------------|------------------------|---|------------------------------------|---------------|
| Transfer Station Rockland Key | Mon - Sat | Monday - Friday to Revenue Dept via courier | Cash, Checks, Credit Cards | \$115,000 |
| Garrison Bight Marina | Mon - Sun | Monday - Sun to Key West Bight Marina | Cash, Checks, Credit Cards | \$1,500,000 |
| Key West Bight Marina | Mon - Sun | Mon, Wends, Fri - Private armored car pick deliver to Bank. Monday - Friday rent payment to revenue for posting | Cash, Checks, Credit Cards | \$5,000,000 |
| Key West DOT Office | Mon - Fri | Monday - Friday to Revenue Dept via courier | Cash, Checks | \$100,000 |
| Key West DOT Buses | Mon - Sat | Monday - Sat to Revenue Dept via courier | Cash, Coins | \$500,000 |
| Building Department | Mon - Fri | Monday - Friday to Revenue Dept via courier | Cash, Checks, Credit Cards | \$2,500,000 |
| Parking Meters/Pay Stations | Mon - Fri as needed | Monday - Friday to Revenue Dept via courier | Coins, Credit Cards | \$3,300,000 |
| Parking Enforcement | Mon - Fri | Monday - Friday to Revenue Dept via courier | Cash, Checks, Credit Cards | \$650,000 |
| Cemetery | Mon - Fri | Monday - Friday to Revenue Dept via courier | Checks | \$50,000 |
| Port | Mon - Fri | Monday - Friday to Revenue Dept via courier | Checks | \$3,500,000 |
| Code Enforcement | Mon - Fri | Monday - Friday to Revenue Dept via courier | Cash, Checks | \$85,000 |
| Revenue/Utilities | Mon - Fri | Collected on site, on-line | Cash, Checks, Credit Cards, ACH | \$16,000,000 |
| Finance | Mon - Fri | Monday - Friday to Revenue Dept via courier | Checks, EFT | \$35,000,000 |

The Revenue department located at 3126 Flagler Ave. Key West, receives deposits Monday thru Saturday from the various locations listed above. Revenue verifies the deposit amounts received from the various locations and prepares the deposits for armored car pick up. Revenue also services walk up clients and processes all utility payments. Daily (mon-fri) a private armored car service picks up the daily deposits from Revenue and transmits to the bank for processing.

ATTACHMENT 4

INTEREST RATES

1. Earnings Credit Rate - please provide the index which will be used to base the ECR.

First State Bank of the Florida Keys calculates the earnings credit to non-interest bearing accounts by applying an earnings credit rate to the positive average daily collected balance less an allowance for the 10% Federal Reserve requirement. The earnings credit is subtracted from the fees for services to determine the charges, if any, to your account. First State Bank's current earnings credit rate is .30%. This rate is set by the Bank. The FDIC assessment is calculated against the average monthly bank collected balance. The FDIC assessment rate is currently .25%.

2. Government Interest Rate on Excess Balances - It is the desire of the City to have a Net-Interest Checking Account where the balances are first used to offset bank service charges and any excess balance will automatically earn interest.

First State Bank of the Florida Key is offering an interest rate of the target Federal Funds rate plus .10 basis points. The Fed Funds rate is set by the Federal Reserve Board. The current Fed Funds rate of .25% plus .10 basis points would yield the City a rate of .35%. First State Bank is further offering the City of Key West a .81% floor rate. With this floor rate, the City of Key West would never earn below .81%.

First State Bank will continue to offset bank service charges by the account balances for the City of Key West.

First State Bank recognizes that good business means not only offering strong products and services, but also tailoring them to our customer's individual needs. That is why First State Bank continues to offer the City of Key West its present account structure with the option to offset its service charges with earnings.

ATTACHMENT 5

**SWORN STATEMENT PURSUANT TO SECTION 287.133(3)(A)
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES**

**THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY PUBLIC
OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS,**

1. This sworn statement is submitted to The City of Key West
by Doria Goodrich
(Print individual's name and title)
For First State Bank of the Florida Keys
(print name of entity submitting sworn statement)
whose business address is 1201 Simonton Street, Key West FL 33040
and (if applicable) its Federal Employer Identification Number (FEIN) is 65-0790413
(If the entity has no FEIN, include the Social security Number of the individual signing
this sworn statement: _____)

2. I understand that a "public entity crime" as defined in Paragraph 287.13 3(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.

3. I understand that "conviction" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment of information after July 01, 1989, as a result of a jury verdict, non-jury trial, or entry of a plea of guilty or nolo contendere.

4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:
 1. A predecessor or successor of a person convicted of a public entity crime;
or
 2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime, the term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment of income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.

5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of any state of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.
6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement (indicate which statement applies).

 Neither the entity submitting this sworn statement, or any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July, 1989.

 The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 01, 1989.

 The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 01, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (attach a copy of the final order).

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH ONE (1) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR THE CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

Donna Grandrich
(SIGNATURE)
3/28/2012
(DATE)

STATE OF Florida

COUNTY OF Monroe

PERSONALLY APPEARED BEFORE ME, the undersigned authority Donna Grandrich who, after first being sworn by me, (name of individual) affixed his/her signature in the space provided above of this 28 day of March, 2012

Kerry S. Hadass
NOTARY PUBLIC

My commission expires: 1/13/15



ATTACHMENT 6

CONFLICT/NON-CONFLICT OF INTEREST STATEMENT

CHECK ONE

To the best of our knowledge, the undersigned firm has no potential conflict of interest due to any other clients, contracts, or property interest for this project.

OR

The undersigned firm, by attachment to this form, submits information which may be a potential conflict of interest due to other clients, contracts, or property interest for this project.

LITIGATION STATEMENT

CHECK ONE

The undersigned firm has had no litigation and/or judgments entered against it by any local, state or federal entity and has had no litigation and/or judgments entered against such entities during the past ten (10) years.

The undersigned firm, BY ATTACHMENT TO THIS FORM, submits a summary and disposition of individual cases of litigation and/or judgments entered by or against any local, state or federal entity, by any state or federal court, during the past ten (10) years.

First State Bank of the Florida Keys

Company Name

Doria Goodrich

Authorized Signature

Doria Goodrich

Name (Print or Type)

Executive Vice President/Personal Banking Executive

Title

Failure to check the appropriate blocks above may result in disqualification of your proposal. Likewise, failure to provide documentation of a possible conflict of interest or a summary of past litigation and/or judgments may result in disqualification of your proposal.

**BUSINESS TAX RECEIPT
REQUIREMENT AND COST**

\$1,102.50 per year if physically located in Key West

Plus \$183.75 per ATM

City of Key West Business Taxes Paid by First State Bank of the Florida Keys in 2011 - 2012

| | | |
|---------------------|---------------------------|-------------------|
| Simonon Office | 1201 Simonon Street | \$1,102.50 |
| Old Town Office | 444 Whitehead Street | \$1,102.50 |
| Boulevard Office | 3406 North Roosevelt Blvd | \$1,102.50 |
| Winn Dixie Office | 2778 North Roosevelt Blvd | \$1,102.50 |
| Loan Annex | 1127 Simonon Street | \$ 304.60 |
| Truval Village ATM | 1007 Doyal Street | \$ 183.75 |
| Beachside ATM | 3841 North Roosevelt Blvd | \$ 183.75 |
| KW Airport ATM | 3491 South Roosevelt Blvd | \$ 183.75 |
| Faustos ATM | 522 Fleming Street | \$ 183.75 |
| Harpoon Harry's ATM | 832 Caroline Street | \$ 183.75 |
| Mobile ATM | | \$ 183.75 |
| Total | | <u>\$5,817.10</u> |

These do not include the Real Estate taxes paid on 9 parcels of property owned by First State Bank of the Florida Keys in the City of Key West or the garbage and sewer bills paid by the Bank's 4 owned Key West facilities. This also does not include the taxes, garbage and sewer paid on the Bank's Real Estate Owned inventory or the Bank's Subsidiaries.

ATTACHMENT 8

ANTI-KICKBACK AFFIDAVIT

STATE OF FLORIDA

SS

COUNTY OF MONROE

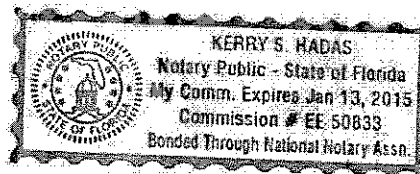
I, the undersigned, hereby duly sworn, depose and say that no portion of the sum herein bid will be paid to any employee of the City of Key West as a commission, kickback, reward or gift, directly or indirectly by me or any member of my firm or by an officer of the corporation.

BY: *Doria Goodrich*
Doria Goodrich

sworn and prescribed before me this 28 day of March, 2012

Kerry S. Hadas
NOTARY PUBLIC, State of Florida

My commission expires: 1/13/15



ATTACHMENT 9

LOCAL VENDOR CERTIFICATION PURSUANT TO CKW ORDINANCE 09-22 SECTION 2-798

The undersigned, as a duly authorized representative of the vendor listed herein, certifies to the best of his/her knowledge and belief, that the vendor meets the definition of a "Local Business." For purposes of this section, "local business" shall mean a business which:

- a. Principle address as registered with the FL Department of State located within 30 miles of the boundaries of the city, listed with the chief licensing official as having a business tax receipt with its principle address within 30 miles of the boundaries of the city for at least one year immediately prior to the issuance of the solicitation.
 - b. Maintains a workforce of at least 50 percent of its employees from the city or within 30 miles of its boundaries.
 - c. Having paid all current license taxes and any other fees due the city at least 24 hours prior to the publication of the call for bids or request for proposals.
- Not a local vendor pursuant to Ordinance 09-22 Section 2-798
 Qualifies as a local vendor pursuant to Ordinance 09-22 Section 2-798

If you qualify, please complete the following in support of the self certification & submit copies of your County and City business licenses. Failure to provide the information requested will result in denial of certification as a local business.

Business Name First State Bank of the Florida Keys

Phone: (305)296-8535

Current Local Address: 1201 Simonton Street Key West FL
(P.O. Box numbers may not be used to establish status)

Fax: (305)294-7315

Length of time at this address 57 Years

[Signature]
Signature of Authorized Representative

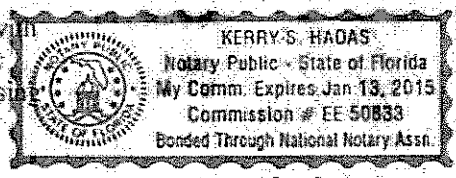
3/28/2012
Date

STATE OF Florida
COUNTY OF Monroe

The foregoing instrument was acknowledged before me this 28 day of March, 2012.
By Doria Goodrich of First State Bank of the Florida Keys
(Name of officer or agent, title of officer or agent) Name of corporation acknowledging
or has produced [Signature] as identification
(type of identification)

[Signature]
Signature of Notary
Kerry S Hadas
Print, Type or Stamp Name of Notary

Return Completed form with
Supporting documents to:
City of Key West Purchasing



Title or Rank

CITY OF KEY WEST, FLORIDA

Business Tax Receipt

This Document is a business tax receipt.
Holder must meet all City zoning and use provisions.
P.O. Box 1409, Key West, Florida 33040 (305) 809-3955

Business Name: FIRST STATE BANK OF THE FLA
Location Addr: 1201 SIMONTON ST
Lic NBR/Class: 12-00002958 FINANCIAL INSTITUTION
Issue Date: September 16, 2011 Expiration Date: September 30, 2012
License Fee: \$1,102.50
Add. Charges: \$0.00
Penalty: \$0.00
Total: \$1,102.50

Comments:

This document must be prominently displayed.
PRIVATE CORP. STOCKHOLDER

FIRST STATE BANK OF THE FLA
1201 SIMONTON ST

KEY WEST FL 33040

Printed On: 9/16/11 10:00 AM
City of Key West
Department of Finance
City Clerk
9/16/11 10:00 AM
License Fee: \$1,102.50
Penalty: \$0.00
Total: \$1,102.50

**2011 / 2012
MONROE COUNTY BUSINESS TAX RECEIPT
EXPIRES SEPTEMBER 30, 2012**

RECEIPT# 52110-65680

Business Name: FIRST STATE BANK OF THE FLORIDA KEYS

Business Location: 1201 SIMONTON ST
KEY WEST, FL 33040
Business Name: FIRST STATE BANK OF
Mailing Address: PO BOX 1579
KEY WEST, FL 33041-1579
Business Phone: 305-296-8535
Business Type: BANK INSTITUTIONS/ATM
MACHINES/MORTGAGE BROKERS
(COMMERCIAL BANK)

Rooms: _____
Seats: _____
Employees: _____
Machines: _____
Stalls: _____

STATE LICENSE: 54-03-026888

| Number of Machines: | | For Vending Business Only | | | Vending Type: | | Total Paid |
|---------------------|--------------|---------------------------|---------|-------------|-----------------|--|------------|
| Tax Amount | Transfer Fee | Sub-Total | Penalty | Prior Years | Collection Cost | | |
| 75.00 | 0.00 | 75.00 | 0.00 | 0.00 | 0.00 | | 75.00 |

Paid 122-10-00005329 09/15/2011 75.00

THIS RECEIPT MUST BE POSTED CONSPICUOUSLY IN YOUR PLACE OF BUSINESS

THIS BECOMES A TAX RECEIPT
WHEN VALIDATED

Danielle D. Henriquez, CFC, Tax Collector
PO Box 1129, Key West, FL 33041

THIS IS ONLY A TAX.
YOU MUST MEET ALL
COUNTY AND/OR
MUNICIPALITY PLANNING
AND ZONING REQUIREMENTS.

COMMERCIAL GENERAL LIABILITY COVERAGE PART DECLARATIONS

Policy Number: CPO 5943998-16
AMERICAN ZURICH INSURANCE COMPANY

Named Insured **FIRST STATE BANK OF THE**

Policy Period: Coverage begins **08-05-2011** at 12:01 AM.; Coverage ends **08-05-2012** at 12:01 AM.

Producer Name: **MARSH USA INC**

Producer No. **84044-000**

Item 1. Business Description:

Item 2. Limits of Insurance

| | | | |
|---|----|------------------|-----------------------------------|
| GENERAL AGGREGATE LIMIT | \$ | <u>2,000,000</u> | |
| PRODUCTS-COMPLETED OPERATIONS AGGREGATE LIMIT | \$ | <u>2,000,000</u> | |
| EACH OCCURRENCE LIMIT | \$ | <u>1,000,000</u> | |
| DAMAGE TO PREMISES RENTED TO YOU LIMIT | \$ | <u>1,000,000</u> | Any one premises |
| MEDICAL EXPENSE LIMIT | \$ | <u>10,000</u> | Any one person |
| PERSONAL AND ADVERTISING INJURY LIMIT | \$ | <u>1,000,000</u> | Any one person or organization |

Item 3. Retroactive Date (CG 00 02 ONLY)

This insurance does not apply to "bodily injury", "property damage" or "personal and advertising injury" offense which occurs before the Retroactive Date, if any, shown here: NONE
(Enter Date or "None" if no Retroactive Date applies)

Item 4. Form of Business and Location Premises

Form of Business: **CORPORATION**

Location of All Premises You Own, Rent or Occupy: **See Schedule of Locations**

Item 5. Schedule of Forms and Endorsements

Form(s) and Endorsement(s) made a part of this Policy at time of issue:
See Schedule of Forms and Endorsements

Item 6. Premiums

| | | |
|------------------------|----|------------------|
| Coverage Part Premium: | \$ | 20,770.00 |
| Other Premium: | | |
| Total Premium: | \$ | 20,770.00 |

AMERICAN ZURICH INSURANCE COMPANY

1400 American Lane
Schaumburg, Illinois 60196-1056
1-800-382-2150

BUSINESS AUTO DECLARATIONS

POLICY NO.: CPO 5943998-16

Producer
MARSH USA INC

ITEM ONE

NAMED INSURED: FIRST STATE BANK OF THE FLORIDA
KEYS HOLDING COMPANY

MAILING ADDRESS: 1201 SIMONTON ST
KEY WEST FL 33040

POLICY PERIOD: From 08-05-2011 to 08-05-2012 at 12:01 A.M. Standard Time at your
mailing address shown above.

PREVIOUS POLICY NUMBER: CPO 5943998-15

FORM OF BUSINESS:

- CORPORATION
- LIMITED LIABILITY COMPANY
- INDIVIDUAL
- PARTNERSHIP
- OTHER _____

IN RETURN FOR THE PAYMENT OF THE PREMIUM, AND SUBJECT TO ALL THE TERMS OF THIS POLICY,
WE AGREE WITH YOU TO PROVIDE THE INSURANCE AS STATED IN THIS POLICY.

| | | | | |
|---|----------|---------------|-----------|---------|
| Premium shown is payable at inception: \$ 16,860.37 | | | | |
| AUDIT PERIOD (IF APPLICABLE) | ANNUALLY | SEMI-ANNUALLY | QUARTERLY | MONTHLY |

ENDORSEMENTS ATTACHED TO THIS POLICY:

- IL 00 17 - Common Policy Conditions (IL 01 46 in Washington)
- IL 00 21 - Broad Form Nuclear Exclusion (Not Applicable in New York)

SEE SCHEDULE OF FORMS AND ENDORSEMENTS

COUNTERSIGNED _____ BY _____
(Date) (Authorized Representative)

NOTE

OFFICERS' FACSIMILE SIGNATURES MAY BE INSERTED HERE, ON THE POLICY COVER OR ELSEWHERE
AT THE COMPANY'S OPTION.



CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)
08/11/2011

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

IMPORTANT: If the certificate holder is an ADDITIONAL INSURED, the policy(ies) must be endorsed. If SUBROGATION IS WAIVED, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

PRODUCER
Marsh USA Inc
1550 Seawass Corporate Pkwy, Suite 300
Suncoast, FL 33523CONTACT
NAME:
PHONE:
FAX:
E-MAIL:
ADDRESS:

S25019-CAX-11-12

INSURED
First State Bank of the Florida Keys
1201 Simonton St
Key West, FL 33040

| INSURER(S) AFFORDING COVERAGE | NAIC # |
|--|--------|
| INSURER A: American Zurich Insurance Company | 60142 |
| INSURER B: N/A | N/A |
| INSURER C: | |
| INSURER D: | |
| INSURER E: | |
| INSURER F: | |

COVERAGES CERTIFICATE NUMBER: ATL-00289189-02 REVISION NUMBER: 2

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

| DESCRIPTION | TYPE OF INSURANCE | ADDITIONAL INSURED | POLICY NUMBER | POLICY EFF. DATE (MM/DD/YYYY) | POLICY EXP. DATE (MM/DD/YYYY) | LIMITS |
|-------------|--|--------------------|---------------|-------------------------------|-------------------------------|--|
| A | GENERAL LIABILITY <input checked="" type="checkbox"/> COMMERCIAL GENERAL LIABILITY <input type="checkbox"/> CLAMS-MADE <input checked="" type="checkbox"/> OCCUR | | CPC054399816 | 08-05-2011 | 08-05-2012 | EACH OCCURRENCE \$ 1,000,000 DAMAGE TO RENTED PREMISES (Per occurrence) \$ MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 1,000,000 GENERAL AGGREGATE \$ 2,000,000 PRODUCTS - COMPROP AGO \$ 2,000,000 \$ |
| A | ANY AUTO ALL OWNED AUTOS <input type="checkbox"/> SCHEDULED AUTOS HIREN AUTOS <input checked="" type="checkbox"/> NON-OWNED AUTOS | | CPC054399816 | 08-05-2011 | 08-05-2012 | COMBINED SINGLE LIMIT (Per accident) \$ 1,000,000 BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per person) \$ \$ |
| | UMBRELLA LIAB <input type="checkbox"/> OCCUR EXCESS LIAB <input type="checkbox"/> CLAMS-MADE | | | | | EACH OCCURRENCE \$ AGGREGATE \$ \$ |
| | WORKERS COMPENSATION AND EMPLOYERS LIABILITY ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/OWNER EXCLUDED? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO If yes, describe under DESCRIPTION OF OPERATIONS below | N/A | | | | EL. EACH ACCIDENT \$ EL. DISEASE - EA EMPLOYEE \$ EL. DISEASE - POLICY LIMIT \$ |

DESCRIPTION OF OPERATIONS (LOCATIONS / VEHICLES) (Attach ACORD 101, Additional Remarks Schedule, if more space is required)

City of Key West is added as an Additional Insured excluding Workers' Compensation and Employers' Liability as required by written contract but limited to the operations of the Insured under said contract, and always subject to the policy terms, conditions and exclusions.

CERTIFICATE HOLDER

City of Key West
325 Argyle Street
Key West, FL 33040

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
of Marsh USA Inc.

Alicia Nolan

© 1986-2010 ACORD CORPORATION. All rights reserved.

WAIVER OF OUR RIGHT TO RECOVER FROM THE OTHERS ENDORSEMENT

We have the right to recover our payments from anyone liable for an injury covered by this policy. We will not enforce our right against the person or organization named in the Schedule. (This agreement applies only to the extent that you perform work under a written contract that requires you to obtain this agreement from us.)

This agreement shall not operate directly or indirectly to benefit anyone not named in the Schedule.

Schedule

City of Key West and its agents, employees and officials
PO Box 1409
Key West, FL 33041

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

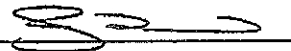
Date Prepared: March 08, 2012

Carrier: Bridgefield Employers Insurance Company

Effective Date of Endorsement: March 08, 2012

Policy Number: 0830-49370

Countersigned by: _____



Insured: First State Bank of the Florida Keys

WC 00 03 13 (Ed. 4-84)



REG CC
Funds Availability Guide

NEXT DAY ITEMS

- > Cash
- > Electronic payments:
 - Wire transfers and ACH
(ACH is available same day under NACHA rules.)
- > U.S. Treasury check
- > U.S. Postal Service Money Order
- > State or local Government check ¹
- > Cashier's check ¹
- > Certified check ¹
- > Tellers check ¹
- > "On-Us" check
- > Federal Reserve Bank check ¹
- > Federal Home Loan Bank check ²

Ordinary Deposits which include Canadian Items drawn in U.S. Funds drawn on U.S. bank (i.e. Royal Bank of Canada)
 The first \$100 from a deposit under Reg CC will be available on the first business day after the day of deposit.
 Effective 07/21/11, the first \$200 from a deposit under Reg CC will be available on the first business day after the day of deposit.
 The remaining funds will be available on the second business day after the day of deposit. **2 Business Days**

Special Rules for New Accounts (first 30 days)

Reg CC Hold

- Cash
- Wire transfers
- First \$5000 of a day's total deposit of Cashier's, certified, teller's, and federal, state, and local government checks ¹

All other deposits:

Next business day
10 Business Days

Exception Holds

Reg CC Hold

- Reasonable cause to doubt collectibility
- Large deposit (checks deposited in a day exceed \$5000)
- Overdrawn account repeatedly within the last 6 months
- Redeposited checks
- Emergency conditions, such as failure of computer or communications equipment

7 Business Days

Canadian Items

U.S. or Canadian Funds drawn on Canadian bank, Canadian office: \$01 to \$99.99

5 Business Days

U.S. or Canadian funds drawn on Canadian bank, Canadian office: \$100 to \$1499.99 ³

45 Business Days

Please note, exceptions may apply as outlined on the exception list.

Foreign Items and Canadian Items \$1500 and over⁴

Are processed through the Foreign Currency Exchange Corporation and take approximately 90 days to clear. FSB does not provide provisional credit on collection items. Once the funds are cleared through the Foreign Currency Exchange Corporation, the deposit will be posted to the customer's account. Applicable processing fees may apply.

¹ Payable to account holder and requires special deposit slip with manager's approval.
² If the item is a government, cashier's check, etc. deposit that is \$5000 or less and you have verified the validity of the check, identification, proper endorsements, etc. you must encode the deposit slip with a truncode 12 for no hold. One of the managers must approve and sign deposit slip. This will provide next day availability.
 If the deposit exceeds \$5000 and if multiple checks and/or multiple checks and the due diligence has been performed, you must transact a split deposit, one for \$5000 with the truncode 12 to provide next day availability signed by a manager and another deposit slip for the difference in the deposit, which will be applied the 10 business day hold.
³ Exceptions may apply please contact Branch Manager or Item Processing.
⁴ Canadian or U.S. funds drawn on a Canadian bank, Canadian Office.



COMMERCIAL GENERAL SERVICE CHARGES

| | | |
|---|-----------|------------------------|
| Account Information/Balance Inquiries/Transfers | | |
| By Teller/Phone or KeysBank.com | ..... | FREE |
| By Phone | ..... | \$3 each * |
| ATM Transactions | | |
| | FSB ATMs | Other ATMs |
| Deposits | No Charge | Not Available |
| Withdrawals | No Charge | \$1.50 per transaction |
| Transfers | No Charge | \$1.50 per transaction |
| Balance Inquiries | No Charge | \$1.50 per transaction |
| ATM/Debit Card | | |
| Replacement | ..... | \$10 |
| Shipment to Alternate Address | ..... | \$10 |
| Expedited Card Delivery | ..... | \$40 |
| Cashier's Checks | ..... | \$5 each |
| Checking and Savings Accounts | | |
| Closed Within 6 Months | ..... | \$25 |
| Charge Off Collection Fee | ..... | \$30 |
| Collection Items (Domestic, Foreign, Documentary) | | |
| Incoming | ..... | 1%, \$20 minimum |
| Outgoing | ..... | 1%, \$20 minimum |
| Coin Rolling | ..... | 5% |
| Counter Checks | ..... | \$2 each |
| Credit Card Cash Advance | | |
| Customers | ..... | \$5 |
| Non-Customers | ..... | \$20 |
| Custom Statement Cycle | ..... | \$5 per month |
| Deposit Corrections | ..... | \$2 each |
| Deposited Items Returned | ..... | \$10 per item * |
| Auto-Redeposit | ..... | \$5 per item * |
| Dormant Accounts | ..... | \$15 per month |
| Escheat Processing | ..... | \$25 |
| Tax Copies | ..... | \$3 per page |
| Foreign Check Collections | ..... | \$10 |
| Foreign Currency Exchange | | |
| Customers | ..... | \$10 |
| Non-Customers (\$500 limit) | ..... | \$30 |
| Foreign Currency Ordered | ..... | \$10 |
| Hold Mail Fee | ..... | \$15 per month |
| Interim Statement | ..... | \$5 |
| Money Orders | ..... | \$5 each |
| Night Deposit Locking Bags | ..... | \$25 per bag |
| Non-Conforming Check Processing | ..... | \$2 per item |
| Notary Fees | | |
| Customers | ..... | \$5 per page |
| Non-Customers | ..... | \$10 per page |
| Notice of Levy or Garnishment | ..... | \$100 plus costs |
| NSF/Overdraft | | |
| Paid/Return Fee** | ..... | \$30 per item |
| Continuous Overdraft Fee*** | ..... | \$5 per day |
| Overdraft Protection Transfers | ..... | \$10 per transfer * |

| | | |
|---|-------|--------------------------------------|
| Reg D Over Limit Fee | ..... | \$10 per transaction |
| Reference Letter | ..... | \$25 |
| Requests for Research | ..... | \$25 per hour plus \$2 per item/page |
| Returned Mail | | |
| Undeliverable Statement Fee | ..... | \$5 per statement |
| Maintenance Fee | ..... | \$15 per month |
| Safe Deposit Boxes | | |
| Key Deposit | ..... | \$25 |
| Drilling Fee | ..... | \$200 |
| Statement Reconciliation (1 hour minimum) | ..... | \$25 per hour |
| Stop Payments | ..... | \$30 per item |
| Verification of Funds | ..... | \$25 |
| Wire Transfers (Domestic) | | |
| Incoming | ..... | \$10 per transfer |
| Outgoing | ..... | \$22 per transfer |
| Wire Transfers (International) | | |
| Incoming | ..... | \$12 per transfer |
| Outgoing | ..... | \$30 per transfer |
| Wire Transfer E-mail Notification | ..... | \$1 each |
| Wire Transfer Fax Notification | ..... | \$3 each |

* FDIC Assessment on Commercial Checking Accounts Assessed on average monthly ledger balance at the current FDIC rate* (Subject to change without notice based on FDIC rate)

The asterisk (*) denotes a change or addition made since the last printing.

The star (*) denotes charges that may be offset by earnings credit on analyzed commercial accounts.

**Fee applies to overdrafts created by checks, ACH or other electronic means.

***Fee will begin daily assessment after 7 consecutive calendar days on overdrawn status.

Note: If an account becomes involved in legal proceedings, its use may be restricted and it may be subject to additional charges for expenses related thereto.

Any account without a certified taxpayer identification number will be subject to all charges related thereto as specified by IRS regulations.

Member FDIC • Equal Housing Lender
Effective: April 14, 2010

As the oldest locally owned and operated bank in the Keys, First State Bank delivers "old fashioned" customer service along with a full range of financial services including Free Checking, Free Online Banking & Bill Paying, High Yielding Savings, Business Banking, Merchant Services and Home Equity Lines of Credit as well as Commercial, Residential and Personal Loans.

11 Keys Locations • KeysBank.com • (866) 298-1858
Main Office: P.O. Box 1579, Key West, FL 33041

FSBCKGSC041210

Sample Statement



P.O. Box 1579
Key West, FL
33041-1579

KEYSBANK.COM • 13 KEYS OFFICES

Key West 305.296.8535 Marathon 305.289.4393
Lower Keys 305.872.8836 Upper Keys 305.852.2070

PAGE 1

Officer: DORIA B GOORICH
(305)296-8535
From: 2-01-12 To: 2-29-12
Days Analyzed: 029

CITY OF KEY WEST
POOLED CASH FUND/MERCH SERV
PO BOX 1409
KEY WEST FL 33041-1409

ACCOUNT:

Lead Account:

-----Analysis Summary-----

| | |
|--------------------------------------|---------------|
| Average Daily Book Balance | 15,756,867.84 |
| Average Daily Bank Collected Balance | 15,615,361.56 |

-----Settlement Summary-----

| | |
|----------------|--------|
| Direct Charges | 861.10 |
| Total Charge | 861.10 |

Please Remit Payment by 3/31/12

-----Rate Summary-----

| | | | |
|-----------------|---------------------|---------------------------------|-----------------|
| Earnings Credit | Reserve Requirement | Borrowed Funds Book / Collected | FDIC Assessment |
|-----------------|---------------------|---------------------------------|-----------------|

-----Direct Charges-----

| Description of Services Rendered | Unit Value | Unit Price | Units Used | #No Chg | Total Price |
|----------------------------------|------------|------------|------------|---------|---------------|
| MAINTENANCE FEE | | 12.00 | 1 | | 12.00 |
| DEBITS PROCESSED | | .150 | 8 | | 1.20 |
| CREDITS PROCESSED | | .400 | 236 | | 94.40 |
| ACH CREDITS FEE | | .050 | 406 | | 20.30 |
| ON US ITEMS FEE | | .100 | 1334 | | 133.40 |
| FOREIGN ITEM FEE 1 | | .100 | 4518 | | 451.80 |
| CHARGEBACK REDEPOSIT 1/1 | 1/1 | 3.000 | 6.000 | | 18.00 |
| CHARGEBACK FEE 1/1 | 1/1 | 5.000 | 6.000 | | 30.00 |
| INCOMING WIRE 1/1 | 1/1 | 10.000 | 1.000 | | 10.00 |
| OUTGOING WIRE 1/1 | 1/1 | 15.000 | 6.000 | | 90.00 |
| Total Direct Charges | | | | | 861.10 |

-----Trend Analysis-----

| Date | Average Book Balance | Investable Balance | Earn Credit Rate | Analyzed /Direct Services | Net Excess /Deficient Balance | Net Earn /Analysis Charge |
|-------|----------------------|--------------------|------------------|---------------------------|-------------------------------|---------------------------|
| 2/29 | 15756867 | | | 861 | | .00 |
| 1/31 | 12760042 | | | 945 | | .00 |
| 12/31 | 12979556 | | | 1058 | | .00 |
| 11/30 | 7313840 | | | 998 | | .00 |
| 10/31 | 7571532 | | | 1059 | | .00 |
| 9/30 | 7579922 | | | 1105 | | .00 |
| 8/31 | 7338148 | | | 1200 | | .00 |
| 7/31 | 8648921 | | | 1116 | | .00 |
| 6/30 | 9179737 | | | 1050 | | .00 |
| 5/31 | 10044029 | | | 950 | | .00 |
| 4/30 | 8938570 | | | 1045 | | .00 |
| 3/31 | 11418431 | | | 1218 | | .00 |

Checking
 Period Ending 2-29-12
 Acct. No.
 Enclosures 115

CITY OF KEY WEST
 PAYROLL ACCOUNT
 PO BOX 1409
 KEY WEST FL 33041-1409

BUSINESS CHECKING ACCOUNT
 Previous Balance 1-31-12 .00
 +Deposits/Credits 18 1,212,737.07
 -Checks/Debits 119 1,212,737.07
 -Service Charge .00
 Current Balance .00

-----DEPOSITS AND OTHER ACTIVITY-----

| Date | Bank Code | Description | Amount |
|------|-----------|-------------------|-----------|
| 2-01 | 999 | TRANSFER FROM DDA | 2652.90 |
| 2-02 | 999 | TRANSFER FROM DDA | 1399.41 |
| 2-03 | 999 | TRANSFER FROM DDA | 1986.15 |
| 2-06 | 999 | TRANSFER FROM DDA | 520.22 |
| 2-07 | 999 | TRANSFER FROM DDA | 87.13 |
| 2-08 | 999 | TRANSFER FROM DDA | 3388.95 |
| 2-10 | 999 | TRANSFER FROM DDA | 569887.79 |
| 2-13 | 999 | TRANSFER FROM DDA | 21525.65 |
| 2-14 | 999 | TRANSFER FROM DDA | 3903.22 |
| 2-15 | 999 | TRANSFER FROM DDA | 4367.10 |
| 2-16 | 999 | TRANSFER FROM DDA | 807.18 |
| 2-16 | 999 | TRANSFER FROM DDA | 1093.91 |
| 2-21 | 999 | TRANSFER FROM DDA | 25.19 |
| 2-24 | 999 | TRANSFER FROM DDA | 564192.28 |
| 2-27 | 999 | TRANSFER FROM DDA | 22835.19 |
| 2-28 | 999 | TRANSFER FROM DDA | 10325.79 |
| 2-29 | 999 | TRANSFER FROM DDA | 2015.00 |

-----CHECKS PAID-----

| Ck. No. | Date | Amount | Ck. No. | Date | Amount |
|---------|------|---------|---------|------|---------|
| 62103 | 2-02 | 318.47 | 68080 | 2-13 | 1123.05 |
| 62112* | 2-29 | 763.90 | 68081 | 2-14 | 1460.75 |
| 67641* | 2-21 | 25.19 | 68082 | 2-13 | 964.53 |
| 67998* | 2-08 | 1123.18 | 68083 | 2-13 | 762.44 |
| 68022* | 2-06 | 520.22 | 68084 | 2-13 | 980.12 |
| 68025* | 2-03 | 1073.15 | 68085 | 2-13 | 525.63 |
| 68030* | 2-03 | 913.00 | 68086 | 2-13 | 731.48 |
| 68043* | 2-01 | 1299.07 | 68087 | 2-10 | 816.81 |
| 68047* | 2-01 | 1353.83 | 68088 | 2-13 | 174.55 |
| 68048 | 2-08 | 1218.13 | 68089 | 2-10 | 687.80 |
| 68049 | 2-08 | 1047.64 | 68090 | 2-10 | 1032.28 |
| 68055* | 2-02 | 1080.94 | 68091 | 2-10 | 846.72 |
| 68065* | 2-07 | 87.13 | 68092 | 2-10 | 667.73 |
| 68070* | 2-15 | 456.96 | 68093 | 2-13 | 1283.95 |
| 68071 | 2-13 | 1414.71 | 68094 | 2-16 | 807.18 |
| 68072 | 2-13 | 751.23 | 68095 | 2-13 | 1283.46 |
| 68073 | 2-10 | 485.84 | 68096 | 2-10 | 2472.64 |
| 68074 | 2-13 | 472.28 | 68097 | 2-15 | 1264.00 |
| 68075 | 2-14 | 472.28 | 68098 | 2-14 | 1297.61 |
| 68076 | 2-10 | 259.96 | 68099 | 2-24 | 1047.64 |
| 68077 | 2-14 | 672.58 | 68100 | 2-13 | 1848.59 |
| 68078 | 2-13 | 2561.12 | 68101 | 2-10 | 2313.18 |
| 68079 | 2-10 | 716.91 | 68102 | 2-15 | 1546.60 |

(Cont'd)

Checking
 Period Ending 2-29-12
 Acct. NO.
 Enclosures 115

CITY OF KEY WEST
 PAYROLL ACCOUNT
 PO BOX 1409
 KEY WEST FL 33041-1409

| | | | | | |
|--------|------|---------|--------|------|---------|
| 68103 | 2-15 | 1099.54 | 68147 | 2-28 | 846.72 |
| 68104 | 2-10 | 795.66 | 68149* | 2-27 | 1278.91 |
| 68105 | 2-13 | 435.98 | 68150 | 2-27 | 1853.46 |
| 68106 | 2-16 | 1093.91 | 68151 | 2-24 | 982.10 |
| 68107 | 2-13 | 966.92 | 68152 | 2-27 | 1004.03 |
| 68108 | 2-10 | 744.86 | 68153 | 2-24 | 1283.46 |
| 68109 | 2-13 | 1220.55 | 68154 | 2-24 | 982.10 |
| 68110 | 2-13 | 657.71 | 68155 | 2-27 | 1004.03 |
| 68111 | 2-10 | 1112.72 | 68156 | 2-24 | 982.10 |
| 68112 | 2-13 | 658.38 | 68157 | 2-27 | 982.10 |
| 68113 | 2-13 | 170.12 | 68158 | 2-24 | 1473.24 |
| 68114 | 2-10 | 449.41 | 68159 | 2-28 | 1278.33 |
| 68115 | 2-13 | 1773.34 | 68160 | 2-29 | 778.82 |
| 68116 | 2-13 | 765.51 | 68161 | 2-27 | 1075.72 |
| 68117 | 2-10 | 762.53 | 68163* | 2-24 | 1977.57 |
| 68118 | 2-10 | 1338.56 | 68164 | 2-24 | 1180.17 |
| 68128* | 2-27 | 1414.71 | 68165 | 2-24 | 2352.85 |
| 68129 | 2-24 | 742.28 | 68166 | 2-28 | 1546.60 |
| 68130 | 2-24 | 422.14 | 68167 | 2-27 | 1123.35 |
| 68131 | 2-24 | 472.28 | 68168 | 2-27 | 869.26 |
| 68132 | 2-29 | 472.28 | 68171* | 2-27 | 908.90 |
| 68133 | 2-27 | 259.96 | 68172 | 2-24 | 558.69 |
| 68134 | 2-27 | 672.58 | 68173 | 2-27 | 993.37 |
| 68135 | 2-27 | 2561.12 | 68174 | 2-27 | 657.71 |
| 68136 | 2-24 | 763.18 | 68175 | 2-24 | 1112.61 |
| 68137 | 2-28 | 1460.75 | 68176 | 2-27 | 503.31 |
| 68138 | 2-27 | 942.96 | 68177 | 2-27 | 170.10 |
| 68139 | 2-27 | 541.28 | 68178 | 2-24 | 449.41 |
| 68140 | 2-27 | 980.12 | 68179 | 2-27 | 1813.01 |
| 68141 | 2-24 | 525.63 | 68180 | 2-27 | 765.51 |
| 68142 | 2-24 | 706.53 | 68181 | 2-24 | 857.24 |
| 68143 | 2-24 | 816.81 | 68182 | 2-24 | 689.26 |
| 68144 | 2-27 | 174.55 | 68183 | 2-24 | 1255.14 |
| 68145 | 2-24 | 687.80 | 68184 | 2-27 | 285.14 |
| 68146 | 2-24 | 1005.30 | | | |

* Gap in check number sequence

| -----ATM AND ELECTRONIC ACTIVITY----- | | | | | |
|---------------------------------------|-----------|-----------------------------|--|--|------------|
| Date | Bank Code | Description | | | Amount |
| 2-10 | 5040 | CITY OF KEY WES CHILD PAY | | | 5193.39- |
| 2-10 | 5040 | CITY OF KEY WES | | | |
| | | City of Key West PAYROLL | | | 549190.79- |
| 2-24 | 5054 | CITY OF KEY WEST ACH Single | | | 1724.01 |
| 2-24 | 5054 | CITY OF KEY WEST | | | |
| | | City of Key West PAYROLL | | | 542590.76- |
| 2-28 | 5058 | CITY OF KEY WES CHILD PAY | | | 5193.39- |
| | | CITY OF KEY WES | | | |

| -----DAILY BALANCE SUMMARY----- | | | | | |
|---------------------------------|---------|------|---------|------|---------|
| Date | Balance | Date | Balance | Date | Balance |
| 1-31 | | | | | |

Sample Analysis Statement



**CITY OF KEY WEST
RECAP OF CHARGES
February 2012**

| <u>DESCRIPTION</u> | | <u>CHARGES</u> |
|--|---------------------------------|--------------------------|
| Account Activity Charges | Pooled Cash | \$861.10 |
| | Payroll Account | \$209.15 |
| | Operating Account | \$96.50 |
| | Online Credit Cards | \$13.90 |
| ACH Processing | | \$258.70 |
| Supplies (Coin Bags 139 at \$8.50) | | <u>\$1,181.50</u> |
| Total Service Charges | | <u><u>\$2,620.85</u></u> |
| Total Interest Paid on Average Positive Bank Collected Balance in Account 100903096. Interest transferred to account monthly. | to cover Service Charges | <u><u>\$4,577.91</u></u> |
| Total Interest less Service Charges Paid to Account | | <u><u>\$1,957.06</u></u> |

Interest on average positive bank collected balance
Interest on \$15,615,361.56 at 0.369% for 29 days

Positive Pay Features & Reports

Positive Pay Features & Reports

Submit Issued Check File



Step 1. Select a file to process.



Step 2. Input details about the file.

Client ID:

File processing type:

Items in file:

Dollar amount in file:



Step 3. Click the "Process File" button.

Submit Issued Checks

Data mapping feature allows the client to submit the check register (issued check) file that is native to their accounting system.

Institution: Leabix Bank (000) Friday, May 26, 2006
 Client: Sig City Electric

Client ID: Issued Checks

(COUNT: 4694) (AMOUNT: \$10,148,703.61)

| | Check # | Client ID | Issue Date | Check # | Amount | Show Key |
|----|---------|-----------|------------|---------|-----------|----------|
| 1 | 1000 | 1000 | 04/26/2006 | 12889 | 633.25 | Display |
| 2 | 1000 | 1000 | 04/21/2006 | 12888 | 63.25 | Display |
| 3 | 1000 | 1000 | 03/28/2006 | 12887 | 800.00 | Display |
| 4 | 1000 | 1000 | 03/15/2006 | 78952 | 660.25 | Display |
| 5 | 1000 | 1000 | 02/16/2006 | 10270 | 22,162.26 | Display |
| 6 | 1000 | 1000 | 02/16/2006 | 10269 | 16.00 | Display |
| 7 | 1000 | 1000 | 02/16/2006 | 10267 | 335.51 | Display |
| 8 | 1000 | 1000 | 02/16/2006 | 10266 | 700.00 | Display |
| 9 | 1000 | 1000 | 02/16/2006 | 10265 | 440.00 | Display |
| 10 | 1000 | 1000 | 02/16/2006 | 10264 | 280.81 | Display |
| 11 | 1000 | 1000 | 02/16/2006 | 10263 | 800.75 | Display |
| 12 | 1000 | 1000 | 02/16/2006 | 10262 | 665.03 | Display |
| 13 | 1000 | 1000 | 02/16/2006 | 10261 | 56.35 | Display |
| 14 | 1000 | 1000 | 02/16/2006 | 10260 | 2,001.58 | Display |
| 15 | 1000 | 1000 | 02/16/2006 | 10259 | 4,480.00 | Display |
| 16 | 1000 | 1000 | 02/15/2006 | 10258 | 1,529.84 | Display |
| 17 | 1000 | 1000 | 02/15/2006 | 10257 | 6,820.00 | Display |
| 18 | 1000 | 1000 | 02/14/2006 | 10256 | 45.00 | Display |
| 19 | 1000 | 1000 | 02/14/2006 | 10255 | 2,426.00 | Display |
| 20 | 1000 | 1000 | 02/14/2006 | 10254 | 467.00 | Display |

Result page: 1 2 3 4 5 6 7 8 9 10 ...

Review Issued Checks

Check Search

Client: Big City Electric

Client ID: All Selected

#1:

#2:

#3:

Issued Date Start: End:

Paid Date Start: End:

Check # Start: End:

Check Amount Start: End:

Transaction Status:

Stop Pay Status:

Decision:

Reason:

Check Search

ACH Positive Pay

ACH Authorization Friday, April 4, 2006

ACH authorization rules for client Big City Electric

Notification Type for Unauthorized ACH Transactions:

| Client ID | Company ID | Standard Entry Class Code | Debits or Credits | Maximum Allowable Amount |
|--|----------------------|---|---|----------------------------------|
| 1 BCE Op Acct | 1585415902 | CTX Corporate Trade Exchange | Debits Only | 5000.00 Edit |
| 2 BCE Op Acct | 35486482 | CTX Corporate Trade Exchange | Debits Only | 10000.00 Edit |
| <input type="text" value="BCE Op Acct"/> | <input type="text"/> | <input type="text" value="ALL - All Standard Entry Class C"/> | <input type="text" value="Both DR and CR"/> | <input type="text" value="Add"/> |

ACH Authorization List: A list of authorized ACH transactions

ACH Monitoring/Filtering

Transaction filters for client Big City Electric:

| Client ID | Standard Entry Class Code | From Tran Code | Thru Tran Code | Debits or Credits | Minimum Filter Amount | Notification Type |
|--|--------------------------------------|----------------------|----------------------|---|-----------------------|---|
| 1 BCE Op Acct | ALL - All Standard Entry Class Codes | 0 | 0 | Both DR and CR | 250.00 | Email Notification Only |
| 2 BCE Payroll | WEB - Internet-Initiated Entry | 0 | 0 | Both DR and CR | 0.00 | Create Exception |
| <input type="text" value="BCE Op Acct"/> | <input type="text"/> | <input type="text"/> | <input type="text"/> | <input type="text" value="Both DR and CR"/> | <input type="text"/> | <input type="text" value="Create Exception"/> |

ACH Monitoring Rules: General guidelines for ACH activity

Print Exceptions Processing as of 04/04/2008

(COUNT:4)(AMOUNT:\$2,956.00)

Client ID:

Only show exceptions with no decision

NOTE: Exceptions will be given a decision of "Return" if no decision has been made by 11:00 AM.

| Op | Acct | Date | Amount | Description | Op | Acct | Reason |
|--------|------|------------|----------|---|--------------------------|--------------------------|--------------|
| BCE Op | Acct | 02/26/2008 | 25.00 | BLOCKED TRANSACTION (WEB) - Paypal payment to user: "EBAY_JAY" | <input type="checkbox"/> | <input type="checkbox"/> | Not Selected |
| BCE Op | Acct | 02/28/2008 | 2,000.00 | UNAUTHORIZED ACH TRANSACTION (TEL) - ABC, Inc - Annual Subscription | <input type="checkbox"/> | <input type="checkbox"/> | Not Selected |
| BCE Op | Acct | 02/28/2008 | 916.00 | PAID NOT ISSUED | <input type="checkbox"/> | <input type="checkbox"/> | Not Selected |
| BCE Op | Acct | 02/28/2008 | 25.00 | DUPLICATE PAID ITEM | <input type="checkbox"/> | <input type="checkbox"/> | Not Selected |

View Images

Save

ACH & Check Exceptions

Exception Processing

Reverse Positive Pay Transaction Extract (XLS File)

Step 1: Select a "Client ID" and "Extract through date".

Client ID:

Extract from date: (optional)

Extract through date:

Step 2: Press the "Create File and Report" button.

Step 3: View Report or File by clicking on Links in Grid Below

| Client ID | File | Report | Date Created | Item Count |
|-----------|---------------------------|-----------------------------|-------------------|------------|
| 1 1000 | View File | View Report | 10/18/04 11:02 AM | 2909 |

Reverse Positive Pay
 Paid Check Extract
 BAI2 File Download

Institution: Centre Bank
 Client: Big City Electric

Client ID:

Reconcile Through Date: (Last Reconcile Through Date: 06/30/2008)

Click to view or export the Reconciliation Report

Last Reconcile Through Date: 06/30/2008
 This Reconcile Through Date: 07/31/2008

| Check Reconciliation Summary | | |
|--------------------------------------|-------------|----------------|
| Outstanding checks as of 06/30/2008: | Show (2975) | \$6,045,037.63 |
| Issued Checks: | Show (4) | (+) \$2,849.85 |
| Paid Checks: | Show (0) | (-) \$0.00 |
| Stop Payments: | Show (0) | (-) \$0.00 |
| Debit: | Show (0) | (-) \$2,814.87 |
| Outstanding checks as of 07/31/2008: | Show (2974) | \$6,045,092.66 |

| Reconcile Date |
|----------------|
| 06/30/2008 |
| 07/31/2008 |
| 08/31/2008 |
| 09/30/2008 |
| 10/31/2008 |
| 11/30/2008 |
| 12/31/2008 |
| 01/31/2009 |
| 02/28/2009 |
| 03/31/2009 |
| 04/30/2009 |
| 05/31/2009 |
| 06/30/2009 |

| | | |
|---------------------------|----------------|--|
| Statement Balance | \$7,200,122.22 | <input type="button" value="Calculate"/> |
| Outstanding Check Amounts | \$6,045,092.66 | |
| Check Register Balance: | \$602,029.66 | |

All checks

Client: Big City Electric

Client ID: All Selected

#1:

#2:

#3:

Issued Date Start: End:

Paid Date Start: End:

Input Date Start: End:

Exception Date Start: End:

Decision:

Reason:

Include Reversals

Dynamic On-line Reporting

| Client ID | Check # | Cred Amount | Issue Date | Print Date | Issue Date | Status |
|-------------|---------|-------------|------------|------------|------------|--------|
| BCE Op Acct | 22676 | 4,505.00 | 10/19/2006 | | 10/20/2006 | Issued |
| BCE Op Acct | 22677 | 720.00 | 10/19/2006 | | 10/20/2006 | Issued |
| BCE Op Acct | 22678 | 386.14 | 10/19/2006 | | 10/20/2006 | Issued |
| BCE Op Acct | 22679 | 279.42 | 10/19/2006 | | 10/20/2006 | Issued |
| BCE Op Acct | 22680 | 396.00 | 10/19/2006 | | 10/20/2006 | Issued |
| BCE Op Acct | 22681 | 8,318.00 | 10/19/2006 | | 10/20/2006 | Issued |
| BCE Op Acct | 22682 | 706.57 | 10/19/2006 | | 10/20/2006 | Issued |
| BCE Op Acct | 22683 | 92.87 | 10/19/2006 | | 10/20/2006 | Issued |
| BCE Op Acct | 22684 | 33.52 | 10/19/2006 | | 10/20/2006 | Issued |
| BCE Op Acct | 22685 | 392.61 | 10/19/2006 | | 10/20/2006 | Issued |
| BCE Op Acct | 2 | | | | 10/20/2006 | Issued |
| BCE Op Acct | 2 | | | | 10/20/2006 | Issued |
| BCE Op Acct | 2 | | | | 10/20/2006 | Issued |
| BCE Op Acct | 22692 | 2,471.83 | 10/19/2006 | | 10/20/2006 | Issued |
| BCE Op Acct | 22694 | 912.00 | 10/19/2006 | | 10/20/2006 | Issued |
| BCE Op Acct | 22695 | 492.65 | 10/19/2006 | | 10/20/2006 | Issued |
| BCE Op Acct | 22696 | 31.62 | 10/19/2006 | | 10/20/2006 | Issued |
| BCE Op Acct | 22697 | 3.78 | 10/19/2006 | | 10/20/2006 | Issued |
| BCE Op Acct | 22698 | 21.38 | 10/19/2006 | | 10/20/2006 | Issued |
| BCE Op Acct | | 624.58 | 10/19/2006 | | | |
| BCE Op Acct | | 114.78 | 10/19/2006 | | | |
| BCE Op Acct | | 835.00 | 10/19/2006 | | | |
| BCE Op Acct | | 140.22 | 10/19/2006 | | | |

Sample On-line Report

Click on column headings to resort

All reports can be exported to Excel

Remote Deposit Agreement



APPLICATION FOR REMOTE DEPOSIT SOLUTIONS

Customer Information:

Company Name: _____ Contact Name: _____
 Telephone #: _____ Email Address: _____

Company Address:

Address line 1: _____
 Address line 2: _____
 Address line 3: City: _____ State: _____ Zip: _____
 Account to be Debited: _____
 Scanner: _____

Endorsement:

The standard endorsement is as follows:
 Company Name – Location Name (Optional)
 Deposit Account #
 For Deposit Only

Add the Location name to the Endorsement (circle one): Yes / No

Indicate company name for endorsement (limit 32 characters): _____

Account Information:

| Account Number: | Account Title: | Location Name (Optional): | Endorse: |
|-----------------|----------------|---------------------------|--------------------------|
| 1. _____ | _____ | _____ | <input type="checkbox"/> |
| 2. _____ | _____ | _____ | <input type="checkbox"/> |
| 3. _____ | _____ | _____ | <input type="checkbox"/> |
| 4. _____ | _____ | _____ | <input type="checkbox"/> |

Administrator Information:

| Name of Administrator: | Login ID: | Account (1,2,3,4): | Email (Required): |
|------------------------|-----------|--------------------|-------------------|
| 1: _____ | _____ | _____ | _____ |
| 2: _____ | _____ | _____ | _____ |
| 3: _____ | _____ | _____ | _____ |

I understand that by signing this form I have designated the above named employee(s) to act as an authorized representative on my behalf. I acknowledge that I am responsible for the employee's actions and for notifying the Bank immediately if the authorization level of the employee should be changed or deleted.

 Authorized Signer

 Date



Customer Account Agreement for Remote Deposit Solutions

This Agreement for Remote Deposit Solutions (the "Agreement") is entered into as of _____, 20__ (the "Effective Date"), by and among First State Bank of the Florida Keys ("Bank"), a financial institution with its principal office located at 1201 Simonton Street, Key West Florida 33040, and _____ ("Customer"), a _____ with its principal office located at _____.

Recitals

WHEREAS, Bank provides certain check clearing services known as Easy Deposit First State Bank Remote Deposit Solutions, ("*Easy Deposit*"), whereby Customer uses an imager to scan paper checks to create an electronic deposit to send to Bank; and

WHEREAS, Customer desires to use such services, under the conditions set forth herein;

NOW, THEREFORE, in consideration of the mutual covenants, terms and conditions set forth herein, the receipt and sufficiency of which is hereby acknowledged, Bank and Customer hereby agree as follows:

1. Definitions

- (a) "Check Images" is defined as an electronic copy of a check.
- (b) "MICR" is defined as magnetic ink character recognition: a technique for reading and processing data printed with ink that contains magnetic particles: used especially in sorting bank checks automatically.
- (c) "Substitute Check" also known as an "image replacement document" (IRD), is a negotiable instrument that is a paper reproduction of an electronic image of an original paper check.

2. Services

- (a) *Provision of Service* - Subject to the terms and conditions of this Agreement, Bank agrees to make the services set forth herein (the "Services") available to Customer. The Services to be provided to Customer shall include only those Services expressly set forth in or attached to the Agreement. Bank shall have the right to determine, in its sole discretion, the nature and extent of the Services to be provided. The Services are the sole property of Bank, and Customer has no rights in any of them, or any other property of Bank or its suppliers, other than those rights expressly granted under this Agreement.



- (b) *Modifications to Services* - Bank reserves the right to modify the Services from time to time without prior notice to Customer, provided, however, that Bank will give Customer at least 30 days notice prior to making any modifications to the Services that would materially alter their functionality.
- (c) *Deposit Account* - The Customer will maintain with the Bank at least one demand deposit or commercial checking account (the Accounts) for the purpose of providing available funds and for deposit of received funds in connection with the use of the Services. In addition to the terms of this Agreement, the account will be subject to a separate Deposit Account Agreement. This Agreement is intended to supplement Customer's Deposit Account Agreement and the terms and conditions therein. This Agreement and the Deposit Account Agreement should therefore be read and construed together. The Customer agrees to maintain sufficient available funds to support any transactions initiated under the Services and to cover any fees the Customer is obligated to pay under this Agreement. If at any time there are not sufficient collected funds on the account to cover all outstanding transactions and to pay obligations under this Agreement, the Customer agrees to immediately pay the Bank, on demand, the amount of any outstanding balances. The Bank may, without any prior notice or demand, obtain payment from the Customer for any of its obligations under this Agreement by debiting any account of the Customer at the Bank.
- (d) *Authorizations* - The Customer will provide to the Bank properly executed authorizations from Customer (which may be designated by a Corporate Resolution) identifying by name and title the officers of the Customer who are authorized to sign this Agreement and perform the obligation of the Customer under this Agreement. In the absence of such Authorizations, Customer agrees that individuals authorized to sign on Customer's deposit account are authorized to sign this Agreement and perform the obligations under this Agreement. From time to time hereafter, Customer may identify other individuals who are authorized to provide instructions or directions to Bank, to sign or document.

3. Service Fee

Customer shall pay all fees and charges that Bank may, from time to time, impose for the performance of the Services (the "Service Fees"), which Service Fees are debited from the Customer's account on a monthly basis. All Service Fees are subject to change by Bank at any time. Customer acknowledges and agrees that it is solely responsible for the payment of all Service Fees.

4. Confidentiality

- (a) *Confidential Information* - Customer acknowledges that the Services, and any Bank database, proprietary data, processes, methods, information, or documentation disclosed or made available as part of the Services ("Bank's Confidential Information") (other than those which are or become part of the public domain), are



the exclusive and confidential property of Bank. Customer must use reasonable care to maintain the confidential nature of Bank's Confidential Information. Upon termination of this Agreement for any reason, Customer shall return to Bank any and all copies of the Bank's Confidential Information which are in its possession and control.

- (b) *Non-Disclosure* - Customer agrees not to discuss or reveal this Agreement or any fees and charges specified in this Agreement with anyone other than employees of Customer, who require such information in the ordinary course and scope of their employment and other individuals whose assigned duties reasonably require that such disclosure be made, or if disclosure is required in the case of legal process.

5. Representations and Warranties

Customer represents and warrants to the Bank that:

- 1) Customer will facilitate timely cooperation between any necessary third parties in order for the Bank to provide the Services.
- 2) Customer is, and shall remain, solely and exclusively responsible for any and all financial risks, including, without limitation, insufficient funds, associated with accessing the Services.
- 3) Customer will use the Services in accordance with such reasonable rules as may be established by the Bank from time to time as set forth in any materials furnished by Bank to Customer.
- 4) Customer assumes exclusive responsibility for the consequence of any instructions it may give to the Bank, for Customer's failure to supply accurate input information, including, without limitation, any information contained in an application.
- 5) Customer agrees to be bound by any clearinghouse agreements, operating circulars, image exchange agreements, etc., to which the bank is a party.
- 6) Customer agrees that the original checks will not be deposited through the remote deposit service more than once.
- 7) Customer agrees to maintain the original checks in a secure location for a minimum period of forty-five (45) days and a maximum period of ninety (90) days from the date of deposit, unless otherwise agreed to in writing.
- 8) After a minimum period of forty-five (45) days and a maximum period of ninety (90) days from the date of deposit, unless otherwise agreed to in writing, Customer shall destroy original checks.



- 9) Customer agrees to review and validate the accuracy of the check data captured including the amount of the check and the legibility of the check image through the *Easy Deposit* service.
- 10) The Customer will be responsible for the payment of all telecommunications expenses, including internet and/or telephone usage, associated with the Services provided under this agreement.
- 11) The Customer agrees that all items scanned through image capture equipment are made payable to Customer, that all signatures on each check are authentic and authorized and that each check has not been altered.

6. Limitation of Liability

- (a) **Customer's Duty to Report Errors** - Customer shall notify Bank of any errors, omissions, or interruptions in, or delay or unavailability of, the Services as promptly as practicable, and in any event within one business day after the earliest of discovery thereof, or the date discovery should have occurred through the exercise of reasonable care, and, in the case of any error, within 30 days of the date of the earliest notice to Customer which reflects the error. Failure of Customer to notify Bank of any error, omission, or other discrepancy within a 30 day period from the date of loss shall relieve Bank of any liability for such error, omission, or discrepancy.
- (b) **Bank's Performance** - Customer acknowledges and agrees that Bank shall not be liable for any damages or loss of any kind resulting from any unintentional error or omission by Bank in performing the Services in accordance with, or unintentional deviation from, the terms and conditions of this Agreement, including exhibits or addenda. Customer acknowledges that Bank's systems and procedures established for providing the Services are commercially reasonable.
- (c) **Indemnification** - Customer shall indemnify and hold Bank harmless from any and all liability or claims, including, but not limited to, damages, court costs, legal fees, and costs of investigation as a result of:
 - (1) reliance or action taken in reliance on written instructions received from Customer;
 - (2) any act or failure to act by Customer;
 - (3) any prohibited transaction due to any actions taken or not taken by Bank in reliance on directions from Customer;
 - (4) any claims, suits or demands brought by third parties with respect to any Substitute Checks;



- (5) any liability arising out of keying errors by the Bank regarding reject items; and
- (6) any other act Bank takes in good faith under this Agreement.

(d) **Limitation** --Bank's liability to Customer, or third parties, under this Agreement, shall in every case be limited to correcting, reversing, or otherwise making accurate any debit or credit initiated by Bank. Except as specifically required by law, Customer agrees that Bank shall not be responsible for any damages, loss, or property damage incurred as a result of Customer using Bank's services set forth in this Agreement. Bank shall have no liability to Customer, or any other person or entity, for any loss, damage, cost, or expense arising out of this Agreement or the Services, regardless of the form in which asserted, whether in contract, tort (including negligence), warranty, or any other legal or equitable grounds, and regardless of whether the remedies available fail of their essential purpose, except as provided by applicable law for any error or delay in performing the Services provided for in this Agreement. Bank shall have no liability for not affecting an Entry (transaction submitted for processing), if:

- (1) Bank receives actual notice or has reason to believe that Customer has filed or commenced a petition or proceeding for relief under any bankruptcy or similar law;
- (2) The ownership of funds involving an Entry or the authority to transmit an Entry is in question;
- (3) Bank suspects a breach of security procedures;
- (4) Bank suspects that the Customer's account has been used for illegal or fraudulent purposes;
- (5) Bank reasonably believes that an Entry is prohibited by federal law or regulation, or otherwise so provided in the Agreement; or
- (6) Transmitting the Entry would result in the Bank exceeding any limitation imposed on it by any governmental or regulating body.

In no event shall Bank be liable for any indirect, consequential, punitive, or special damages or losses that Customer may incur or suffer by reason of this Agreement or any transaction effected under this Agreement.

7. Customer's Obligations

- (a) **Compliance** - Customer agrees to comply with all existing and future operating procedures used by the Bank for processing transactions. Customer further agrees to abide by all federal and state laws, and rules and regulations applicable to banking



transactions. In the event of a conflict between the terms of this Agreement and the, federal and state laws, and rules and regulations, the federal and state laws, and rules and regulations will control the interpretation of this Agreement.

- (b) **Receipt of Deposit(s)** - Check Images will be deemed to have been accepted by the Bank for deposit on the date that the deposit is acknowledged by the Bank's systems. Acknowledgment of receipt of deposit(s) does not constitute an acknowledgment by the Bank that the deposit(s) contains no errors. Availability of deposit(s) is based on the Bank's normal availability schedule in effect at that time. The Bank reserves the right to reject any single Check Image or group of Check Images for any reason, before or after confirmation.
- (c) **Eligible Checks** - Customer agrees to only deposit checks drawn on financial institutions within the United States, excluding its territories. Customer will deposit checks not falling within this requirement in person, using a night drop facility, by U.S. Mail or express mail accompanied by a deposit slip issued by the Bank. Furthermore, Customer agrees it will not use *Easy Deposit* to deposit checks drawn on the same account.
- (d) **Returns after Termination** - If Bank receives a returned item for a check deposited by Customer after Customer has terminated this Agreement, then Customer agrees that Bank may debit Customer's account, or if such account has been closed by Customer, Bank will send a request for payment to the Customer, and Customer agrees to pay Bank in full within 10 business days of the Bank's request to Customer.
- (e) **Controls** - Customer agrees to have controls in place to ensure that all checks processed through image capture equipment are securely stored and security procedures are in place to ensure limited access by authorized personnel only as set forth in Attachment A. No check transmitted to Bank shall be deposited into any bank causing funds to be debited twice from the account of the check writer. Customer agrees to be responsible for all consequential damages resulting from lack of proper controls over processed checks.
- (f) **Processing** - Customer should adhere to the Bank's processing deadlines for credit on deposit (s) processed, transmitted and successfully received by the Bank prior to the cut-off time. Deposit(s) received after the cut-off time will be processed the next business day. The cut-off time schedule is outlined in the disclosures provided at the time of account opening. The cut-off schedule may change from time to time, in which case the Bank will notify the customer at least 30 days prior to this change.
- (g) **Contingency Plan** - In the event the Customer cannot complete a transaction or if the system is down for any reason, the Customer may physically deliver a deposit to the Bank either in person, using a night drop facility, by U.S. mail or express mail. The deposit must be made using original paper checks and balanced deposit ticket.



- (h) **Bankruptcy** - Customer shall notify Bank in writing immediately upon becoming aware of a proceeding being commenced by or against Customer under any bankruptcy, insolvency or similar law seeking an order to adjudicate Customer bankrupt or insolvent or arrangement, liquidation, composition or other relief with respect to Customer or its debts, or seeking appointment of a receiver, trustee or similar official for Customer or for any substantial part of its assets. Upon occurrence of any such event the Bank may immediately terminate this Agreement by providing 10 day notice to Customer.

8. Bank's Obligations

- (a) **Equipment** - Bank agrees to provide Customer with equipment options which allow for the capture and transmission of Check Images and MICR information. The bank is not responsible for any loss, damage or injury resulting from (i) an interruption in Customer's electrical power, telephone or internet services; (ii) the disconnection of the Customer's telephone line or internet service by local companies or from deficiencies in the line or connectivity quality; and (iii) any defect or malfunction of the scanner or telephone line or internet service.
- (b) **Processing Deadlines**- The Bank has specific processing deadlines. Deposit(s) received by the deadline will be posted to your account for settlement on the effective entry day. Deposit(s) received after the deadline will be processed the next business day.
- (c) **Retention of Check Images** - Bank will retain the check images for at least 5 years.

9. Additional Provisions

- (a) **Confidentiality** - Each party warrants and mutually agrees that all information concerning the other party which comes into its possession shall be maintained as confidential and shall not be used except as necessary to permit activities contemplated by this Agreement, except that Bank may advise potential users of its service that Customer has a relationship with Bank.
- (b) **Account Opening Documentation and Disclosure Agreement** - Bank's standard Disclosure Agreement and Account Opening Documentation requirements are incorporated by reference into this Agreement. Generally, for a Corporation, this would include: Articles of Incorporation, Resolution or signature card signed by the Corporate Secretary, By-Laws, Tax ID number, business license, and current financial statements, if applicable. For underwriting purposes, Bank shall also require a description of the Customer's business and / or product offering. In each case, Customer must establish an account with Bank. Bank shall prepare signature



cards, and verify Customer's identity in accordance with appropriate Bank Secrecy Act, OFAC and USA PATRIOT Act verification procedures.

(c) *Miscellaneous* –

- (1) *Entire Agreement*– This Agreement contains the entire Agreement between Bank and Customer concerning Bank's remote deposit service. If any provision of the Agreement is deemed unenforceable, the remaining provisions shall still be enforceable. No modification or waiver of this Agreement shall be effective or enforceable unless in writing and signed by the parties thereto.
- (2) *Force Majeure*– The Bank shall not be responsible for liability, loss, or damage of any kind resulting from any delay in the performance of or failure to perform its responsibilities under this Agreement due to causes beyond the Bank's reasonable control.
- (3) *Successors* – The covenants, conditions, terms and restrictions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective personal representatives, heirs, successors and assigns.
- (4) *Governing Law* – This Agreement shall be governed by the laws of the State of Florida.
- (5) *Waiver of Jury Trial* – The parties knowingly, voluntarily and intentionally waive their right to trial by jury in any litigation arising out of, or in connection with, this Agreement or any course of conduct, course of dealing, statements or actions of the parties in connection with this Agreement or otherwise.
- (6) *Assignment* – Neither party may assign this Agreement without the prior Written consent of the other party.
- (7) *Termination* – This Agreement shall remain in force until terminated, and either the Customer or Bank may terminate this Agreement (i) upon thirty (30) days written notice to the other at the current address of record; (ii) upon termination of the account relationship between the parties; (iii) upon failure of the Customer to comply with the terms and conditions of this Agreement; (iv) or any other event, which causes the vendor to be unable to provide the Program to the Bank or the Customer. The Customer agrees to return the scanner, if applicable, and/or any other hardware products provided by the Bank and all written and electronic documentation provided and related to the scanner or program to the Bank, together with all copies thereof, upon termination.



- (8) *Notices-* Except as otherwise expressly provided herein, the Bank shall not be required to act upon any notice or instruction received from Customer or any other person, or to provide any notice or advice to Customer or any other person with respect to any matter. Except as otherwise provided herein, any notice under this Agreement must be in writing and delivered by express carrier, facsimile, or sent by United States registered or certified mail and, if to the Bank, addressed to:

First State Bank of the Florida Keys
1201 Simonton Street
Key West, Florida 33040

Or if to Customer to the address associated with its deposit account.

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ATTACHMENT A – Security Procedures & Unauthorized Access

Security Procedures & Unauthorized Access – The Customer shall be solely responsible for protecting against unauthorized access to the scanner and the Program and any and all losses and damages arising from any unauthorized access to the scanner and the program. The Customer shall establish physical security, passwords and other security procedures necessary to ensure the confidentiality of access features. The customer shall make such procedures and security features known only to those authorized representatives of the Customer who will use the scanner and the Program. The Bank shall have no obligation, liability or control over said procedures or the failure of Customer to maintain said procedures. The Customer shall solely be responsible for designating its authorized representatives, and all changes thereof, to the Bank, provided however, the Bank shall not be responsible for verifying the authenticity of any person claiming to be a representative of the Customer or the authenticity of any instruction, direction or information provided to any said person. Any instructions, directions or information provided by the Customer, or any representative of the Customer, related to the Services shall be deemed to have been authorized by the Customer, and the Bank shall be indemnified and held harmless by the Customer for acting upon any such direction, instruction or information.

- a) The Bank will provide the Customer with an Administrative user name and password. The Customer may appoint an individual (Administrator) with the authority to: (i) determine who will be authorized to use the services; (ii) establish separate passwords for each user; and (iii) establish limits on each user's authority to access information and conduct transactions. Customer is responsible for the actions of its Administrator, the authority the Administrator gives others to act on his/her behalf and the actions of the persons designated by the Administrator to use the Bank's services.
- b) Customer agrees to take reasonable steps to safeguard the confidentiality of all passwords; to limit the access to its passwords to persons who have the need to know such information; to closely monitor the activity of employees who access the Bank service; to prohibit its employees from initiating entries without proper supervision and adequate controls and to change its passwords periodically or remove access from employees no longer employed or authorized by the Customer to use the Bank's services.
- c) Customer understands that the use of passwords is confidential and assumes all risks of accidental disclosure or inadvertent use by any party whatsoever. Customer acknowledges that no person from the Bank will ever ask for passwords. The Bank may require the Customer to change its password at any time. The Bank may deny access to the Bank Service without prior notice if the Bank is unable to confirm to its satisfaction that a person has authority to access the Service or believes denial of access is necessary for security reasons.



Accepted for Bank:

Approval Signature

Printed Name and Title

Date

Accepted for Customer:

Approval Signature

Printed Name and Title

Date

Positive Pay Agreement

POSITIVE PAY SERVICES AGREEMENT

This Positive Pay Services Agreement ("Agreement") is between First State Bank of the Florida Keys ("Bank") and _____ ("Customer"). The Bank and the Customer agree that the provision by the Bank and the use by the Customer of the Positive Pay services described below shall be subject to the terms and conditions set forth in the Agreement. In the event of inconsistency between a provision of this Agreement and the Florida (FL) Uniform Commercial Code, the provisions of this Agreement shall prevail.

1. DEFINITIONS

- 1.1 **Statutory Definitions.** Unless otherwise defined in this Agreement, words or phrases shall have the meanings set forth in FL Uniform Commercial Code Chapter 673- "Negotiable Instruments" and FL Uniform Commercial Code Chapter 674 - "Bank Deposits and Collections."
- 1.2 **Definitions.**
 - 1.2.1 **Agreement** means this Positive Pay Services Agreement, including Schedules A through F, as it may be amended from time to time.
 - 1.2.2 **Authorized Account** means the account(s) of the Customer, maintained at the Bank to which the Positive Pay services rendered by the Bank will apply.
 - 1.2.3 **Authorized Person** means a person that Customer has authorized to access Bank's Positive Pay service.
 - 1.2.4 **Available Funds** means funds on deposit in an Authorized Account and available for withdrawal pursuant to Federal Reserve Regulation CC (12 CFR 229 et seq.) and the Bank's applicable funds availability schedule and policies as described in the current Deposit Account Agreement and Disclosure.
 - 1.2.5 **Business Day** means a calendar day other than Saturdays, Sundays and Federal Reserve holidays.
 - 1.2.6 **Exception** means a Presented Check that does not match a check included in an Issued Check File or an ACH credit or debit that is blocked or not authorized.
 - 1.2.7 **Exception Report** means a record describing Exceptions, which is provided by the Bank to the Customer or Authorized Person under Section 2.2.2.
 - 1.2.8 **Issued Check File** means a record describing checks written by the Customer on an Authorized Account provided by the Customer or Authorized Person to the Bank under Section 2.1.
 - 1.2.9 **Pay Decision** means the instructions of the Customer or Authorized Person to the Bank requesting the Bank to pay an Exception.
 - 1.2.10 **Presented Check** means a check drawn on an Authorized Account and presented to the Bank for payment through the check collection system.
 - 1.2.11 **Return Decision** means the instructions of the Customer or Authorized Person to the Bank instructing the Bank not to pay an Exception.

2. POSITIVE PAY SERVICES

- 2.1 **Issued Check File.** The Customer or Authorized Person shall submit an Issued Check File to the Bank.
 - 2.1.1 The Issued Check File shall accurately state the check number, date and the exact dollar amount of each check drawn on an Authorized Account since the last Issued Check File was submitted. Each Authorized Account shall require an Issued Check File for all checks issued.
 - 2.1.2 The Customer or Authorized Person shall send the Issued Check File to the Bank in the format and medium as specified by the Bank and agreed to by the Customer.
 - 2.1.3 In the event of system failure, either that of the Customer's or of the Bank's, and the Issued Check File cannot be received by the Bank or the Bank cannot process the file, the file shall be considered as not received, even if the Bank has possession of the file.
- 2.2 **Payment of Presented Checks and Reporting of Exceptions.** The Bank shall compare each Presented Check by check number and amount against each Issued Check File received by the Bank for each Authorized Account. The Bank shall compare each ACH credit or debit received by the Bank against the block and authorization rules provided by the Customer or Authorized Person for each Authorized Account. On each business day, the Bank:
 - 2.2.1 May pay and charge to the Authorized Account each Presented Check that matched by check number and amount a check listed on any Issued Check file.

- 2.2.2 Shall provide the Customer or Authorized Person with electronic notification of exceptions presented for payment that do not exactly match to the Issued Check File items or are blocked or not authorized and in a form and time as is outlined in Schedule C titled "Exception Report"
- 2.3 **Pay Decision/Return Decision.** The customer shall review the Exception Report and electronically communicate Pay Decisions and Return Decisions for all exceptions as is outlined in Schedule D titled "Pay Decisions and Return Decisions."
- 2.4 **Pay Default.** If the Customer misses the deadline as outlined in Schedule D, the Bank will not take any action in regard to the Exceptions.
- 2.5 **Not Covered.** This Agreement does not cover a check if the Bank has cashed the check or is committed to honor or pay the item under applicable laws, regulations or rules governing checks.
- 2.6 **Customer and Bank Communications.** The Customer or the Bank, at its discretion, may each submit to the other party a revision of any communication provided for under this Agreement. The revised communication must, (i) be sent in its entirety and not in the form of a partial amendment to the communication originally sent, (ii) identify the original communication, and (iii) be sent in the format and medium, by the deadline(s), and at the place(s) established by the receiving party. A properly submitted revised communication serves to revoke the original communication.
- 2.6.1 The Bank shall use only Issued Check Files that comply with Section 2.1 and have not been revoked in accordance with Section 2.5 in the preparation of Exception Reports under this Agreement.
- 2.6.2 The Customer shall use only Exception Reports that comply with Section 2.2 and have not been revoked in accordance with Section 2.5 in the preparation of Pay Decisions and Return Decisions. The Bank shall not be obligated to comply with any Pay Decision or Return Decision received in a non-standard format or medium, after a deadline, or at a place not permitted under this Agreement but may instead treat such a Pay Decision or Return Decision as though it had not been received.
- 2.6.3 The Bank is not responsible for detecting any errors contained in any Issued Check File or Pay Decision or Return Decision sent by the Customer or Authorized Person to the Bank.

3. LIABILITY OF THE BANK; LIMITATIONS ON LIABILITY

- 3.1 **Commercial Code Liability.** To the extent applicable, the liability provisions of FL Uniform Commercial Code Chapters 673 and 674 shall govern this Agreement, except as modified below.
- 3.2 **Performance of the Bank.** The Bank shall be responsible only for performing the service it expressly agrees to perform in this Agreement and shall be liable only for direct damages, not to exceed the value of any checks negligently handled, caused by its negligence in performing those services. The Bank shall not be responsible for any acts or omissions of the Customer or Authorized Person, including without limitation the amount, accuracy, timeliness of delivery or authorization of any item or instruction received from the Customer or Authorized Person, or any act or omission of any other person, including without limitation any transmission or communications facility, and data processor of the Customer, and no such person shall be deemed the Bank's agent.
- 3.3 **Limit on Damages.** In no event shall the Bank be liable for any consequential, special, punitive, or indirect loss or damage which the Customer may incur or suffer in connection with this Agreement, including, without limitation, loss or damage from subsequent wrongful dishonor resulting from the Bank's acts or omissions in performing its services under this Agreement.
- 3.3.1 It shall constitute wrongful dishonor by the Bank if the Bank dishonors an Exception and the Bank has been ordered by the Customer or Authorized Person to pay pursuant to a Pay Decision sent to the Bank by the deadline of 12:00 p.m. (Eastern Standard Time).
- 3.3.2 It shall constitute wrongful honor by the Bank if the Bank pays an Exception listed in a timely Exception Report and the Customer or Authorized Person notifies the Bank by the deadline of 12:00 p.m. (Eastern Standard Time) of its desire to return the item(s).
- 3.3.3 Notwithstanding Section 3.3.1, the Bank shall have no liability to the Customer for wrongful dishonor when the Bank, acting in good faith, returns an Exception:
- (a) that is reasonably believed was not properly payable; or
 - (b) if there are insufficient Available Funds on deposit in the Authorized Account; or
 - (c) if required to do so by the service of legal process of the Bank or the instructions of regulatory or government authorities or courts; or
 - (d) if the Customer or Authorized Person fails to provide proper and timely notice to pay said item.
- 3.4 **Force Majeure.** The Bank shall not be responsible for any failure to act or delay in acting if such failure is caused by legal constraint, the interruption of transmission or communication facilities, computer malfunction or equipment failure, war,

emergency conditions, or other circumstances beyond the Bank's reasonable control. In addition, the Bank shall be excused from failing to transmit or delay in transmitting a transaction if such transmittal would result in the Bank's having violated any provision of any present or future risk control program of the Federal Reserve or any rule or regulation of any other governmental regulatory authority.

- 3.5 **Interest.** Subject to the foregoing provisions of this Section 3, any liability which the Bank may have for loss of interest for an error or delay in performing its services hereunder shall be calculated by using a rate equal to the Bank's prevailing money market rate for the period involved, less any applicable reserve requirements.

4. GOVERNING LAW

This Agreement and all claims or disputes arising on account of or related in any way to the Customer's use of Positive Pay shall be governed (without regard to conflicts of law) by applicable State and Federal law. All proceedings shall be heard or enforced by the Federal and State courts residing in Monroe County, Florida.

5. GENERAL PROVISIONS

- 5.1 **Fees.** Positive Pay fees are as outlined in Schedule F.
- 5.2 **Payment for Services.** The Bank shall, on a monthly basis, debit an authorized Customer account maintained at the Bank for payment of charges due, unless the Customer arranges another payment procedure acceptable to the Bank.
- 5.3 **Indemnification.** The Customer shall defend, indemnify and hold harmless the Bank, and its officers, directors, agents and employees, from and against any and all actions, costs, claims losses, damages or expenses, including attorneys' fees and expenses, resulting from or arising out of (i) any breach of any of the agreements, representations, or warranties of the Customer contained in this Agreement, or (ii) any act or omission of the Customer or any other party acting on the Customer's behalf, including but not limited to parties described in Section 3.2 above.
- 5.4 **Confidentiality.** The Customer acknowledges that it will have access to certain confidential information regarding the Bank's execution of service(s) contemplated by this Agreement. The Customer shall not disclose any such confidential information of the Bank and shall use such confidential information only in connection with the transactions contemplated by the Agreement.
- 5.5 **Electronic Media.** All electronic data or media and records used by the Bank for service(s) contemplated by this Agreement shall be and remain the Bank's property. The Bank may, in its sole discretion, make available such information upon the Customer's request. Any expenses incurred by the Bank in making any such information available to the Customer shall be paid for by the Customer at prevailing Bank rates.
- 5.5.1 The Customer is responsible for providing accurate electronic addresses for communication in connection with the transactions contemplated in this Agreement.
- 5.5.2 The Bank shall not be liable for any loss or damage on account of the Customer's internet service, browser or e-mail provider blocking (whether on account of "firewall", system failure, or otherwise) or preventing the Bank's e-mails from reaching the Customer.
- 5.5.3 The Bank utilizes identification technology to verify that the sender and receiver of electronic transmissions can be appropriately identified by each other. Notwithstanding our efforts to ensure that transmissions are secure, the Customer acknowledges that the Internet is inherently insecure and that all data transfers, including electronic mail, occur openly on the Internet and potentially can be monitored and read by others. The Bank cannot and does not warrant that all data transfers or e-mail transmitted to and from the Bank will not be monitored or read by others.
- 5.6 **Severability.** If any court or tribunal of competent jurisdiction determines that any provision of this Agreement is illegal, invalid or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.
- 5.7 **Amendments.** The provisions of the Agreement may be amended only by agreement executed by both parties.
- 5.8 **Assignment.** Subject to 5.9, neither party may assign or transfer any of its rights or obligations under this Agreement, but the provisions of this Agreement shall be binding upon and benefit any legal successor to the Bank or to the Customer, whether by merger, consolidation or otherwise.
- 5.9 **Termination.** The Bank may terminate this Agreement immediately by notice to the Customer, or without notice if the Customer breaches any of its obligations under this Agreement. The Customer may terminate this Agreement at any time upon thirty (30) business day's prior notice to the Bank. Termination shall not affect any of the Bank's rights or the Customer's obligations under this Agreement prior to such termination. Upon termination, if requested by the Customer, the Bank will provide the Customer with an outstanding check report.

- 5.10 **Waiver.** The waiver by a party to this Agreement of a breach of any provision of this Agreement by the other party shall not operate or be construed as a waiver of any subsequent breach by the other party.
- 5.11 **Entire Agreement.** This Agreement, including attached Schedules A through F, is the entire agreement and understanding between the parties related to the subject matter of this Agreement as of the date hereof and supersedes all prior agreements and understandings between the parties relating to the subject matter of the Agreement. This Agreement does not change the terms of any other agreement, including the Deposit Account Agreement, except as it relates to Positive Pay.
- 5.12 **Headings.** Headings to sections of this Agreement or any Schedules are included for ease of reference and shall not be deemed to create rights, remedies, claims or defenses arising under this Agreement.
- 5.13 **Beneficiaries.** This Agreement is for the benefit only of the undersigned parties hereto and is not intended to and shall not be construed as granting any rights to or otherwise benefiting any other person.

The parties hereto have entered into this Agreement as of the date first written below:

(Customer)

By _____

Title _____

Date _____

Mailing Address _____

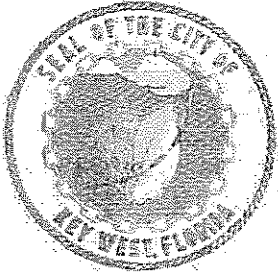
Electronic Address _____

Phone Number _____

First State Bank of the Florida Keys

By _____

Title _____



Employee AdvantageSM

- ✓ Free Checking*
- ✓ Free Online/Mobile Banking & Bill Pay
- ✓ Free First Order of Checks
- ✓ Free Notary Service
- ✓ Free CashCow ATM / Debit Card
- ✓ No Minimum Balance
- ✓ No Monthly Service Charge
- ✓ Direct Payroll Deposit
- ✓ .25 basis point Increase on one CD**
- ✓ 25% Discount on one Safe Deposit Box
- ✓ Unlimited Teller & ATM Transactions
- ✓ 11 Keyswide Locations
- ✓ FREE Financial Check Up

We're Locals Like You!

Bank Local - Open Your Account Today!

Key West
 1201 Simonton St
 444 Whitehead St
 3406 North Roosevelt Blvd
 2778 North Roosevelt Blvd

Stock Island
 5450 MacDonald Ave

Summerland
 24794 Overseas Hwy

Big Pine
 30515 Overseas Hwy

Marathon
 6900 Overseas Hwy

Islamorada
 81621 Old Hwy

Key Largo
 97670 Overseas Hwy
 101433 Overseas Hwy

Se Habla Español

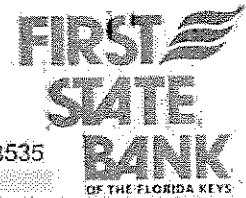


KeysBank.com • 305-296-8535



* Minimum Opening Deposit: \$100. Increase does not apply to special advertised CD rates. Member FDIC. Equal Housing Lender

Branch Locations, Managers & Hours of Operation



Simonton Office

| 1201 Simonton Street | | Maria Garcia, Manager | | | | | 296-8535 |
|----------------------|------------------------|------------------------|------------------------|------------------------|-----------|-----------|----------|
| Schedule | Mon | Tue | Wed | Thu | Fri | Sat | |
| Lobby | 9am - 4pm | 9am - 4pm | 9am - 4pm | 9am - 4pm | 9am - 6pm | Closed | |
| Drive-Thru | 8am - 6pm | 8am - 6pm | 8am - 6pm | 8am - 6pm | 8am - 6pm | 9am - 1pm | |
| Walk-Up | 8am - 9am 4pm - 6pm | 8am - 9am 4pm - 6pm | 8am - 9am 4pm - 6pm | 8am - 9am 4pm - 6pm | 8am - 9am | 9am - 1pm | |

Boulevard Office

| 3406 North Roosevelt Boulevard | | Brian Barroso, Manager | | | | | 296-8535 |
|--------------------------------|-----------|------------------------|-----------|-----------|-----------|-----------|----------|
| Schedule | Mon | Tue | Wed | Thu | Fri | Sat | |
| Lobby | 9am - 4pm | 9am - 4pm | 9am - 4pm | 9am - 4pm | 9am - 6pm | Closed | |
| Drive-Thru | 8am - 6pm | 8am - 6pm | 8am - 6pm | 8am - 6pm | 8am - 6pm | 9am - 1pm | |

Winn-Dixie Marketplace

| 2778 North Roosevelt Blvd | | Karen Mendez, Manager | | | | | 296-8535 |
|---------------------------|------------|-----------------------|------------|------------|------------|------------|----------|
| Schedule | Mon | Tue | Wed | Thu | Fri | Sat | |
| Lobby | 10am - 8pm | 10am - 8pm | 10am - 8pm | 10am - 8pm | 10am - 8pm | 10am - 8pm | |

Old Town Office

| 444 Whitehead Street | | Brian Barroso, Manager | | | | | 296-8535 |
|----------------------|-----------|------------------------|-----------|-----------|-----------|--------|----------|
| Schedule | Mon | Tue | Wed | Thu | Fri | Sat | |
| Lobby | 9am - 4pm | 9am - 4pm | 9am - 4pm | 9am - 4pm | 9am - 6pm | Closed | |

Stock Island Office

| 5450 MacDonald Avenue | | Brian Barroso, Manager | | | | | 296-8535 |
|-----------------------|-----------|------------------------|-----------|-----------|-----------|--------|----------|
| Schedule | Mon | Tue | Wed | Thu | Fri | Sat | |
| Lobby | 9am - 4pm | 9am - 4pm | 9am - 4pm | 9am - 4pm | 9am - 6pm | Closed | |
| Drive-Thru | 8am - 5pm | 8am - 5pm | 8am - 5pm | 8am - 5pm | 8am - 6pm | Closed | |

Summerland Office

| 24794 Overseas Highway | | Jason O'Brien, Manager | | | | | 745-2514 |
|------------------------|-----------|------------------------|-----------|-----------|-----------|--------|----------|
| Schedule | Mon | Tue | Wed | Thu | Fri | Sat | |
| Lobby | 8am - 4pm | 8am - 4pm | 8am - 4pm | 8am - 4pm | 8am - 6pm | Closed | |

Big Pine Office

| 30515 Overseas Highway | | Shana Casey, Manager | | | | | 872-4778 |
|------------------------|-----------|----------------------|-----------|-----------|-----------|-----------|----------|
| Schedule | Mon | Tue | Wed | Thu | Fri | Sat | |
| Lobby | 9am - 5pm | 9am - 5pm | 9am - 5pm | 9am - 5pm | 9am - 6pm | Closed | |
| Drive-Thru | 8am - 5pm | 8am - 5pm | 8am - 5pm | 8am - 5pm | 8am - 6pm | 9am - 1pm | |

Marathon Office

| 6900 Overseas Highway | | Becky Shifflett, Manager | | | | | 289-4393 |
|-----------------------|-----------|--------------------------|-----------|-----------|-----------|------------|----------|
| Schedule | Mon | Tue | Wed | Thu | Fri | Sat | |
| Lobby | 9am - 4pm | 9am - 4pm | 9am - 4pm | 9am - 4pm | 9am - 6pm | Closed | |
| Drive-Thru | 8am - 5pm | 8am - 5pm | 8am - 5pm | 8am - 5pm | 8am - 5pm | 9am - 12pm | |

Islamorada Office

| 81261 Old Highway | | Becky Shifflett, Manager | | | | | 664-9070 |
|-------------------|-----------|--------------------------|-----------|-----------|-----------|--------|----------|
| Schedule | Mon | Tue | Wed | Thu | Fri | Sat | |
| Lobby | 9am - 4pm | 9am - 4pm | 9am - 4pm | 9am - 4pm | 9am - 6pm | Closed | |
| Drive-Thru | 8am - 5pm | 8am - 5pm | 8am - 5pm | 8am - 5pm | 8am - 6pm | Closed | |

Key Largo Office

| 97670 Overseas Highway | | Nola Acker, Manager | | | | | 852-2070 |
|------------------------|-----------|---------------------|-----------|-----------|-----------|--------|----------|
| Schedule | Mon | Tue | Wed | Thu | Fri | Sat | |
| Lobby | 9am - 4pm | 9am - 4pm | 9am - 4pm | 9am - 4pm | 9am - 6pm | Closed | |
| Drive-Thru | 8am - 5pm | 8am - 5pm | 8am - 5pm | 8am - 5pm | 8am - 6pm | Closed | |

Tradewinds Plaza Office

| 101433 Overseas Highway | | Patti Marshall, Manager | | | | | 451-3033 |
|-------------------------|-----------|-------------------------|-----------|-----------|-----------|-----------|----------|
| Schedule | Mon | Tue | Wed | Thu | Fri | Sat | |
| Lobby | 9am - 6pm | 9am - 6pm | 9am - 6pm | 9am - 6pm | 9am - 6pm | 9am - 1pm | |



We've Got The Keys Covered!

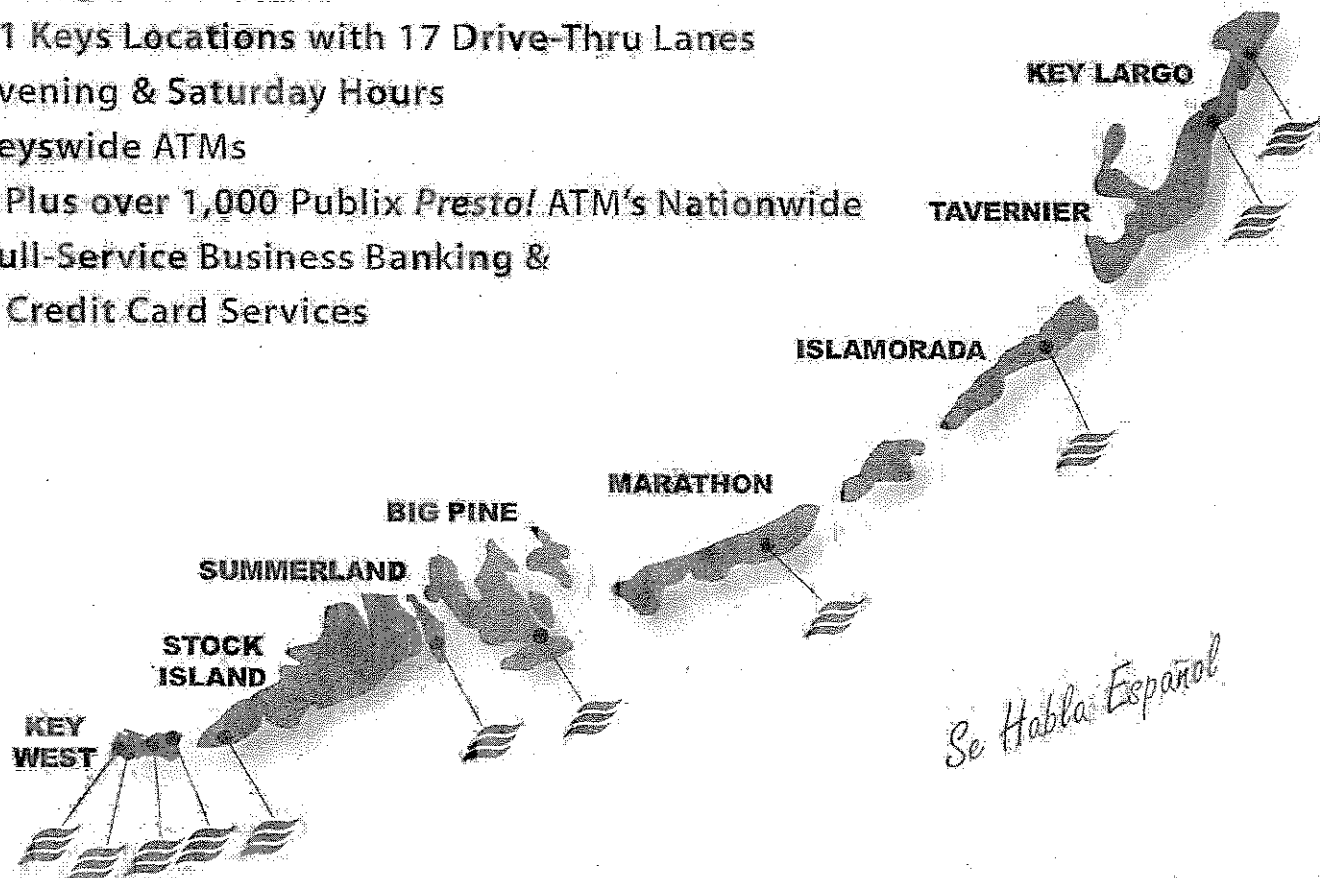
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- ≡ Savings, CD's & IRA's
- ≡ 11 Keys Locations with 17 Drive-Thru Lanes
- ≡ Evening & Saturday Hours
- ≡ Keyswide ATMs

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- ≡ Full-Service Business Banking & Credit Card Services



Key West
 ≡ 1201 Simonton St
 305-296-8535
 ≡ 444 Whitehead St
 305-296-8535
 ≡ 3406 North Roosevelt Blvd
 305-296-8535

≡ 2778 North Roosevelt Blvd
 305-296-8535
Stock Island
 ≡ 5450 MacDonald Ave
 305-296-8535

Summerland
 ≡ 24794 Overseas Hwy
 305-745-2165

Big Pine
 ≡ 30515 Overseas Hwy
 305-872-4778

Marathon
 ≡ 6900 Overseas Hwy
 305-289-4393

Islamorada
 ≡ 81621 Old Hwy
 305-664-9070

Key Largo
 ≡ 97670 Overseas Hwy
 305-852-2070

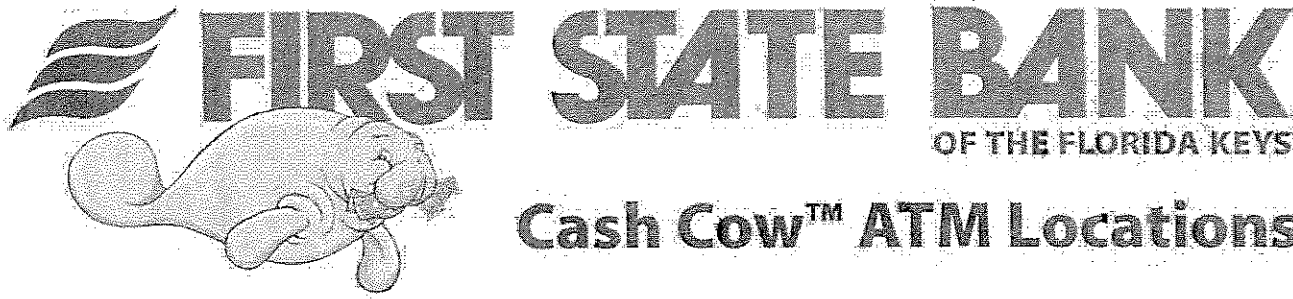
≡ 101433 Overseas Hwy
 305-451-3033

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 SINCE 1955

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Cash Cow™ ATM Locations

First State Bank Locations

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444 Whitehead St

2778 N Roosevelt Blvd (Winn-Dixie)

3406 N Roosevelt Blvd**

5450 MacDonald Ave (Stock Island)**

Summerland (305)745-2514

24794 Overseas Hwy

Big Pine Key (305) 872-4778

30515 Overseas Hwy*

Marathon (305)289-4393

6900 Overseas Hwy*

Islamorada (305)664-9070

81621 Old Hwy

Key Largo (305)852-2070

97670 Overseas Hwy

Key Largo Tradewinds (305)451-3033

101433 Overseas Hwy

*Drive-Thru ATMs **Both Walk-Up & Drive-Thru ATMs

\$ Additional Locations

Key West.

522 Fleming St - *Fausto's*

832 Caroline St - *Harpoon Harry's*

500 Truman Ave - *Truval Village*

3841 N Roosevelt Blvd -

Marriott Beachside Hotel

3491 S Roosevelt Blvd -

Key West International Airport

Ramrod Key

27023 Overseas Hwy - *5 Brothers Deli*



Presto!

Over 1,000

Additional ATMs

Key West

3316 N Roosevelt Blvd

Marathon

5407 Overseas Hwy

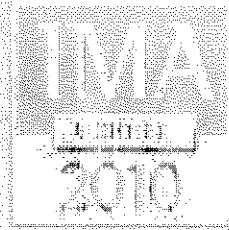
Key Largo

101437 Overseas Hwy

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Banking in the Keys

Keys Community

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12:00 pm Friday, August 27, 2010

Online Banking

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USER

PASSWORD

Forget Password
 First Time User

LOGIN

Track logging in? Click here

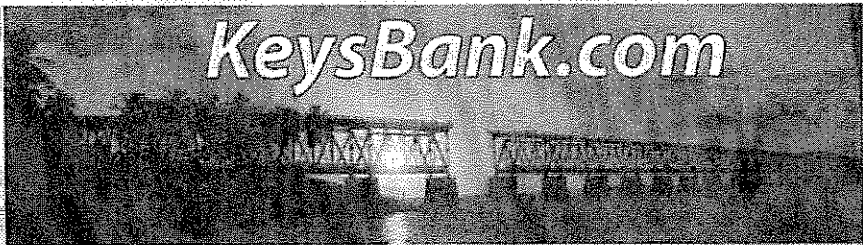
Quick Links

- Switch to First State Bank
- Credit/Debit/ATM Cards
- Check Reorder
- Corporate/Merchant Services
- Online Banking Services
- Privacy/Security
- Bank Owned Property
- Going Green
- Customer Voice

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Banking in the Keys

- Real Time Balances, Transfers & Loan Payments
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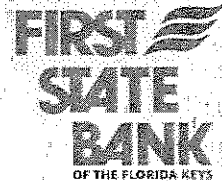
Keys Weather

37°F
Feels Like
95°F

Wind: S at 8 mph
Visibility: 10 mi
Humidity: 66%
Pressure: 29.97 in.
Sunrise: 7:00
Sunset: 20:04

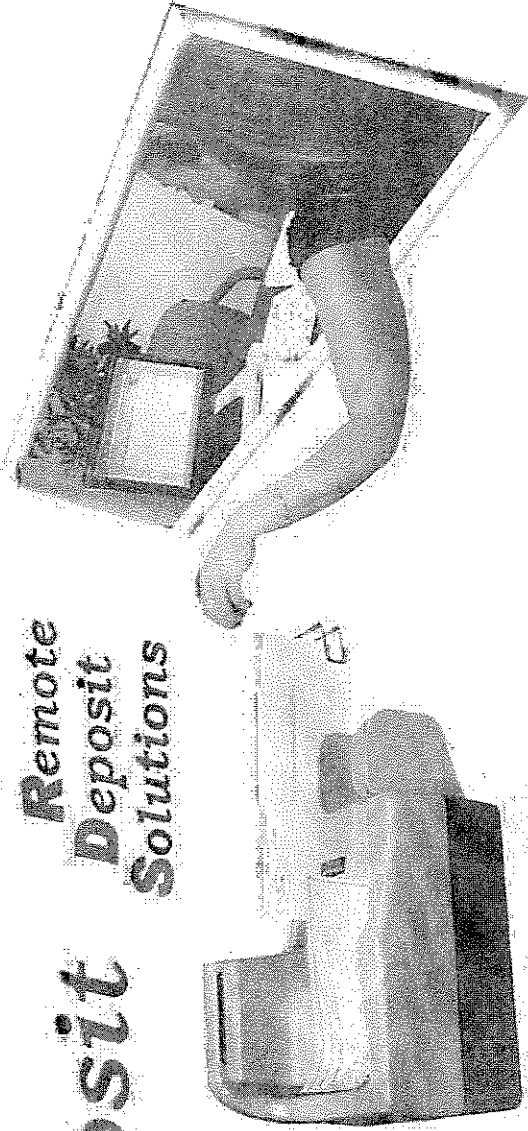
Tide Charts Key West Harbor Miami Harbor

- News
- Events
- Bank Message
- Product Spotlight
- Business Partners
- Financial Calculators



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- ✓ Easy set up & use!
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Let us install your Easy Deposit service Today so you can begin saving time & money & enjoying the convenience of banking from your office!

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City of Key West Ambassador's Academy Graduates

Doria Goodrich Class 2

Maria Garcia Class 2

Diane Gibson Class 2

Karen Mendez Class 2

Daisy Naseiro Class 3

Brian Barroso Class 5

JOIN US... BANK LOCAL!

"First State Bank has always treated me like family!"

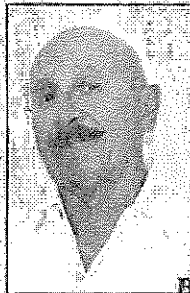


Julio Barroso

"Their friendly people always know your name, welcome you with a smile and provide personal service that only a hometown Bank can deliver."

"They've never failed to surpass my expectations."

"Local, community banking that's highly personalized is important in my business, that's why I joined First State Bank."



Dennis M. Bishop

"First State Bank works with local residents and businesses to achieve their financial goals and they invest in our community."

"There's nothing like working with a local community bank."

"Same bank, same name, same one-on-one customer service!"



Jay Hershoff

"As a local business professional for 20 years, I've seen banks come and go, but First State Bank remains the one constant in our community."

"Whether it's a new business, a local loan or community support, you can count on First State Bank. I do!"

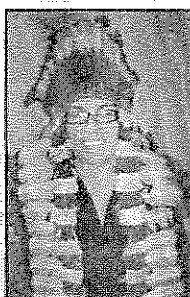
"As a local Keys non-profit and 30-year customer, First State Bank has always been there with support for the Red Barn Actors Studio."



Mimi McDonald

"We applaud First State Bank for their historic support of local arts throughout our island community."

"Thank you First State Bank, for all you do for Keys Kids, Monroe County Schools and all our local youth."



Nora Revelin
Red Barn Actors Studio

"Keys Kids relies on community support to showcase the talents of our local kids and our local hometown bank, First State Bank, has always been there for us."

"As a local customer for over 20 years, First State Bank has always been there with support for the Key West Players and Waterfront Playhouse."



Christopher Elwell

"Bravo First State Bank for your ongoing support of the Arts in Monroe County."

**Transfer Your Accounts to the Only Local Bank
Headquartered in the Keys!**

See How It's Done!
SERVING THE KEYS
SINCE 1955
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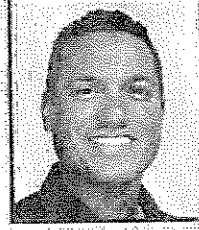
Call us **FIRST!**



Ani Madruga
(305) 308-3210
AniM@KeysBank.com
NMLS ID: 812674



Brian Kelly
(305) 293-7126
BrianK@KeysBank.com
NMLS ID: 812475



Brian Barroso
(305) 393-4669
BrianB@KeysBank.com
NMLS ID: 812860



Karen Mendez
(305) 296-8535
KarenM@KeysBank.com
NMLS ID: 812480



Maria Garcia
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MariaG@KeysBank.com
NMLS ID: 812869

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Rare Species of the Florida Keys...



First State Bank of the Florida Keys was founded 57 years ago by locals for locals.

Back then there were a few other local banks, but over the years they have been taken over by banks headquartered outside of the Keys.

Now there's only one bank left that remains dedicated exclusively to the people who live and work in the Keys. Only one bank whose home and headquarters remain here in the Keys...

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Bank Locally - Open Your Account Today!

We're Locals Like You!



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305-296-8535

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Exhibit B

February 27 , 2012

To: All Prospective Proposers

City of Key West RFP # 005-12 contains the following documents:

- a. Cover letter one (1) page in length
- b. Proposal thirty seven (37) pages in length
- c. Call for Proposals one (1) page in length

Please review your proposal package to ensure it contains all of these documents. If not, contact Sue Snider, City of Key West Purchasing Agent at (305) 809-3815, immediately, to obtain copies of any missing document(s).

Proposers submitting proposals should ensure that the following documents are completed, certified, and returned as instructed: Anti-Kickback Affidavit, Public Entity Crimes Certification, Copy of Current Occupational License, and Local Vendor Certification, if applicable.

SUBJECT: RFP#005-12 – BANKING SERVICES

ISSUE DATE: FEBRUARY 27, 2012

PRE-PROPOSAL
CONFERENCE: N/A

MAIL PROPOSALS TO: CITY CLERK
CITY OF KEY WEST
3126 FLAGLER
KEY WEST, FL 33040

DELIVER PROPOSALS TO: SAME AS ABOVE

PROPOSALS MUST BE
RECEIVED: MARCH 28, 2012

NOT LATER THAN: 3:00 P.M.

SUE SNIDER
PURCHASING AGENT
CITY OF KEY WEST

ses

Enclosures

City of Key West, Florida



**Request for Proposals
for
Banking Services
005-12**

**Due
March 28, 2012 at 3:00 p.m. EST**

| |
|--|
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|--|

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REQUEST FOR PROPOSAL FOR BANKING SERVICES



I. INTRODUCTION

The City of Key West, FL as the custodian of the City funds (Article VIII, Sec 1 (d) of the Florida Constitution) is currently seeking proposals from qualified public depositories (Chapter 280, Florida Statutes) interested in providing comprehensive banking services to the City. The objective of the City is to secure the most efficient and effective banking services while maintaining sufficient liquidity and protection of all the funds entrusted to the City. The City may award a contract to the best service provider with innovative ideas, which may not be the low price Proposer. The City reserves the right not to award some or all of the services contemplated herein.

1.1. QUALIFIED PUBLIC DEPOSITORY

1. The Proposer must meet the following criteria in compliance with Chapter 280.17, Florida Statutes:
 - a. Be designated by the Chief Financial Officer of the State of Florida as a Qualified Public Depository;
 - b. Maintain the designation of Qualified Public Depository in good standing throughout any Contract Period(s) resulting from this solicitation and the selected Proposer will be required annually to show proof of the Qualified Public Depository designation; and will immediately notify the City of any anticipated or actual loss of designation
 - c. Maintain its home office or a full service branch within the City of Key West, Florida.
2. The Proposer must provide proof of the above qualification by furnishing copies of letters, certificates, etc. which document said status. Such proof must be provided in Attachment 1, Qualified Public Depository.

II. PROPOSAL PROCEDURES

2.1. SCHEDULE OF PROPOSAL

| Description | Date/Time |
|--|-------------------|
| Advertise RFP | February 27, 2012 |
| Deadline for Proposers to submit written questions or seek clarification of the Specifications | March 9, 2012 |
| Addendum to answer questions | March 12, 2012 |
| Proposal Submission Deadline | March 28, 2012 |
| Evaluations Finalized | April 2012 |
| City Commission's Approval | May 2012 |
| Contract Commencement Date | June 2012 |
| Go Live Date | July 2012 |

2.2. PREPARATION OF PROPOSAL

Each proposal shall be prepared simply and economically avoiding the use of elaborate promotional materials beyond those sufficient to provide a complete, accurate and reliable presentation. An authorized representative of the bank shall sign the original proposals. All information requested shall be submitted. Failure to submit all information requested may result in a proposal being considered "non-responsive," and, therefore, rejected.

Each proposal must include an Executive Summary of not more than two (2) pages that highlights each of the key areas of the proposal and that summarizes the Proposer's case why such bank should be selected as the City's bank.

2.3. SUBMISSION OF PROPOSALS

Proposals must be mailed to or delivered to:

City of Key West
3126 Flagler Ave.
Key West, FL 33040
Attn: Cheri Smith, City Clerk

Proposer's response to this RFP shall be due and must be received by the City Clerk-Treasurer no later than March 28, 2012 at 3:00 p.m. EST. The City shall not extend or waive this time requirement for any reason whatsoever. Proposals or amendments to proposals that arrive after March 28, 2012 at 3:00 p.m. EST will not be accepted/considered for any reason whatsoever. Telephone, including facsimile and electronic mail, and telegraphic proposals and/or amendments to proposals shall not be accepted at any time. On March 28, 2012 at 3:00 p.m. EST all timely proposals will be opened for the sole purpose of recording the names of the Proposers submitting written proposals.

If the Proposer elects to mail in its proposal package, the Proposer must allow sufficient time to ensure City's proper receipt of the proposal package by the time specified above. Regardless of the form of

delivery, it is the responsibility of the Proposer to ensure that the proposal package arrives at the office of the City of Key West, Florida.

Proposals will be accepted up to, and no proposals may be withdrawn after, the deadline for proposal submission time and date shown above. Proposals must be delivered in sealed envelopes clearly marked: **Banking Services**. One (1) Signed Original, Three (3) copies and, One (1) CD-Rom of the proposal must be submitted. All electronic versions of pricing charts must be in an "Excel format".

2.4. EFFECTIVE PERIOD OF PROPOSALS

All proposals must state the period for which the proposal shall remain in effect. Such period shall not be less than 120 days from the proposal date.

2.5. THE REQUEST FOR PROPOSAL (RFP) PROCESS

By publication of a Request for Proposals, the City begins an administrative process that may or may not lead to the award of a contract(s). The City may stop the process at any time, with or without cause, and nothing in the RFP document may be interpreted as an offer to purchase, procure, or otherwise acquire any product or service from any proposer or vendor.

Typically, the RFP process employs the following steps:

- RFP Publication and Distribution to interested parties
- Questions and Clarifications
- Receipt of Proposals
- Initial Proposal Evaluation
- Vendor Discussions and Fact Finding (if required)
- Final Evaluation and Ranking by the Evaluation Committee
- City's Commission Approval, top three ranked proposals to City Commission for Final Ranking.
- Contract implementation (approximately July 1 2012)

Except as specifically noted in the RFP, there is no time limit either expressed or implied on the completion of each step in the process.

2.6. DISPOSITION OF PROPOSALS

All proposals become the property of the City, and the City shall have the right to use all ideas, and/or adaptations of those ideas, contained in any proposal received in response to this RFP. Any parts of the proposal or any other material(s) submitted to the City with the proposal that are copyrighted or expressly marked as "confidential", "proprietary", or "trade secret", will be exempted from the "open records disclosure requirements" of Chapter 119, Florida Statutes, but only to the extent expressly authorized by Florida law. The City's selection or rejection of a proposal will not affect this exemption.

2.7. AWARD OF CONTRACT

2.7.1. The City intends to award a contract or contracts resulting from this solicitation to the responsible offeror(s) whose proposal represents the best value after evaluation in accordance with the criteria in this solicitation.

2.7.2. The City may reject any or all proposals if such action is in City's best interest.

2.7.3. The City may waive informalities and minor irregularities in proposals received.

- 2.7.4. The City reserves the right to evaluate proposals and award a contract without negotiations with offerors. Therefore, the offeror's initial proposal should contain the offeror's best terms from a cost or price and technical standpoint.
- 2.7.5. The City Commission will conduct the final ranking at a publicly held meeting.
- 2.7.6. The City reserves the right to make an award on any item for a quantity less than the quantity offered, at the unit cost or prices offered, unless the offeror specifies otherwise in the proposal.
- 2.7.7. A written notice of award will be sent to the successful offeror(s).
- 2.7.8. The City reserves the right not to use all services contained in proposal.
- 2.7.9. The City reserves the right to acquire banking services for specific activities outside the scope of this RFP and the resulting contract executed hereunder.

2.8. EVALUATION AND AWARD CRITERIA

The City seeks a financial institution to provide comprehensive banking services for the City. An evaluation, ranking and justification (the "Analysis") of the proposals will be made by the City's Evaluation Committee. The Evaluation Committee shall conduct an evaluation of all Proposers on the basis of the information provided with the proposal and other evaluation criteria as set forth in the RFP. The Evaluation Committee will be selected by the city manager. The evaluation of the proposals will be based on the following criteria:

| Criteria | Possible Points |
|--|-----------------|
| Customer Service/Experience, Resources and Qualifications of Team: | 25 pts |
| Proposed Fees and Earnings Potential: | 40 pts |
| Financial Strength: | 10 pts |
| Scope of Services: | 25 pts |
| TOTAL SCORE | 100 pts |

The City of Key West reserves the right to ask questions, seek clarifications of any or all Proposers as part of its evaluation. Only the three (3) highest ranked Proposals as determined by the Evaluation Committee will go forward to the City Commission in ranked order. City of Key West local purchasing preference ordinance applies. Final award will be made by the City Commission, based solely on that response which, in their opinion, is in the best interest of the City of Key West, all factors considered, irrespective of the Evaluation Committee ranking.

2.9. CONTRACT TERM

It is the intent to award a contract for an initial three (3)-year period. The City may exercise the option to renew the contract period term for an additional two years. The decision to renew or extend the contract will be at the discretion of the City. The selected Proposer will be required semi-annually to review the banking services with the City.

2.10. CONFLICT OF INTEREST

The award is subject to provisions of applicable State Statutes. All Proposers must disclose with their proposal the name of any officer, director, or agent who is also an employee of the City of Key West, Florida. Further, all Proposers must disclose the name of any City employee who owns, directly or indirectly, an interest in ten percent (10%) or more in the Proposer's firm or any of its branches. Should the awarded Proposer permanently or temporarily hire any City employee who is, or has been, directly involved with the Proposer prior to or during performance of the resulting contract, the contract shall be subject to immediate termination by the City.

2.11. LEGAL REQUIREMENTS

Federal, State, County and local laws, ordinances, rules, and regulations that in any manner affect the items covered herein apply. Lack of knowledge by the Proposer shall in no way be a cause for relief from responsibility.

- 2.11.1. Vendors doing business with the City are prohibited from discriminating against any employees, applicant, or client because of race, religion, color, disability, national origin, gender, or age with regard to but not limited to the following: Employment practices, rates of pay or other compensation methods, and training selection.

2.12. UNIFORM COMMERCIAL CODE

The Uniform Commercial Code (Florida Statutes, Chapter 672) shall prevail as the basis for contractual obligations between the awarded vendor/Proposer and the City of Key West, Florida for any terms and conditions not specifically stated in this Invitation for Proposal.

2.13. MISTAKES

In the event of extension error(s), the unit price will prevail and the total offer will be corrected accordingly. In the event of addition errors, the extended totals will prevail and the Proposer's total will be corrected accordingly. Proposers must check their proposal where applicable. Failure to do so will be at the Proposer's risk. Proposals having erasures or corrections must be initialed in ink by the Proposer.

2.14. EEO STATEMENT

The City is committed to assuring equal opportunity in the award of contracts and, therefore, complies with all laws prohibiting discrimination on the basis of race, color, religion, marital status, national origin, handicap, age and gender.

2.15. RFP NOTICE OF AWARD

The top three (3) ranked firms will be notified via e-mail.

2.16. RFP AND RELATED COSTS

By submission of a proposal, the Proposer agrees that all costs associated with the preparation of his/her proposal will be the sole responsibility of the Proposer. The Proposer also agrees that the City bear no responsibility for any costs associated with the preparation of the proposal and/or any administrative or judicial proceedings resulting from the solicitation process.

2.17. PUBLIC ENTITY CRIME

A person or affiliate who has been placed on the convicted vendor list following a conviction for a public entity crime may not submit a proposal on a contract with a public entity for the construction or repair of a public building or public work, may not submit proposals on leases of real estate property to a public entity, may not be awarded or perform work as a Proposer, supplier, sub-contractor or consultant under a contract with a public entity, and may not transact business with any public entity in excess of the threshold amount provided in Florida Statute Section 287.017, for CATEGORY TWO for a period of thirty-six (36) months from the date of being placed on the convicted vendor list.

2.18. CONFLICT OF INTEREST FORM

Please reference Attachment 6.

2.19. INDEMNIFICATION FOR TORT ACTIONS/LIMITATION OF LIABILITY

The provisions of Florida Statute 768.28 applicable to the City of Key West, Florida, apply in full to this contract. Any legal actions to recover monetary damages in tort for injury or loss of property, personal injury, or death caused by the negligent or wrongful act or omission of any employee of the City acting within the scope of his/her office or employment are subject to the limitations specified in this statute.

No officer, employee or agent of the City acting within the scope of his/her employment or function shall be held personally liable in tort or named as a defendant in any action for injury or damage suffered as a result of any act, event or failure to act.

The City shall not be liable in tort for the acts or omissions of an officer, employee or agent committed while acting outside the course and scope of his/her employment. This exclusion includes actions committed in bad faith or with malicious purpose, or in a manner exhibiting wanton and willful disregard of human rights, safety, or property.

To the fullest extent permitted by law, the vendor shall defend, indemnify, and hold harmless the City, its officials, agents, and employees from and against any and all claims, suits, judgments, demands, liabilities, damages, cost and expenses (including attorney's fees) of any kind or nature whatsoever arising directly or indirectly out of or caused in whole or in part by any act or omission of the vendor or its sub-contractors (if any), anyone directly or indirectly employed by them, or anyone for whose acts any of them may be liable; excepting those acts or omissions arising out of the sole negligence of the City.

Provided, however, if the contract between the City and the Proposer is deemed by a court of competent jurisdiction to be a construction contract for purposes of Section 725.06, Florida Statutes, any obligation of the Proposer to defend, indemnify or hold harmless the City, shall be limited to an obligation to indemnify or hold harmless the City, its officers and employees from liability damages, losses, and costs, including but not limited to reasonable attorney's fees, to the extent caused by the negligence, recklessness or intentionally wrongful conduct of the Proposer and persons employed or utilized by the Proposer in the performance of the contract.

2.20. CLARIFICATIONS

It is the Proposer's responsibility to become familiar with and fully informed regarding the terms, conditions, and specifications of this Request for Proposal. Proposers may contact the City's office via email: rwittenb@keywestcity.com by March 9, 2012 5:00 p.m. EST, the deadline for clarification.

2.21. CERTIFICATION OF INDEPENDENT PRICE DETERMINATION

By submission of this proposal, the Proposer certifies, and in the case of a joint proposal, each party thereto certifies as to its own organization, that in connection with this procurement:

1. The prices in this proposal have been arrived at independently, without consultation, collusion, communication, or agreement for the purpose of restricting competition, as to any matter relating to such prices with any other Proposer or with any competitor;
2. Unless otherwise required by law, the prices which have been quoted in this proposal have not been knowingly disclosed by the Proposer and will not knowingly be disclosed by the Proposer prior to opening, directly or indirectly, to any other Proposer or to any other competitor, and;
3. No attempt has been made or will be made by the Proposer to induce any other person or firm to submit or not to submit a proposal for the purpose or restricting competition.

2.22. PRICING/AUDIT

The awarded Proposer shall maintain adequate records to justify all prices for all items invoiced as well as all charges, expenses and costs incurred in performing the work for at least three (3) years after completion of this contract. The City shall have access to such books, records, subcontract, financial operations, and documents of the Proposer or its sub-contractors as required in order to comply with this section for the purpose of inspection or audit during normal business hours at the Proposer's place of business.

2.23. INSURANCE REQUIREMENTS

1. Before execution of the contract by the City and commencement of the operations and/or services to be provided, and during the duration of the contract, the vendor may be asked to file with the City current certificates of all required insurance on forms acceptable to the City, which shall include the following provisions:
 - a. All insurance policies shall be issued by companies authorized to do business under the laws of the state of Florida and acceptable to the City.
 - b. The Certificates shall clearly indicate that the vendor has obtained insurance of the type, amount and classification as required for strict compliance with this insurance section.
 - c. No material change or cancellation of the insurance shall be effective without thirty (30) days prior written notice to the City.
2. The vendor shall require and ensure that each of its sub-contractors providing services hereunder (if any) procures and maintains, until the completion of the services, insurance of the types and to the limits specified herein.

2.24. COVERAGE REQUIRED

1. Workers' Compensation - The vendor shall provide coverage for its employees with statutory workers' compensation limits; and no less than \$100,000.00 for Employers' Liability. Said coverage shall include a waiver of subrogation in favor of the City and its agents, employees and officials.
2. Commercial General Liability - The vendor shall provide coverage for all operations including, but not limited to Contractual, Products and Completed Operations, and Personal Injury. The limits

shall not be less than \$500,000.00 per occurrence, Combined Single Limits (CSL) or its equivalent. The General Aggregate limit shall either apply separately to this CONTRACT or shall be at least twice the required occurrence limit.

3. Business Automobile Liability - The vendor shall provide coverage for all owned, non-owned and hired vehicles with limits of not less than \$500,000.00, per occurrence, Combined Single Limits (CSL) or its equivalent.
4. The City of Key West, Florida shall be specifically included as an additional insured on the general liability policy.
5. All such insurance required of the vendor shall be primary to, and not contribute with, any insurance or self-insurance maintained by the City.
6. Any exceptions to the insurance requirements in this section must be approved in writing by the City.
7. Compliance with these insurance requirements shall not relieve or limit the vendor's liabilities and obligations under this contract. Failure of the City to demand such certificate or other evidence of full compliance with these insurance requirements or failure of the City to identify a deficiency from evidence provided will not be construed as a waiver of the vendor's obligation to maintain such insurance.

2.25. USE OF CONTRACT BY OTHER AGENCIES

At the option of the vendor/Proposer, the use of the contract resulting from this solicitation may be extended to other governmental agencies, including the State of Florida, its agencies, political subdivisions, other counties, and cities.

Each governmental agency allowed by the vendor/Proposer to use this contract shall do so independent of any other governmental entity. Each agency shall be responsible for its own purchases and shall be liable only for goods or services ordered, received and accepted. No agency receives any liability by virtue of this proposal and subsequent contract award.

2.26. TERMINATION OF CONTRACT

A. Termination for Default:

The City may, by written notice to the supplier, terminate this contract for default in whole or in part (delivery orders, if applicable) if the supplier fails to:

1. Provide products or services that comply with the specifications herein or fails to meet the City's performance standards
2. Deliver the supplies or to perform the services within the time specified in this contract or any extension
3. Make progress so as to endanger performance of this contract
4. Perform any of the other provisions of this contract.

Prior to termination for default, the City will provide adequate written notice to the supplier through the Director of Procurement, affording him/her the opportunity to cure the deficiencies or to submit a specific plan to resolve the deficiencies within ten (10) days (or the period specified in the notice) after receipt of the notice. Failure to adequately cure the deficiency shall result in termination action. Such termination may also result in suspension of purchasing goods/services with the City. The supplier and its sureties (if any) shall be liable for any damage to the City resulting from the supplier's default of the contract. This liability includes any increased costs incurred by the City in completing contract performance.

In the event of termination by the City for any cause, the vendor will have, in no event, any claim against the City for lost profits or compensation for lost opportunities. After a receipt of a Termination Notice and except as otherwise directed by the City the vendor shall:

- a. Stop orders/work on the date and to the extent specified.
- b. Terminate and settle all orders and/or subcontracts relating to the performance of the terminated work.
- c. Transfer all work in process, completed work, and other materials related to the terminated work as directed by the City.
- d. Continue and complete all parts of that work that have not been terminated.

If the supplier's failure to perform the contract arises from causes beyond the control and without the fault or negligence of the supplier's, the contract shall not be terminated for default. Examples of such causes include (1) Acts of God or the public enemy, (2) acts of a government in its sovereign capacity, (3) fires, (4) floods, (5) epidemics, (6) strikes and (7) unusually severe weather.

B. Termination for Convenience:

The City, by written notice, may terminate this contract, in whole or in part, when it is in the City's best interest. If this contract is terminated, the City shall be liable only for goods or services delivered and accepted. The City Notice of Termination may provide the supplier thirty (30) days prior notice before it becomes effective. However, at the City's sole option, a termination for convenience may be effective immediately and may apply to delivery orders (if applicable) or to the contract in whole.

2.27. ASSIGNMENT AND AMENDMENT OF CONTRACT

Neither the contract resulting from this RFP, if any, nor any duties or obligations under such contract shall be assignable by the Proposer without the prior written consent of the City. Any contract resulting from this RFP may be amended only in writing signed by the Proposer and City with the same degree of formality evidenced in the contract resulting from this RFP.

2.28. INDEPENDENT PARTIES

Except as expressly provided otherwise in the contract resulting from this RFP, if any, City and the Proposer shall remain independent parties and neither shall be an officer, employee, agent, representative or co-partner of, or a joint venture with, the other.

2.29. PERFORMANCE INVESTIGATIONS

As part of its evaluation process, City may make investigations to determine the ability of the Proposer to perform under this RFP. City reserves the right to REJECT any proposal if the Proposer fails to satisfy City that it is properly qualified to carry out the obligations under this RFP.

2.30. SEVERABILITY

If any provision of the contract resulting from this RFP, if any, is contrary to, prohibited by, or deemed invalid by applicable laws or regulations of any jurisdiction in which it is sought to be enforced, then said provision shall be deemed inapplicable and omitted and shall not invalidate the remaining provisions of such contract.

2.31. GOVERNING LAW AND VENUE

This RFP and resulting contract and any disputes there under will be governed by the laws of the State of Florida and shall be deemed to have been executed and entered into in the State of Florida. Any such contract shall be construed, performed, and enforced in all respects in accordance with the laws and rules of the State of Florida, and any provision in such contract in conflict with Florida law and rules shall be void and of no effect. City and Proposer hereby agree that this RFP and resulting contract, if any, shall be enforced in the courts of the State of Florida and that venue shall always be in City of Key West, Florida, Florida.

2.32. SUBCONTRACTS

The Proposer is fully responsible for all work performed under the contract resulting from this RFP, if any. The Proposer may, with the prior written consent of City, enter into written subcontract(s) for performance of certain of its functions under such contract. The subcontractors and the amount of the subcontract(s) shall be identified in the Proposer's response to this RFP. No subcontract shall be implemented or effective until approved in writing by City. No subcontract(s), which the Proposer enters into under the contract resulting from this RFP, if any, shall in any way relieve the Proposer of any responsibility for performance of its duties under such contract. Proposer is responsible to fully notify any subcontractor(s) of their responsibilities under any subcontract. All payments to subcontractors shall be the sole responsibility of the Proposer.

2.33. CONTRACTUAL PRECEDENCE

This RFP shall be included and incorporated in the final contract. The order for contract precedence will be the Contract, City's RFP and RFP Specifications, and Proposer's RFP Response.

2.34. ADDITIONAL TERMS AND CONDITIONS

- 2.34.1. Failure to observe any of the instructions or conditions in this Request for Proposal may constitute grounds for rejection.
- 2.34.2. The City reserves the right to request an interview with any Proposer to determine service capabilities in greater detail and to clarify any unclear areas in the proposals.
This may include a site visit to the Proposer's facilities. The City will not be liable for any costs incurred by the Proposer in connection with such an interview (i.e., travel, accommodations, etc.).
- 2.34.3. In the event the Proposer to whom the contract is awarded does not execute a contract within (15) fifteen days of such award, the City may give notice to such Proposer of intent to award the contract to another Proposer, or to call for new proposals.
- 2.34.4. By submitting a proposal, the Proposer certifies that the bank officer has fully read and understands this RFP and has full knowledge of the scope, nature, quantity, and quality of work to be performed; the detailed requirements of the services to be provided; and the conditions under which the services are to be performed.
- 2.34.5. The Proposer shall furnish such additional information as the City may reasonably require. The City reserves the right to make investigations of the qualifications of the Proposer as it deems appropriate.
- 2.34.6. This RFP contains an anticipated number of transactions. Although this is the City's average volumes over the past twelve months, the City cannot guarantee that such will be the monthly transaction volumes.
- 2.34.7. It is understood that any firm or institution awarded a contract under this Request for Proposal shall maintain the appropriate insurance(s) as indicated in, Indemnification and Insurance Requirements, for the total time period of this contract including any extensions.
- 2.34.8. The City may consider the cost associated with changing financial institutions in addition to the results of the Award Criteria.

III. SCOPE OF SERVICES/ MINIMUM SERVICES REQUIRED

The City is looking for innovative ideas, services and products from the City's banking partner. Key considerations in the proposal review will be Customer Service, Financial Strength and Technological Innovations.

- 3.1. Must maintain its home office or a full service branch bank within the City of Key West, Florida. Please provide a street address for each bank branch in the City.
- 3.2. Establish demand deposit accounts as may be necessary to meet the banking requirements of the City. Post deposit and withdrawals in a timely manner.
- 3.3. Provide the City electronic copies of all debit and credit adjustment memos.
- 3.4. Provide the City all the necessary deposit slips.
- 3.5. Provide the City with an accelerated float collection schedule.
- 3.6. Provide the City all the software and training necessary to access and utilize the Proposer's on-line systems.
- 3.7. Provide the City with on-line access that equals or exceeds the safety, security and encryption standards established by the information and technology industry.
- 3.8. Disburse funds via repetitive and non-repetitive wire transfer from an on-line system.
- 3.9. Accept and send all ACH transactions (payroll, disbursement and deposit) and provide on-line notification of ACH deposits the same day.
- 3.10. Provide automated on-line balance reporting services for all City accounts. Available information should include: closing ledger, closing collected, opening ledger, opening collected, float, previous day debit and credit detail (including bankcard deposits, ZBA transfers), and ACH credit and debit detail.
- 3.11. Provide the ability to place on-line stop payments and cancelation of issues and on-line access to information regarding cleared, canceled, returned and stop payment checks.
- 3.12. After minimum concentration account balance requirements are met, if applicable, sweep any excess cash balances into an approved overnight investment vehicle. Proposer must submit proposals offering services based on an actual cost basis. Typically, \$6,000,000. to \$9,000,000 is available for an overnight investment. Please note: the \$9,000,000 as represented in the "Banking Services Chart" (13.1) is a 2011 average, and going forward this may not be the case.
- 3.13. Provide online monthly activity statements and reports for all accounts. These statements will include a monthly account analysis. The statement cutoff must be the last day of the month. Statements must be sent no later than the 10th of the following month. The City requires on-line month end statements for both bank account activity and for analysis statements.
- 3.14. Provide the City with the capability to retrieve all reports and images on-line.
- 3.15. Secure the City accounts with ACH Blocks and/or Filters as needed.
- 3.16. Provide money market accounts for the investment of cash not used during the course of several days.

- 3.17. The Proposer will provide overdraft protection services to the City. In the event of an overdraft, presented checks shall be paid by the bank after confirmation by the City.
- 3.18. Provide cashing of the City created checks at no charge to payee.
- 3.19. Provide a dedicated Customer Service Representative to service the City's accounts.
- 3.20. Provide the City with Semi-annual Treasury Review focused on new services available, and services that will streamline the current banking process as necessary.

IV. INFORMATION REQUESTED

4.1. QUALIFICATIONS AND EXPERIENCE

- 4.1.1. Describe the organization, date founded, ownership, and other business affiliations.
- 4.1.2. Provide the address of the office location that will service the account.
- 4.1.3. Describe the experience of the financial institution in providing similar services for other Florida, City clients.
- 4.1.4. Include one (1) copy of the most recent audited financial statement with the proposal. If available, please provide an online address or link to your most recently audited financial statements.
- 4.1.5. Provide a list of branch addresses for banking centers located in near each of the City's locations (Attachment 3).

4.2. PERSONNEL

- 4.2.1. Provide biographical information on all bank officers that will be directly involved in the management of the City's accounts; who the primary contact will be and what, if any, experience these officers have in working with governmental clients. Please include customer service.
- 4.2.2. Provide an organizational chart for the personnel who will be associated with the City's accounts, including the roles of each person that illustrates the relationship among the personnel.
- 4.2.3. Provide the geographical area of responsibility for each person on the Responder's team that will support the City

4.3. INTEREST EARNED, AND EARNINGS CREDITS

- 4.3.1. The bank must invest the collected balance of all accounts at 6:00 P.M. Eastern Standard Time at the proposed investment rate and in compliance with the City's investment policy. The collected balance must include any wire transfers received during the day, less any outgoing wire transfers. Interest earned and fees charged will be posted monthly. The total average collected balance of all accounts is included in Attachment 5. In the event that any account has a negative collected balance, interest charged on any overdrawn accounts will be calculated using the same formula by which the account receives interest. The Proposer will not assess any fees or penalties on the negative balance or fees for transfers between City accounts.

4.3.2. Quote the interest rate the Proposer is currently offering the City on funds remaining in an account overnight (Attachment 4) and an interest rate floor. If a Public Funds account is available to the City, describe how interest will be calculated and credited on all accounts. Be specific.

4.3.3. Describe the method used to calculate the earnings credit rate (ECR). Are the reserve requirement and FDIC charges deducted from the available balance before the ECR is calculated? If not, please include in the bank explanation the impact of the bank reserve requirements and/or FDIC charges. Also include the bank formula for converting service charges to balance requirements and a listing of the bank earnings credits and reserve requirements for the last 12 months.

4.4. DEPOSIT PROCESSING

The City collects checks at its locations throughout the City of Key West, Florida as listed on Attachment 3. Many of these locations will deposit checks directly into a local bank. Based on this information please provide answers to the following questions.

4.4.1. What is the deposit cut-off time to ensure same day ledger credit?

- a. Is it the same for cash as for checks, drafts, etc?
- b. Are there any options that might affect this cut-off time (e.g., provisional credit, and delayed verification)?
- c. If the City decides to use a Remote Deposit System will this change the cut off time?

4.4.2. Are weekend or holiday deposit services available? Is there an additional fee or discount for utilizing these services?

4.4.3. What type of deposit bags does the bank allow/require?

- a. Does the Proposer provide these bags?
- b. Does the Proposer charge a fee for these bags?

4.4.4. Are there any benefits to the City to separate cash and checks into two deposit bags?

4.4.5. Are the deposit slips that the bank provides available in multiple part forms? How many copies does the bank require? Can the deposit slips include a designation for each City location?

4.4.6. Does the Proposer require that cash be deposited in standard straps only? Is there a penalty for using non-standard straps?

4.4.7. Does the Proposer accept loose and/or rolled coin for deposit at the vault and branch locations? Is there a fee for depositing loose or rolled coin?

4.4.8. How does the Proposer determine and calculate funds availability for deposited items?

- a. Does the Proposer give immediate credit for on-us items?
- b. Does the Proposer calculate funds availability by item or formula?
- c. Does the Proposer use a standard schedule? Accelerated schedule? How often is it updated?
- d. Provide a copy of the funds availability schedule that will apply to deposits into the City's accounts.

4.4.9. Provide a list of the bank's holidays.

4.5. DEPOSIT VERIFICATION

4.5.1. How will the Proposer return the validated deposit to the City? Within what time frame?

4.5.2. Does the Proposer identify and adjust all discrepancies?

a. If no, at what dollar amount does the Proposer write off discrepancies?

b. What is the standard procedure for reporting deposit adjustments? What additional options are available (e.g., copies to multiple locations)?

4.5.3. What is the Proposer's policy on receipt of tampered deposit bags?

4.5.4. When counterfeit bills are discovered, what are the Proposer's notification and adjustment policy and process?

4.6. VAULT SERVICES

4.6.1. Does the Proposer have an automated vault service? Describe the deposit and change order procedures, cut-off times, and other features of this system.

4.6.2. Does the Proposer offer Courier Service? Will it provide this service to the City? If so, what is the cost of this service?

4.6.3. Based on the City's volume of cash would the courier need to go to a cash vault?

4.7. RETURN ITEM PROCESSING

4.7.1. Can return items be automatically re-deposited? If so, how many times?

4.7.2. Does the Proposer have an electronic return notification? If so, what type of information is available? Can the data be customized?

a. Is there a separate record for each returned item?

b. Can these records identify the depositing location and the type of item being returned (e.g., personal check, traveler's check, and money order)?

c. Are imaged documents available on-line?

4.7.3. Does the Proposer have a policy to refuse return items not sent through the system in a timely manner?

4.7.4. Does the Proposer assign float to return items? If so, describe.

4.7.5. Does the Proposer have the ability to convert a returned check into an ACH item (RCK)?

4.7.6. Describe any advantages and disadvantages to the City for using RCK?

4.8. **WIRE TRANSFERS**

- 4.8.1. What are the beginning and ending cut-off times in Eastern Standard Time for initiating wire transfers to ensure same-day execution? Is the time the same for telephone call in wires?
- 4.8.2. What is the cut-off time for receiving incoming domestic wire transfers in order to receive same day credit?
- 4.8.3. How does the City track the status of transfers once the transfer is in the system (input, approved and released)? How does this differ for telephone initiated wire transfers?
- 4.8.4. How is access to the Proposer's wire transfer system controlled?
- 4.8.5. Does the Proposer offer its customers dual control release options (intermediary approval level) for electronically initiated transfers? If so, describe.
- 4.8.6. Are security access codes (passwords) encrypted or authenticated? How often is the password required to be changed? Is a Log-on Audit Report available that shows all log-ons over a given period, including User ID, date and time?
- 4.8.7. Can dollar limits by user and function be established for single transaction amounts and daily aggregate amounts?
- 4.8.8. Can the Proposer's on-line wire system create non-repetitive wires in U.S. Denominated currency?

4.9. **DISASTER RECOVERY AND CONTROL**

- 4.9.1. Describe the bank's electronic data procedures and/or manual system used to provide banking services along with backup and recovery capabilities, in the event of a disaster.
- 4.9.2. Are off-site facilities strategically located away from each other in the event of a disaster?
- 4.9.3. How quickly can the "hot" site be implemented in case of an emergency?
- 4.9.4. Provide a description of the controls in place to insure the integrity of the funds transfer system.
- 4.9.5. Describe the types of insurance and bonding carried.
- 4.9.6. How often are emergency operations tested? How are they tested?

4.10. **ACCOUNT REPORTING**

- 4.10.1. Will the account reporting system provide beginning and ending ledger (book) balances, collected balances, available balances, and float assignment?
- 4.10.2. What current-day reporting is available through the reporting system?
- 4.10.3. How many business days is data stored on the Proposer's reporting system and available for the City to access?
- 4.10.4. What technical specifications will be required of the City's system?

- 4.10.5. Is specific software required to communicate with the Proposer's system and how many systems are required to be maintained? Include but not limited to:
- Does your service require a stand alone PC? Can your service co-exist on the same PC with other software?
 - List any additional peripheral hardware that maybe required for optimal performance of your service.
 - Can the software be accessible in a Citrix environment?
- 4.10.6 Security/Administrative Rights/User Security
- Discuss the methods used to authenticate items such as users, files, locations, or other identifying criteria
 - Describe the process we would use to establish and verify user profiles.
 - How does the user authentication expire?
- 4.10.7. Automated balance-reporting services for the City's accounts should be provided. Ledger and collected balances should be available for opening and current day. Transaction details for prior and current day should include debit and credits (i.e. wire transfers, ACH transactions, bankcard deposits, ZBA transfers).

4.11. OVERDRAFTS

It is not the intention of the City to overdraw any account. In the event of an overdraft, all checks presented for payment must be paid. The City or designee shall confirm wires or ACH transfers that will result in an overdraft. The Proposer shall complete the wire/ACH transfer after confirmation. No service fee shall be charged to the City for overdrafts.

4.12. STOP PAYMENTS

Stop payment orders will routinely be initiated electronically. On rare occasions it may be necessary to initiate a stop payment by telephone. When the City initiates a stop payment order, the Proposer will immediately inform the City electronically if the check has been paid and provide an image of the paid item to the City. If not paid, the Proposer will provide an electronic confirmation of the stop payment. Stop payments shall be effective for a period of not less than twelve months. Cancellation of a stop payment order will be processed in the same way as the stop payment order. All checks paid by the Proposer after a stop payment order has been confirmed will be the responsibility of the Proposer.

- 4.12.1. Does the Proposer offer an automatic escheatment solution for checks once they become (6) six months old?

4.13. Additional Services and Technological Innovation

Include information on any other cash management services currently provided or planned by the bank that may benefit the City. The City has provided a historical average of the types of transactions presently used. The City would like to see a detailed analysis of what your institution would recommend to the City to implement. The Respondent must also submit a cost/benefit analysis with its Proposal for any proposed additional services

V. CUSTOMER SERVICE AND QUALITY

- 5.1. The City requires a dedicated customer service representative be assigned to handle the City account.
- a. Describe the responsibilities of the customer service personnel, including the chain of command for problem resolution.
 - b. Is local customer service support available for the City's accounts?
- 5.2. What are the hours of operation of the Proposer's service unit? [Specify time]
- 5.3. How does the Proposer handle inquiries requiring research and adjustments? The City requires supporting documentation on any debit or credit correction memo.
- 5.4. Are there established turn-around times for research and adjustment items? If yes, specify.
- 5.5. Does the Proposer provide technical customer support for computer hardware, software, and communications problems?

VI. BANK FEES

- 6.1. Provide the proposed prices for the list of banking services as presented on the Prices and Services Chart in Section XVII. Prices must be guaranteed for the five (5) year term of the contract. In an extended contract period the Proposer has the right to increase services charges. If the Proposer increases these charges, the Proposer must notify the City in writing six (6) months prior to the price increase, of the amount of the increase and the period the increase is effective. It is then the City's option to extend the contract or re-proposal the services.
- 6.2. The City requests that deposit slips be furnished by the Proposer at no cost to the City. Under these circumstances, would the City order deposit slips through the Proposer or directly from a vendor?
- 6.3. The City requests the Proposer to cash City created checks without charge to the payee. Will any charges incurred be passed through to the City? If so, please list these in Section 15.1. What controls are in place to minimize check fraud?
- 6.4. Will the Proposer charge any one time implementation fees to the City for setting up new services? Please explain these fees if not included in your pricing proposal.
- 6.5. Does the Proposer charge for use of uncollected funds? If so, how is the charge calculated?
- 6.6. How soon after the close of the billing period is the account analysis available to the City?
- 6.7. How are adjustments reflected on the account analysis?
- 6.8. Is the Proposer's account analysis available electronically via the Internet?
- 6.9. Please describe the procedures used to adjust Proposer statements and to assure corresponding adjustment to account analysis statement. How is the adjustment handled if the analysis period has already ended?

6.10. Please list any additional fees for additional services not specifically requested related to conversion, training, and/or other Banking Services. Fees for Banking Services not indicated within this proposal will be considered provided at no additional cost than what is submitted in the proposal.

6.11. Please provide a sample invoice for the City account.

VII. PAYMENT FOR BANKING SERVICES

The City is receptive to the City either paying banking fees directly or applying compensating balance earnings toward bank charges with interest paid on excess balances. Please evaluate the best scenario for the account and make recommendation on a monthly or quarterly basis as to the best mix of balances to offset services charges.

VIII. STRENGTH OF FINANCIAL INSTITUTION

8.1. Please provide the collateral level that your bank is required to post for Florida Public Deposits.

8.2. Please, provide ratings for you from two of the following agencies: Standard & Poor's, Moody's, Fitch. Include ratings for: Commercial Paper, Long-Term Debt for the bank entity and Moody's Bank Financial Rating.

IX. CONVERSION AND IMPLEMENTATION

9.1. Describe a conversion plan to transfer assets of the City to your financial institution.

9.2. What is the lead time required for conversion and implementation, based on a start date of July 1, 2012. What are the critical factors that may impact that lead time??

9.3. Indicate your plans and all costs associated with the conversion and for educating and training the City employees in the use of your systems.

9.4. Provide a copy of all agreements that will be required to initiate the banking services agreement.

9.5. Provide a detailed description of the implementation process, including testing and a sample implementation schedule.

9.6. Does the Proposer assign an implementation team? If so, is an Implementation Manager assigned?

X. REPORTING

Please provide copies of the reports most likely to be used by the City based on the services recommended by the Proposer.

XI. REFERENCES

Provide three (3) public references within the state of Florida, (if possible, where similar services were provided), including the length of time the Proposer has provided services, client name, contact personnel, address, and phone number. The City may contact these references during the evaluation process. If three Florida public references are not possible, provide three private references whose banking services most closely resemble the account structure used by the City.

XII. CURRENT BANKING ENVIROMENT

See attachment 3 for narrative.

XIII. PRICES AND SERVICES CHARTS

Listed below is a monthly average of activity for the period January 2011 – December 2011. Volumes are estimated and not guaranteed as minimums or maximums. Based on the information contained in this proposal, provide unit charges for the new services. The Proposer must use this format, adding any other service fees that will be charged. Additionally, Proposers are requested to provide the information below electronically (Excel is preferred) to the City. Information on additional recommended banking services not covered in the proposal must be added in Attachment 7. Fees not included on the following table should be included at the bottom of each section as applicable.

13.1. Banking Services Chart

| Banking Services | Average Volume | Unit Price | Monthly Fee |
|-----------------------------------|-----------------------|-------------------|--------------------|
| <i>Pooled Cash Account</i> | | | |
| ACH Monthly Maintenance Fee | 1 | 0.00 | 0.00 |
| ACH File Fees | 10 | 0.00 | 0.00 |
| ACH Per Item | 4,172 | 0.00 | 0.00 |
| Coin Bags | 158 | 0.00 | 0.00 |
| Maintenance Fee | 1 | 0.00 | 0.00 |
| Debits Processed | 7 | 0.00 | 0.00 |
| Credits Processed | 643 | 0.00 | 0.00 |
| ACH Credits Fee | 383 | 0.00 | 0.00 |
| On Us Item Fee | 1,492 | 0.00 | 0.00 |
| Foreign Item Fee 1 | 4,963 | 0.00 | 0.00 |
| Chargeback Redeposit | 9 | 0.00 | 0.00 |
| Chargeback Fee | 6 | 0.00 | 0.00 |
| Outgoing Wire | 6 | 0.00 | 0.00 |
| Incoming Wire | 0 | 0.00 | 0.00 |
| Stop Payment Fee | 0 | 0.00 | 0.00 |
| <i>Payroll Account</i> | | | |

| Banking Services | Average Volume | Unit Price | Monthly Fee |
|---|-----------------------|-------------------|--------------------|
| ACH Monthly Maintenance Fee | 0 | 0.00 | 0.00 |
| ACH File Fees | 0 | 0.00 | 0.00 |
| ACH Per Item | 0 | 0.00 | 0.00 |
| Coin Bags | 0 | 0.00 | 0.00 |
| Maintenance Fee | 1 | 0.00 | 0.00 |
| Debits Processed | 130 | 0.00 | 0.00 |
| Credits Processed | 1 | 0.00 | 0.00 |
| ACH Credits Fee | 0 | 0.00 | 0.00 |
| On Us Item Fee | 0 | 0.00 | 0.00 |
| Foreign Item Fee 1 | 0 | 0.00 | 0.00 |
| Chargeback Redeposit | 0 | 0.00 | 0.00 |
| Chargeback Fee | 0 | 0.00 | 0.00 |
| Outgoing Wire | 0 | 0.00 | 0.00 |
| Incoming Wire | 0 | 0.00 | 0.00 |
| Stop Payment Fee | 0 | 0.00 | 0.00 |
| Operating Account | | | |
| ACH Monthly Maintenance Fee | 0 | 0.00 | 0.00 |
| ACH File Fees | 0 | 0.00 | 0.00 |
| ACH Per Item | 0 | 0.00 | 0.00 |
| Coin Bags | 0 | 0.00 | 0.00 |
| Maintenance Fee | 1 | 0.00 | 0.00 |
| Debits Processed | 445 | 0.00 | 0.00 |
| Credits Processed | 0 | 0.00 | 0.00 |
| ACH Credits Fee | 0 | 0.00 | 0.00 |
| On Us Item Fee | 0 | 0.00 | 0.00 |
| Foreign Item Fee 1 | 0 | 0.00 | 0.00 |
| Chargeback Redeposit | 0 | 0.00 | 0.00 |
| Chargeback Fee | 0 | 0.00 | 0.00 |
| Outgoing Wire | 0 | 0.00 | 0.00 |
| Incoming Wire | 0 | 0.00 | 0.00 |
| Stop Payment Fee | 1 | 0.00 | 0.00 |
| Online Credit Card Payment Account | | | |
| ACH Monthly Maintenance Fee | 0 | 0.00 | \$0.00 |
| ACH File Fees | 0 | | |
| ACH Per Item | 0 | | |
| Coin Bags | 0 | | |
| Maintenance Fee | 0 | | |
| Debits Processed | 0 | | |
| Credits Processed | 6 | | |
| ACH Credits Fee | 6 | | |
| On Us Item Fee | 0 | | |
| Foreign Item Fee 1 | 0 | | |
| Chargeback Redeposit | 0 | | |
| Chargeback Fee | 0 | | |
| Outgoing Wire | 0 | | |
| Incoming Wire | 0 | | |

| Banking Services | Average Volume | Unit Price | Monthly Fee |
|-------------------------------------|-----------------------|-------------------|--------------------|
| Stop Payment Fee | 0 | | |
| Police Investigation Account | | | |
| ACH Monthly Maintenance Fee | 0 | | |
| ACH File Fees | 0 | | |
| ACH Per Item | 0 | | |
| Coin Bags | 0 | | |
| Maintenance Fee | 1 | | |
| Debits Processed | 0 | | |
| Credits Processed | 0 | | |
| ACH Credits Fee | 0 | | |
| On Us Item Fee | 0 | | |
| Foreign Item Fee 1 | 0 | | |
| Chargeback Redeposit | 0 | | |
| Chargeback Fee | 0 | | |
| Outgoing Wire | 0 | | |
| Incoming Wire | 0 | | |
| Stop Payment Fee | 0 | | |

| | |
|------------------------------|-------------|
| Average Collected Balance | \$9,000,000 |
| Current Earnings Credit Rate | % |
| Floor Rate for ECR | % |
| FDIC Assessment | |
| Fee Waiver (if applicable) | |
| Current Interest Rate | % |
| Floor Interest Rate | % |

XIV. ATTACHMENTS

- Attachment 1 – Qualified Public Depository**
- Attachment 2 – Equal Employment Opportunity Statement**
- Attachment 3 – Current Banking Environment**
- Attachment 4 – Interest Rates**
- Attachment 5 – Statement on Public Entity Crimes**
- Attachment 6 – Conflict/Non conflict of interest statement**
- Attachment 7 – Permit Requirements**
- Attachment 8 – Anti-Kickback**
- Attachment 9 – Local Vendor Certification**

ATTACHMENT 1

QUALIFIED PUBLIC DEPOSITORY

ATTACHMENT 2

EQUAL EMPLOYMENT OPPORTUNITY STATEMENT

The undersigned Proposer, by the signature below, represents that the foregoing information is true and correct. The undersigned Proposer, by the signature below, provides assurances to the City of its compliance with Federal, State and City affirmative action and equal employment opportunity requirements. The undersigned Proposer further assures that it and its sub-contractors/sub-recipients facilities are accessible to the handicapped (if applicable).

IN WITNESS WHEREOF, this Equal Employment Opportunity Statement is hereby signed as of the date indicated.

PROPOSER: _____

ATTEST

By: _____
Authorized Signature signed in ink before a
Notary Public

Witness

Typed name of person signing above

Witness

Title of person signing above

Date signed:

Notary Public, State of

My commission expires:

ATTACHMENT 3

Current Banking Environment

A. **General** – The City is looking for the most beneficial account type(s) that will provide the most service and least cost for the amount of activity of each account. The City desires to maximize the amount of cash available for investment purposes.

B. **Accounts Included**

Currently banking services are being conducted with the following accounts.

Pooled Cash Concentration Account - All deposits of the City are made into the Pooled Cash account and this account is used to fund checks presented in the accounts payable and payroll accounts.

Payroll Zero Balance Account – All employee wage payments are made against this account. When checks are presented they are funded by the Pooled Cash account.

Accounts Payable Zero Balance – All vendor payments are made against this account. When checks are presented they are funded by the Pooled Cash account.

Online Credit Card Account - This account is used for processing all utility credit card payments made on-line when using the City's on-line payment software.

Police Investigative Fund - used as a standard checking account for police investigative needs.

C. **Account Structure**

- a. **Pooled Cash Concentration Account** – All deposits are made into the Pooled Cash account. That represents 600-700 bank deposits per month in addition to around 400 ACH credits into the account monthly. The funds in the account are swept into the two zero balance accounts when checks are presented for payments. The average bank collected balance in the account earns interest monthly. The City reserves the right to make investment in other options using the funds of the Pooled Cash account.
- b. **Payroll Zero Balance Clearing** – All payroll checks are presented against this account approximately 150 per month. The account maintains a zero balance as checks are presented the bank sweeps the Pooled Cash account to offset the charges. Most of the City's payroll is directly deposited into employee accounts this represents approximately 1100 ACH payroll items monthly.
- c. **Accounts Payable Zero Balance Clearing** – All accounts payable checks are presented against this account, approximately 450 per month. The account maintains a zero balance as checks are presented the bank sweeps the Pooled Cash account to offset the charges. Currently no ACH files are generated through the accounts payable process.
- d. **Online Credit Card** – This account is used to account for credit card payments made by customers using the City's online web based software. Currently the City only uses this account for utility payments on-line. Monthly upon reconciliation the proceeds in this account are transferred to the Pooled Cash account.
- e. **Police Investigative Fund** – This account is used as a checking account for the police department when special needs arise. The volume in this account is minimal with only one or two transactions per month.

D. Revenue Collection

The City collects revenue at numerous locations throughout the city.

| Location | Days collecting | Transmitted | Type of Collection | Annual Volume |
|----------------------------------|------------------------|---|------------------------------------|---------------|
| Transfer Station Rockland Key | Mon - Sat | Monday - Friday to Reveune Dept via courier | Cash, Checks, Credit Cards | \$115,000 |
| Garrison Bight Marina | Mon - Sun | Monday - Sun to Key West Bight Marina | Cash, Checks, Credit Cards | \$1,500,000 |
| Key West Bight Marina | Mon - Sun | Mon, Wends, Fri - Private armored car pick deliver to Bank. Monday - Friday rent payment to revenue for posting | Cash, Checks, Credit Cards | \$5,000,000 |
| Key West DOT Office | Mon - Fri | Monday - Friday to Reveune Dept via courier | Cash, Checks | \$100,000 |
| Key West DOT Buses | Mon - Sat | Monday - Sat to Reveune Dept via courier | Cash, Coins | \$500,000 |
| Building Department | Mon - Fri | Monday - Friday to Reveune Dept via courier | Cash, Checks, Credit Cards | \$2,500,000 |
| Parking Meters/Pay Stations | Mon - Fri as needed | Monday - Friday to Reveune Dept via courier | Coins, Credit Cards | \$3,300,000 |
| Parking Enforcement | Mon - Fri | Monday - Friday to Reveune Dept via courier | Cash, Checks, Credit Cards | \$650,000 |
| Cemetery | Mon - Fri | Monday - Friday to Reveune Dept via courier | Checks | \$50,000 |
| Port | Mon - Fri | Monday - Friday to Reveune Dept via courier | Checks | \$3,500,000 |
| Code Enforcement | Mon - Fri | Monday - Friday to Reveune Dept via courier | Cash, Checks | \$85,000 |
| Revenue/Utilities | Mon - Fri | Collected on site, on-line | Cash, Checks, Credit Cards, ACH | \$16,000,000 |
| Finance | Mon - Fri | Monday - Friday to Reveune Dept via courier | Checks, EFT | \$35,000,000 |

The Revenue department located at 3126 Flagler Ave. Key West, receives deposits Monday thru Saturday from the various locations listed above. Revenue verifies the deposit amounts received from the various locations and prepares the deposits for armored car pick up. Revenue also services walk up clients and processes all utility payments. Daily (mon-fri) a private armored car service picks up the daily deposits from Revenue and transmits to the bank for processing.

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ATTACHMENT 5

SWORN STATEMENT PURSUANT TO SECTION 287.133(3)(A)
FLORIDA STATUTES, ON PUBLIC ENTITY CRIMES

THIS FORM MUST BE SIGNED AND SWORN TO IN THE PRESENCE OF A NOTARY
PUBLIC OR OTHER OFFICIAL AUTHORIZED TO ADMINISTER OATHS,

1. This sworn statement is submitted to _____
by _____
(Print individual's name and title)
for _____
(print name of entity submitting sworn statement)

whose business address is _____
and (if applicable) its Federal Employer Identification Number (FEIN) is _____
(If the entity has no FEIN, include the Social security Number of the individual signing
this sworn statement: _____)

2. I understand that a "public entity crime" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a violation of any state or federal law by a person with respect to and directly related to the transaction of business with any public entity or with an agency or political subdivision of any other state or of the United States, including, but not limited to, any bid or contract for goods or services to be provided to any public entity or an agency or political subdivision of any other state or of the United States and involving antitrust, fraud, theft, bribery, collusion, racketeering, conspiracy, or material misrepresentation.
3. I understand that "conviction" as defined in Paragraph 287.133(1)(g), Florida Statutes, means a finding of guilt or a conviction of a public entity crime, with or without an adjudication of guilt, in any federal or state trial court of record relating to charges brought by indictment of information after July 01, 1989, as a result of a jury verdict, nonjury trial, or entry of a plea of guilty or nolo contendere.
4. I understand that an "affiliate" as defined in Paragraph 287.133(1)(a), Florida Statutes, means:
1. A predecessor or successor of a person convicted of a public entity crime;
- or

2. An entity under the control of any natural person who is active in the management of the entity and who has been convicted of a public entity crime. the term "affiliate" includes those officers, directors, executives, partners, shareholders, employees, members and agents who are active in the management of an affiliate. The ownership by one person of shares constituting a controlling interest in another person, or a pooling of equipment of income among persons when not for fair market value under an arm's length agreement, shall be a prima facie case that one person controls another person. A person who knowingly enters into a joint venture with a person who has been convicted of a public entity crime in Florida during the preceding 36 months shall be considered an affiliate.
5. I understand that a "person" as defined in Paragraph 287.133(1)(e), Florida Statutes, means any natural person or entity organized under the laws of any state of the United States with the legal power to enter into a binding contract and which bids or applies to bid on contracts for the provision of goods or services let by a public entity, or which otherwise transacts or applies to transact business with a public entity. The term "person" includes those officers, directors, executives, partners, shareholders, employees, members, and agents who are active in management of an entity.
6. Based on information and belief, the statement which I have marked below is true in relation to the entity submitting this sworn statement (indicate which statement applies).

 Neither the entity submitting this sworn statement, or any of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, nor any affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July, 1989.

 The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 01, 1989.

 The entity submitting this sworn statement, or one or more of its officers, directors, executives, partners, shareholders, employees, members, or agents who are active in the management of the entity, or an affiliate of the entity has been charged with and convicted of a public entity crime subsequent to July 01, 1989. However, there has been a subsequent proceeding before a Hearing Officer of the State of Florida, Division of Administrative Hearings and the Final Order entered by the Hearing Officer determined that it was not in the public interest to place the entity submitting this sworn statement on the convicted vendor list. (attach a copy of the final order).

I UNDERSTAND THAT THE SUBMISSION OF THIS FORM TO THE CONTRACTING OFFICER FOR THE PUBLIC ENTITY IDENTIFIED IN PARAGRAPH ONE (1) ABOVE IS FOR THAT PUBLIC ENTITY ONLY AND, THAT THIS FORM IS VALID THROUGH DECEMBER 31 OF THE CALENDAR YEAR IN WHICH IT IS FILED. I ALSO UNDERSTAND THAT I AM REQUIRED TO INFORM THE PUBLIC ENTITY PRIOR TO ENTERING INTO A CONTRACT IN EXCESS OF THE THRESHOLD AMOUNT PROVIDED IN SECTION 287.017, FLORIDA STATUTES, FOR THE CATEGORY TWO OF ANY CHANGE IN THE INFORMATION CONTAINED IN THIS FORM.

(SIGNATURE)

(DATE)

STATE OF _____

COUNTY OF _____

PERSONALLY APPEARED BEFORE ME, the undersigned authority _____ who, after first being sworn by me, (name of individual) affixed his/her signature in the space provided above of this _____ day of _____, 2012

NOTARY PUBLIC

My commission expires: _____

ATTACHMENT 6

CONFLICT/NON-CONFLICT OF INTEREST STATEMENT

CHECK ONE

- To the best of our knowledge, the undersigned firm has no potential conflict of interest due to any other clients, contracts, or property interest for this project.

OR

- The undersigned firm, by attachment to this form, submits information which may be a potential conflict of interest due to other clients, contracts, or property interest for this project.

LITIGATION STATEMENT

CHECK ONE

- The undersigned firm has had no litigation and/or judgments entered against it by any local, state or federal entity and has had no litigation and/or judgments entered against such entities during the past ten (10) years.
- The undersigned firm, **BY ATTACHMENT TO THIS FORM**, submits a summary and disposition of individual cases of litigation and/or judgments entered by or against any local, state or federal entity, by any state or federal court, during the past ten (10) years.

Company Name

Authorized Signature

Name (Print or Type)

Title

Failure to check the appropriate blocks above may result in disqualification of your proposal. Likewise, failure to provide documentation of a possible conflict of interest, or a summary of past litigation and/or judgments, may result in disqualification of your proposal.

BUSINESS TAX RECEIPT
REQUIREMENT AND COST

\$1,102.50 per year if physically located in Key West

Plus \$183.75 per ATM

ATTACHMENT 8

ANTI-KICKBACK AFFIDAVIT

STATE OF FLORIDA

SS

COUNTY OF MONROE

I, the undersigned, hereby duly sworn, depose and say that no portion of the sum herein bid will be paid to any employee of the City of Key West as a commission, kickback, reward or gift, directly or indirectly by me or any member of my firm or by an officer of the corporation.

BY: _____

sworn and prescribed before me this _____ day of _____, 2012

NOTARY PUBLIC, State of Florida

My commission expires: _____

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ATTACHMENT 9

LOCAL VENDOR CERTIFICATION PURSUANT TO CKW ORDINANCE 09-22 SECTION 2-798

The undersigned, as a duly authorized representative of the vendor listed herein, certifies to the best of his/her knowledge and belief, that the vendor meets the definition of a "Local Business." For purposes of this section, "local business" shall mean a business which:

- a. *Principle address as registered with the FL Department of State located within 30 miles of the boundaries of the city, listed with the chief licensing official as having a business tax receipt with its principle address within 30 miles of the boundaries of the city for at least one year immediately prior to the issuance of the solicitation.*
- b. *Maintains a workforce of at least 50 percent of its employees from the city or within 30 miles of its boundaries.*
- c. Having paid all current license taxes and any other fees due the city at least 24 hours prior to the publication of the call for bids or request for proposals.
 - o Not a local vendor pursuant to Ordinance 09-22 Section 2-798
 - o Qualifies as a local vendor pursuant to Ordinance 09-22 Section 2-798

If you qualify, please complete the following in support of the self certification & submit copies of your County and City business licenses. Failure to provide the information requested will result in denial of certification as a local business.

Business Name

Phone:

Current Local Address:

Fax:

(P.O Box numbers may not be used to establish status)

Length of time at this address

Signature of Authorized Representative

Date

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this _____ day of _____, 20__.

By _____, of _____

(Name of officer or agent, title of officer or agent) Name of corporation acknowledging)

or has produced _____ as identification

(type of identification)

Signature of Notary

Return Completed form with

Supporting documents to:

City of Key West Purchasing

Print, Type or Stamp Name of Notary

Title or Rank

CALL FOR PROPOSALS

NOTICE is hereby given to prospective Proposers that sealed proposals will be received by the CITY OF KEY WEST by the office of the City Clerk, 3126 Flagler Ave, Key West, Florida 33040, until 3:00 P.M. March 28, 2012 for RFP# 005-12 – Banking Services.

Proposals will be opened in the office of the City Clerk then and there. Late Proposals will not be considered. SPECIFICATIONS AND DOCUMENTS may be obtained from DemandStar by Onvia at www.demandstar.com/supplier, City of Key West at www.keywestcity.com, or by calling 1.800.711.1712. One (1) original and three (3) copies of the proposal and one (1) copy via compact disk or USB drive in PDF format are to be enclosed in two (2) sealed envelopes, one within the other, each clearly marked on the outside: RFP # 005-12 – Banking Services, addressed and delivered to:

CITY CLERK
CITY OF KEY WEST FLORIDA
CITY HALL, 3126 FLAGLER AVENUE
KEY WEST, FLORIDA 33040

At the time of the award, the successful Proposer must show satisfactory documentation of such State, County and City licenses as would be required. Any permit and/or license requirement and subsequent costs are located within the documents. The successful Proposer must also be able to satisfy the City Attorney as to such insurance coverage, and legal requirements as may be demanded by the proposal in question. The City may reject bids: (1) for budgetary reasons, (2) if the Proposer misstates or conceals a material fact in its proposal, (3) if the Proposer does not strictly conform to the law or is non-responsive to proposal requirements, (4) if the Proposal is conditional, or (5) if a change of circumstances occurs making the purpose of the Proposal unnecessary or (6) if such rejection is in the best interest of the City. The City may also waive any minor informalities or irregularities in any bid.

ADDENDUM NO. 1
BANKING SERVICES
RFP NO. 005- 12

To All Bidders:

The following clarifications are hereby made a part of Banking Services 005 –12 as fully as completely as if the same were fully set forth therein:

The following revision is hereby made a part of the Contract Documents as fully as completely as if the same were fully set forth therein:

1. Please provide us the last 3 months of analysis statement from your current provider.
 - a. *Attached are December 2011, January 2012, and February 2012*
2. How much cash do you deposit each month?
 - a. *Attached is the Bank Statement for January 2012.*
3. Which Armored Car Service do you currently contract with?
 - a. *Keys Armored Express*
4. What do you require or want in an automated vault system?
 - a. *Costs benefit analysis. Based upon the statements provided to you, is it cost effective for the city to entertain an automated vault system. If yes, please consider the ease of operation.*
5. Page 15 — Question 3.17: could you please provide clarification for what is expected from Overdraft Protection Services. Does the City expect the bank to cover the items to a certain limit or is the City looking to establish an account Linkage to cover the overdraft?
 - a. *The city would expect to be notified of any overdraft. The bank should provide the most cost effective solution.*
6. Page 15 – Question 3.18: Could you please provide us with an estimate of the Check Cashing volume?
 - a. *No we cannot, but we believe the volume would be minimal.*
7. Page 15 – Question 4.1.4: is Ok to provide the City with our Audited Financials as an enclosures and not counted towards the 37 pages requested?
 - a. *There is no limit on the number of pages in your proposal. It is ok to include your Audited Financials as part of your response or as an enclosure.*

8. Page 16 – Question 4.4.5: "Can the Deposit slips include a designation for each City Location?" Is the City looking to establish a reconciliation account by allowing the City to identify a master account for funding and/or concentration of multiple subsidiary (shadow) accounts? Or is the City is looking for a description on the slip?

a. *This is not a requirement of the city. The City is looking for a way to track deposits by department.*

9. Page 22- Banking Services Chart:

i. ACH Per Item: please clarify for each account if these payments are sent to individuals or vendors. Also, if they are sent to both please break down the number of payments sent to each. Are these debit and credit payments?

a. *Please refer to the account analysis attachment.*

ii. Coin Bags: The volume you have provided is that the amount of coins deposited or just the number of bags deposited? If it is just the number of bags please provide us with the amount of coins deposited.

a. *The amount provided is the number of bags. The amount of coins deposited for the month of February 2012 was \$78,000 - majority in quarter \$1,000 bags.*

iii. Credits and Debits processed: Please clarify if the meaning of processed. Does this mean payments that were initiated by the City or are these general transactions that have gone through the account?

a. *All transactions that have gone through the account. Please see the attached bank analysis and bank statement.*

iv. Foreign Item Fee 1: Please clarify what type of items these are (i.e. incoming or outgoing wires, checks...) please also provide which countries these are from or to?

a. *These are checks that are not drawn on our current bank*

10. Page 28: Account Structure: I noticed that the City is requesting information about Zero Balance and Sweep accounts however I do not see those items listed under Banking services Chart. Can we add those items to the Banking Service Chart or would you like the pricing provided in the descriptions? Also, there is a Online Credit Card Account, is the merchant services portion up for bid as well?

a. *Yes, you may add that item to the banking service chart. The zero balance accounts are the payroll and accounts payable accounts on the banking services chart. The merchant services contract is not up for renewal.*

11. General question- Please confirm if the attachments such as sample reports, terms and conditions, examples of analysis statements, etc. are considered part of the 37 page response?

a. *There is no limit to the number of pages in your proposal.*

12. Could you please email me the RFP in word format?

a. *Sorry but our legal department advises us not to.*

All Bidders shall acknowledge receipt and acceptance of this Addendum No.1 by acknowledging Addendum in their proposal or by submitting the addendum with the bid package. Bids submitted without acknowledgement or without this Addendum may be considered non-responsive.

Signature

Name of Business