



**CITY COUNCIL MEETING AGENDA
TUESDAY, JANUARY 03, 2023
HELD REMOTELY & IN PERSON AT CITY HALL
124 S. LEFEVRE ST.**

- Sign up to provide Public Comment at the meeting via calling in
- Submit Written Public Comment Before 4 pm on (January 03, 2023) - *SEE NOTE*
- Join the Zoom Meeting –

<https://us06web.zoom.us/j/81670763161?pwd=VVhiQmhqN3h4aHdINFJRdXVwSEFZZz09>

Meeting ID: 816 7076 3161

Passcode: 140819

Find your local number: <https://us06web.zoom.us/u/kb0ArU8HsY>

WRITTEN PUBLIC COMMENTS

If you wish to provide written public comments for the council meeting, please email your comments to sweathers@medical-lake.org by 4:00 p.m. the day of the council meeting and include all the following information with your comments:

1. The Meeting Date
2. Your First and Last Name
3. If you are a Medical Lake resident
4. The Agenda Item(s) which you are speaking about

*Note – If providing written comments, the comments received will be acknowledged during the public meeting, but not read. All written comments received by 4:00 p.m. will be provided to the mayor and city council members in advance of the meeting.

Questions or Need Assistance? Please contact City Hall at 509-565-5000

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, ROLL CALL

- A. Absence(s):

2. AGENDA APPROVAL

3. INTERESTED CITIZENS: AUDIENCE REQUESTS AND COMMENTS

4. ANNOUNCEMENTS / PROCLAMATIONS / SPECIAL PRESENTATIONS

5. REPORTS

- a. Committee Reports
 - i. Finance Committee
 - ii. Parks and Recreation Committee
 - iii. Public Safety Update (FD3/Sheriff)
- b. Council Comments
- c. Mayor
- d. City Administrator & City Staff

6. WORKSHOP DISCUSSION

- A. City Council Vacancy Position Procedures
- B. Committee Assignments (Internal and External)
- C. Parks and Recreation Director Job Description

7. ACTION ITEMS

- A. Consent Agenda
 - i. Approve **December 20, 2022**, minutes
 - ii. Approve **January 03, 2023**, Claim Warrants **42015** through **42049** in the amount of **\$168,443.54**.

8. RESOLUTIONS

- A. 23-563 Amendment to Forte Payment Processing Agreement
- B. 23-564 TIB Grant Lefevre Street Restriping and Sidewalk
- C. 23-565 TIB Grant 2022 Maintenance Project

9. PUBLIC HEARING – No items listed

10. ORDINANCES

11. EMERGENCY ORDINANCES – No items listed

12. UPCOMING AGENDA ITEMS

- A. Individual yard waste bins and large item pick-ups
- B. Shoreline/swales
- C. Public Records Ordinance

13. INTERESTED CITIZENS

14. EXECUTIVE SESSION – No items listed

15. CONCLUSION

City of Medical Lake



Job Description

Job Title: Parks and Recreation Director

Department: Parks and Recreation

Reports To: City Administrator

Effective Date: 1/17/2023

Salary Range: \$4,916 - \$6,700 per month

The Parks and Recreation Director is appointed by the Mayor and reports to the City Administrator. Work is performed under general guidance and direction and according to City policies, procedures, and various State and federal regulations.

Major Function and Purpose

The Parks and Recreation Director offers strong visionary and recreation experience to provide planning, oversight, leadership, and day-to-day management of the City's parks and recreation programs. As a member of the leadership team, the Parks and Recreation Director supports the City's mission and strategic objectives through the planning, development, promotion, and delivery of comprehensive community recreation, youth and adult sports, community events, and outreach.

A. Essential Functions:

1. Create and manage the vision, mission, goals, and strategic priorities for the Parks and Recreation Department to align with and support the mission, vision, strategic plan, and needs of the City.
2. Plan and direct the development, marketing, implementation, and evaluation of a comprehensive community recreation program that meets city goals, including but not limited to sports, fitness, arts, adaptive and specialized recreation, senior programs, youth programs, adult programs, and community events.
3. Work with advisory boards, elected officials, and other local and regional agencies to plan, create, and implement short-and long-range strategic program plans to maximize the effectiveness of program delivery in response to community need, established cost recovery, level of service standards, and other relevant factors.

4. Coach, mentor, manage, and train direct report staff. Develop work schedules, maintain employee timesheets, and perform personnel evaluations as necessary.
5. Direct and oversee implementation of the Parks and Recreation work plan, assigned work, activities, and projects related to the acquisition, development, and maintenance of City parks and recreational facilities and programs.
6. Meets frequently with the City Administrator to receive general direction and objectives of the Department and to report on operational needs and results. Provides input to City Administrator on long-range goals, objectives, and budgeting for the Department.
7. Recommend, develop, and maintain Parks and Recreation Department policies and procedures. Ensure programs comply with applicable regulations and requirements.
8. Direct community outreach efforts to ensure Parks and Recreation information is effectively, proactively, and consistently communicated with the public.
9. Work with Department staff, partner with local and regional agencies and organizations, and provide staff support to advisory boards to proactively identify opportunities to improve systems, processes, and services.
10. Develop and implement an annual operating budget. Oversee the creation and tracking of revenue goals and budgeted expenses for each program.
11. Perform other duties as required.

The job description should not be construed to imply that these requirements are the exclusive standards of the position. Incumbents will follow any other instructions and perform any other related duties, as may be lawfully required by their supervisor.

B. Supervisory Responsibility

This is the head supervisory position of the department, operating under the direction of the City Administrator. The Parks and Recreation Director manages the Recreation Coordinator, Seasonal Employees, and volunteers. Supervisory responsibilities include providing daily work direction, approval of absences and overtime, an overview of timesheets, and making recommendations regarding hiring, terminations, pay changes, or job changes.

C. Reporting Relationships

Reports to the City Administrator.

D. Knowledge, Skills, or Abilities Desired

While requirements may be representative of minimum levels of knowledge, skills, and abilities, to perform this job successfully, the incumbent will possess the abilities or aptitudes to perform each duty proficiently.

1. Knowledge of youth, teen, adult, recreational sports, adaptive and specialized recreation programs, and large-scale special event planning and delivery.
2. Knowledge of and effective interpretation and application of federal, state, and local policies, laws, and regulations.
3. Skilled in conflict resolution and providing excellent customer service to a broad range of participants and constituents.
4. Strong problem solving, organizational, and goal setting experience with the ability to set priorities and realistic time parameters.
5. Possess excellent written, listening, and verbal communication skills.
6. Ability to complete multiple tasks simultaneously and accommodate shifts in priorities.
7. Proficient computer skills with knowledge of spreadsheet and word processing; skills using data-based systems to maintain records and generate reports.
8. Ability to develop and maintain effective organizational structure, financial control, and management information systems for the Parks and Recreation function.
9. Supervisory, training, and mentoring skills.

E. Special Requirements

A valid state driver's license is required. First Aid and CPR certification is desirable.

F. Working Conditions

The work environment characteristics described here are representative of those an employee encounters while performing the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions. Appropriate safety equipment, clothing, and training in its use are provided by the employer.

While performing the duties of this job, the employee primarily works in an office setting subject to frequent interruptions and occasionally works in outside weather conditions being exposed to wet and/or humid conditions and/or caustic chemicals. May be exposed to highly stressful situations and individuals who are irate or hostile; may be subject to long hours due to attendance at City Council and Committee meetings and other responsibilities required at this executive level. Flexibility to work evening and weekend hours and occasional overnight travel to conferences and training sessions is required.

G. Contacts and Relationships

The Parks and Recreation Director will have daily contact with employees of the City and with the citizens of the community. In addition, he/she will be expected to present him/herself in a manner creditable to the City in all contacts with any individual, agency, or jurisdiction.

H. Physical Requirements

The physical demands described here are representative of those that must be met by an employee to successfully perform the essential functions of this job. Reasonable accommodations may be made to enable individuals with disabilities to perform the essential functions.

While performing the duties of this job, the employee is regularly required to use hands and fingers to handle, feel, or operate objects, tools, or controls and reach with hands and arms. The employee is required to walk, sit, climb or balance, stoop, kneel, stand, and talk or hear. The employee must frequently lift and/or move up to 50 pounds. Specific vision abilities required by this job include close vision, distance vision, color vision, peripheral vision, depth perception, and the ability to adjust focus.

I. Experience and Training

A bachelor's degree from an accredited college or university in recreation, park resources, business administration, public administration, education, or a related field.

Five years or more of municipal Parks and Recreation services experience or demonstrated equivalent.

Any combination of experience and training that provides the desired skills, knowledge, and abilities will be considered.

Requirements outlined in this job description may be subject to modification to reasonably accommodate individuals with disabilities who are otherwise qualified for employment in this position. However, some requirements may exclude

individuals who pose a direct threat or significant risk to the health and safety of themselves or other employees.

J. Selection Guidelines

Formal application, rating of education and experience, oral interview and reference check, and job-related tests may be required.

The duties above are intended only as illustrations of the various types of work that may be performed. The omission of specific statements of duties does not exclude them from the position if the work is similar, related, or a logical assignment to the position.

This job description does not constitute an employment agreement between the Employer and employee and is subject to change as the needs of the Employer and requirements of the job change. This job description should not be construed to imply that these requirements are the exclusive standards of the position. The duties listed above are intended only as illustrations of the various types of work that may be performed. Incumbents will follow any other instructions, and perform any other related duties, as may be lawfully required by their supervisor.

Signature

Date

CITY OF MEDICAL LAKE
City Council Regular Meeting

6:30 PM
December 20, 2022

MINUTES

Council Chambers
124 S. Lefevre Street

NOTE: This is not a verbatim transcript. Minutes contain only a summary of the discussion. A recording of the meeting is on file and available from City Hall.

COUNCIL AND ADMINISTRATIVE PERSONNEL PRESENT

Councilmembers

Don Kennedy
Chad Pritchard
Art Kulibert (via Zoom)
Heather Starr
Dawn Olmstead

Administration/Staff

Terri Cooper, Mayor
Sonny Weathers, City Administrator
Koss Ronholt, Finance Director/City Clerk
Sean King, City Attorney (via Zoom)
Scott Duncan, Public Works Director
Steve Cooper, WWTP Director
Roxanne Wright, Admin. Assistant

1. CALL TO ORDER, PLEDGE OF ALLEGIANCE, ROLL CALL

A. Mayor Cooper called the meeting to order at 6:30 pm, led the Pledge of Allegiance, and conducted roll call. Councilmembers Pritchard, Kennedy, Starr, and Olmstead all present in person with councilmember Kulibert attending via Zoom.

B. Absences

i. Councilmember Maxwell

1. Motion to excuse absence made by councilmember Kennedy, seconded by councilmember Starr, motion carried 5-0.

ii. Councilmember Harbolt

1. Motion to excuse absence made by councilmember Kennedy, seconded by councilmember Olmstead, motion carried 5-0.

2. AGENDA APPROVAL

A. Addition to Agenda

i. Ordinance 1107 Budget Amendment

1. Motion to place on tonight's agenda under section 10b, made by councilmember Kennedy, seconded by councilmember Olmstead, motion carried 5-0.

3. INTERESTED CITIZENS: AUDIENCE REQUESTS AND COMMENTS

A. None

4. ANNOUNCEMENTS / PROCLAMATIONS / SPECIAL PRESENTATIONS – No items listed

5. REPORTS

A. City Council & Council Committee Reports

- i. Finance Committee – Councilmember Starr shared that the committee reviewed the status of the 2022 budget and discussed creating policies to workshop at council meetings. Also discussed the city’s number of public records requests, the costs associated with them and ways to minimize those costs.
- ii. Public Safety Committee – Chief Rohrbach shared that firefighters were out in the neighborhood tonight with Santa. Shared about volunteer association and informed council and the public that they can contact FD3 to help connect community members with appropriate organizations for assistance. Gave update on city EMS calls.
- iii. Public Works – Director Scott Duncan shared information regarding snow removal efforts in the city. Last week the maintenance crew was focused on storm drains. Snow removal crews are currently working on street widening and residential areas. Prepping for new snow and the warmup next week.

Steve Cooper WWTP Director – gave update on solar array project. A second grant has been submitted for approval with an expected approval by end of January 2023. Grant amount is \$185,000. Shared that they expect to get the grant and break ground in late March with completion by September of 2023.

1. Mayor Cooper shared that the project will pay for itself in about 5 years, saving the city approximately \$11,000 per year.

B. Council Comments

- i. Councilmember Pritchard – Shared that they did the quarterly walk and water sampling around Medical Lake today with Steve Cooper, Sonny Weathers and some community members, including some out-of-town visitors.
- ii. Councilmember Starr – Shared that she was excited about Santa going through town, and that she records it and sends to her family in Texas. Asked about council workshops for next year as she is trying to plan her work schedule.
- iii. Councilmember Kulibert – reported that the Zoom system is working well tonight.
- iv. Councilmember Kennedy – attended regular board meeting of STA last week. The primary agenda was electing a new chair. Reported that ridership was up 26% ytd on regular buses.
- v. Councilmember Olmstead – Wished council, staff, and citizens a Merry Christmas. Shared that she will be moving out of city limits and will resign council seat at the first of the year. Shared that it was a joy to be on the council. Encouraged public to get involved in local government. Mayor Cooper thanked her for her service to the city and council.

1. Mayor Cooper shared process for applying for the open council seat.

C. Mayor Cooper – Shared her thoughts about 2022. Shared her pride in staff for obtaining 3.6 million in grant funding. Thanked staff for hard work on union contract and budget. Discussed that council appointments to outside committees needed for 2023. Shared that the focus of the upcoming year will be on internal policies and procedures.

D. City Administrator & City Staff

- i. Sonny Weathers, City Administrator

1. Mr. Weathers gave an update on the Planning Commission meeting from last week and shared that the Critical Areas Ordinance (CAO) will be coming before council soon with a presentation from the City Planner.
2. Shared that he and Mayor Cooper recently had a very positive meeting with new Spokane County Sheriff-elect Nowels.
3. Thanked Re-Imagine Medical Lake for the appreciation lunch they provided for city staff.
4. Shared that the Building/Planning/Code Enforcement office will be closed between Christmas and New Year's.
5. Gave input on the excessive number of public records requests coming into City Hall. Shared that draft ordinances will be brought before council to determine a reasonable amount of time staff can spend on such requests.
6. Shared that he brought his family out to Winter Fest and enjoyed seeing community out together.

ii. 2022 Current Budget Status – Koss Ronholt, Finance Director

1. Gave presentation on the status of remaining 2022 budget: revenues and expenditures.
2. Updated on the city's move to STCU for banking services.
3. Updated on Master's Touch billing services. New billing format and services, including credit card payments, will begin in January 2023.

6. WORKSHOP DISCUSSION – No items listed

7. ACTION ITEMS

A. Consent Agenda

- i. Approve **December 6, 2022**, minutes
 1. Motion to approve made by councilmember Kennedy, seconded by councilmember Starr, motion carried 5-0.
- ii. Approve **December 20, 2022**, Claim Warrants **41970** through **42014** in the amount of **\$180,030.54**, Payroll Claim Warrants **41962** through **41969**, and Payroll Payable Warrants **20176** through **20180** in the amount of **\$124,161.09**.
 1. Finance committee reviewed warrants and recommended approval.
 2. Motion to approve all warrants made by councilmember Starr, seconded by councilmember Kennedy, carried 5-0.

8. PUBLIC HEARING / APPEALS – No items listed

9. RESOLUTIONS

A. Resolution 22-558 Authorizing Credit Card Users

- i. Motion to approve made by councilmember Kennedy, seconded by councilmember Olmstead, motion carried 5-0.

- B. Resolution 22-559 Forte Payment Processing Agreement
 - i. Councilmember Kennedy point out that on page 5, section 12 of the agreement, a pricing schedule is referenced as being attached but is not.
 - ii. Mayor Cooper suggested council could approve the Resolution with the wording in question struck through.
 - iii. Motion to approve with strike-thru on page 5 section 12 “pricing schedule attached hereto” made by councilmember Pritchard, seconded by councilmember Starr, motion carried 5-0.
- C. Resolution 22-561 Approve Updated Code Enforcement Officer Job Description
 - i. Motion to approve made by councilmember Pritchard, seconded by councilmember Starr, motion carried 4-1 with councilmember Kennedy voting nay.
- D. Resolution 22-562 Contract for City Legal Services
 - i. Motion to approve made by councilmember Kennedy, seconded by councilmember Olmstead, motion carried 5-0.

10. ORDINANCES

- A. Second Read Ordinance 1105 2023 Final Budget
 - i. Mr. Ronholt gave presentation on balanced budgets
 - 1. Mayor Cooper shared some comments and discussion was held. Mayor Cooper thanked Mr. Ronholt for all his hard work on the budget.
 - ii. Legal counsel read ordinance for the record.
 - iii. Motion to approve made by councilmember Starr, seconded by councilmember Pritchard, motion carried 4-1 with councilmember Kennedy voting nay.
- B. First and Second Read Ordinance 1107 Budget Amendment Garbage Fund
 - i. Point of order made by legal counsel, Sean King, that a motion to waive second read of the ordinance is needed for the record.
 - ii. Motion to waive second read and conduct first and second read of ordinance now made by councilmember Kennedy, seconded by councilmember Kulibert, motion carried 5-0.
 - iii. Councilmember Kennedy read ordinance into record.
 - iv. Councilmember Kennedy asked for clarification from Mr. Ronholt regarding need for amendment. Koss explained and there was no further discussion.
 - v. Motion to approve made by councilmember Kennedy, seconded by councilmember Starr, motion carried 5-0.

11. EMERGENCY ORDINANCES – No items listed

12. UPCOMING AGENDA ITEMS

- A. Workshops on ordinance regarding Public Records requests, garbage fund discussion, CAO discussion with presentation by City Planner.
- B. Individual yard waste bins
- C. Shoreline/swales

13. INTERESTED CITIZENS: AUDIENCE REQUESTS AND COMMENTS

- A. None

14. EXECUTIVE SESSION – None

15. CONCLUSION

- A. Motion to conclude meeting made by councilmember Pritchard, seconded by councilmember Starr.
Motion carried 5-0 and meeting concluded at 7:54 pm.

Terri Cooper, Mayor

Koss Ronholt, Finance Director/City Clerk

DRAFT

**CITY OF MEDICAL LAKE
SPOKANE COUNTY, WASHINGTON
RESOLUTION NO. 23-563**

**A RESOLUTION OF THE CITY OF MEDICAL LAKE APPROVING AN
AMENDED PAYMENT PROCESSING SERVICE AGREEMENT WITH CSG
FORTE PAYMENTS FOR THE CITY OF MEDICAL LAKE, WASHINGTON**

WHEREAS, Pursuant to City of Medical Lake Resolution 22-555, the City entered into a bill mailing service agreement with The Master's Touch, LLC on November 15, 2022; and

WHEREAS, The Master's Touch, LLC provides eNotices for digital bill mailing and payment services that requires use of a payment processing company; and

WHEREAS, City Staff recommends the use of the services of CSG Forte Payments, a payment processing company integrated with eNotices; and

WHEREAS, on December 20, 2022, the City Council passed Resolution No. 22-559 approving a payment processing service agreement with CSG Forte Payments; and

WHEREAS, the service agreement previously approved by the City Council on December 20, 2022 requires certain changes consistent with the parties' intentions and understanding of the services to be provided by CSG Forte Payments.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MEDICAL LAKE, WASHINGTON as follows:

Section 1. Approval of Agreement. The Council hereby approves the amended Agreement in the form attached to this Resolution as Exhibit "A" and by reference incorporated herein.

Section 2. Authorization. The Mayor is authorized and directed to execute the amended Agreement on behalf of the City in substantially the form attached as Exhibit "A". The Mayor and Finance Director/City Clerk are each hereby authorized and directed to take such further action as may be appropriate in order to affect the purpose of this Resolution and the amended Agreement authorized hereby.

Section 3. Severability. If any section, sentence, clause, or phrase of this Resolution should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this Resolution.

Section 4. Effective Date. This Resolution shall become effective immediately upon its adoption.

ADOPTED this 3rd day of January, 2023.

Mayor, Terri Cooper

Attest:

Approved as to Form:

Finance Director, Koss Ronholt

City Attorney, Sean P. Boutz

PAYMENT PROCESSING AGREEMENT

This Payment Processing Agreement (“Agreement”), including all applicable appendices and addendums hereto, is entered into as of January 3, 2023 (the “Effective Date”) by and between CSG Forte Payments, Inc. (“FORTE” or “Party”) a Delaware corporation and City of Medical Lake (“AGENCY” or “Party”).

FORTE and its affiliates provide payment processing and related services including but not limited to Automated Clearing House (“ACH”), Credit and Debit Card processing, account verification and customer identification (collectively and individually, as applicable, the “Services”) to AGENCY who provides services to, or otherwise has a business relationship with, individuals and other entities (“Constituents”).

1. GENERAL

The Agreement shall consist of these terms and conditions, each of the Appendices attached hereto if applicable, and all modifications and amendments thereto. Under the terms of the Agreement, AGENCY will be furnished with the products and services described in the Agreement and attached Appendices, which are selected by Agency and approved by FORTE. For any terms herein that are specifically applicable to any particular product or service offered by FORTE, only the terms and conditions that apply to the specific Service(s) requested by Agency at any given time shall apply.

2. USAGE

2.1 Subject to the terms and conditions of this Agreement, FORTE hereby grants to AGENCY a non-exclusive and non-transferable license to access and use FORTE's products and services contracted for and AGENCY hereby accepts such license and agrees to utilize and access the Services in accordance with the practices and procedures established by FORTE. AGENCY may use the Services (a) for its own internal business purposes and operations, and/or (b) as a service provided to its Constituents, unless otherwise notified by FORTE. No license or right to use, reproduce, translate, rearrange, modify, enhance, display, sell, lease, sublicense or otherwise distribute, transfer or dispose of any of FORTE's Proprietary Property, as defined in Section 3 below, in whole or in part, is granted except as expressly provided by this Agreement. Neither AGENCY nor any of its affiliates shall reverse engineer, decompile or disassemble the Proprietary Property. Additionally, nothing in this Agreement shall be construed to provide AGENCY with a license of any third-party proprietary information or property.

2.2 AGENCY shall ensure that its Users comply with all applicable requirements of this Agreement. AGENCY is responsible for protecting the confidentiality of any and all passwords and credentials provided to AGENCY by FORTE for the purpose of utilizing the Services or other forms of access to AGENCY's accounts with FORTE. AGENCY is responsible for the security of its systems, locations and equipment used in processing transactions under this Agreement and for developing security procedures and training its employees on the procedures. AGENCY expressly assumes responsibility for the acts or omissions of all Users on its account(s) with FORTE, and for User access to FORTE's systems either directly or through software.

3. OWNERSHIP

All computer programs, trademarks, service marks, patents, copyrights, trade secrets, know-how, and other proprietary rights in or related to FORTE's products and services (the “Proprietary Property”), are and will remain the sole and exclusive property of FORTE, whether or not specifically recognized or perfected under applicable law. FORTE shall own all rights, title and interest, including all intellectual property rights, in and to any improvements to the existing FORTE products or services and/or any new programs, upgrades, modifications or enhancements developed by FORTE in connection with rendering any services to AGENCY (or any of its affiliates), even when refinements and improvements result from AGENCY's request. To the extent, if any, that ownership in such refinements and improvements does not automatically vest in FORTE by virtue of this Agreement or otherwise, AGENCY hereby expressly transfers and assigns (and, if applicable, shall cause its affiliates to transfer and assign) to FORTE all rights, title, and interest which AGENCY or any of its affiliates

may have in and to such refinements and improvements. All reference to any of FORTE's service marks, trademarks, patents or copyrights, or those of FORTE's partners or vendors, shall be made in compliance with the requirements, including periodic updates thereto, as provided at <http://www.forte.net/trademark>.

4. CONFIDENTIALITY

The Parties acknowledge that, by virtue of this Agreement, each has been and will continue to be entrusted with certain Confidential Information (as defined in Appendix A) pertaining to the other's business, including but not limited to proprietary information developed by, acquired by, or licensed to each Party. Each Party agrees that, except to the extent and in the manner necessary to perform its duties hereunder, it will not disclose to others or use for its own benefit any Confidential Information of the other Party and it will hold all Proprietary Property as defined herein confidential in perpetuity.

Additionally, in the course of providing and receiving the Services, each Party acknowledges that it may receive or have access to information which can be used to identify an individual consumer (including, without limitation, names, signatures, addresses, telephone numbers, e-mail addresses, payment history, and other unique identifiers) ("Personal Information"). As such, each Party shall: (i) keep all Personal Information in strict confidence, with the degree of care necessary to avoid unauthorized access, use or disclosure; (ii) use Personal Information solely and exclusively for the purposes provided in this Agreement; (iii) implement administrative, physical and technical safeguards to protect Personal Information that are at least as rigorous as accepted industry practices; (iv) as applicable, have in place a program that complies with applicable legal requirements regarding Personal Information.

Except with respect to Personal Information, this section will not apply to Confidential Information that (i) was already available to the public at the time of disclosure, (ii) becomes generally known to the public after disclosure to the other party, through no fault of the other party, (iii) is disclosed under force of law, governmental regulation or court order, (iv) is required to be disclosed by a banking partner, an Acquirer or an applicable Payment Association.

5. TERM AND TERMINATION

5.1 **Term.** This Agreement shall have an initial term of three (3) years. Thereafter, this Agreement will automatically renew for additional one (1) year terms unless either Party provides thirty (30) days' prior written notice of termination to the other Party.

5.2 **Termination.** In the event of a material breach of this Agreement by one Party and failure to cure within thirty (30) days of receipt of written notice of the breach, the other Party may terminate immediately by providing written notice of termination. Additionally, FORTE may immediately terminate this Agreement without prior notice in the event that (i) there is a material adverse change to AGENCY or its financial condition; or (ii) AGENCY experiences excessive chargebacks; or (iii) AGENCY experiences an actual or suspected data security breach; or (iv) AGENCY violates any applicable Law, Rule or Regulation; or (v) if FORTE is instructed to terminate by Financial Institution, Acquirer or Payment Association.

6. TRANSACTION PROCESSING

6.1 **Accepting Transactions.** FORTE shall process Credit Card, Debit Card and ACH Transactions on the AGENCY's behalf on a 24-hour basis. Transactions which are received before the daily designated cut-off time will be originated for settlement through the corresponding Payment Network. Transactions which are received after the designated cut-off time will be included in the next business day's settlement processing.

6.1.1 **Sale Transactions.** If a Transaction is sent to FORTE as a sale of goods or services, it will automatically be captured for settlement in time for the next designated cut-off time.

6.1.2 **Auth/Capture Transactions.** If a Transaction is sent to FORTE for authorization only or for delayed processing, then it will be the responsibility of AGENCY to submit a corresponding "capture" Transaction within 48 hours of the authorization in order to complete the Transaction process for settlement. Transactions which are not captured within 48 hours of Authorization are untimely and may be rejected by FORTE.

6.2 **Transaction Format.** FORTE is responsible only for processing Transactions which are received and approved by FORTE in the proper format, as established by FORTE.

6.2.1 **Card Not Present Transactions.** For card-based transactions in which the card is not present, AGENCY must obtain and include as part of the authorization request the 3 or 4 digit Validation Code and cardholder's billing address information.

6.3 **AGENCY Account.** In order to provide transaction processing services, FORTE may need to establish one or more service accounts on AGENCY's behalf or require AGENCY to establish a service account with a third party provider sub-contracting with FORTE.

6.4 **Limited-Acceptance Agency.** If appropriately indicated on AGENCY's application attached hereto, AGENCY may be a Limited-Acceptance Agency, which means that AGENCY has elected to accept only certain Visa and MasterCard card types (i.e., consumer credit, consumer debit, and commercial cards) and must display appropriate signage to indicate the same. FORTE and its associated credit card acquirer have no obligation other than those expressly provided under the Payment Association Operating Regulations and applicable law as they may relate to limited acceptance. AGENCY, and not FORTE or Acquirer, will be solely responsible for the implementation of its decision for limited acceptance, including but not limited to policing the card type(s) accepted at the point of sale.

6.5 **Bona Fide Sales.** AGENCY shall only complete sales transactions produced as the direct result of bona fide sales made by AGENCY to cardholders, and is expressly prohibited from processing, factoring, laundering, offering, and/or presenting sales transactions which are produced as a result of sales made by any person or entity other than AGENCY, or for purposes related to financing terrorist activities.

6.6 **Setting Limits on Transaction Amount.** AGENCY may set a minimum transaction amount to accept a card that provides access to a credit account, under the following conditions: i) the minimum transaction amount does not differentiate between card issuers; ii) the minimum transaction amount does not differentiate between MasterCard, Visa, or any other acceptance brand; and iii) the minimum transaction amount does not exceed ten dollars (or any higher amount established by the Federal Reserve). AGENCY may set a maximum transaction amount to accept a card that provides access to a credit account, under the following conditions: AGENCY is a i) department, agency or instrumentality of the U.S. government; ii) corporation owned or controlled by the U.S. government; or iii) agency whose primary business is reflected by one of the following MCCs: 8220, 8244, 8249 –Schools, Trade or Vocational; and the maximum transaction amount does not differentiate between MasterCard, Visa, or any other acceptance brand.

6.7 **Modifying Transactions.** AGENCY shall regularly and promptly review all Transactions and shall immediately notify FORTE upon discovery of any and all discrepancies between the records of AGENCY compared with those provided by FORTE or AGENCY's bank, or with respect to any Transaction that AGENCY believes was made erroneously or without proper authorization. At AGENCY's request, FORTE will make commercially reasonable efforts to reverse, modify, void or delete a Transaction after it has been submitted for settlement. All requests must be made in writing (electronic mail will be deemed as "in writing" for these purposes), signed or sent by an individual pre-authorized by AGENCY to make such requests, and delivered to FORTE. AGENCY agrees that FORTE will not be held responsible for any losses, directly or indirectly, incurred by AGENCY or other third parties as a result of FORTE's failure to accomplish the request before the Transaction has been processed through the applicable Payment Network.

6.8 **Delay or Rejection of Transactions.** FORTE may delay or reject any Transaction without prior notification to AGENCY which is improperly formatted, is untimely, is missing information, which may cause it to downgrade or if FORTE has reason to believe such Transaction is fraudulent or improperly authorized or for any reason permitted or required under the Rules or Regulations. FORTE shall have no liability to AGENCY by reason of the rejection of any such Transaction.

6.9 **Returned Items.** FORTE shall make available to AGENCY details related to the receipt of any Transaction that is returned unpaid or Transaction which is charged back and shall credit or charge such returned item to AGENCY's Settlement Account.

6.10 **Chargebacks.** AGENCY acknowledges and agrees that it is bound by the Rules and Regulations of the Payment Associations with respect to any Chargeback. AGENCY understands that obtaining an authorization for any sale shall not constitute a guarantee of payment, and such sales can be returned or charged back to AGENCY

like any other item hereunder. In the event a Transaction is charged back, for any reason, the amount of such Transaction will be deducted from AGENCY's designated Settlement Account or any payment due to AGENCY.

6.11 Excessive Chargebacks. Using limits established by Associations as a standard for review, FORTE reserves the right to suspend and/or terminate AGENCY's access to the Services should AGENCY's chargeback ratio exceed allowable limits in any given period. FORTE will make reasonable efforts to provide AGENCY with notice and a time to cure its excessive chargebacks prior to suspending or terminating AGENCY's access to the Services. AGENCY acknowledges and expressly authorizes FORTE, in compliance with Payment Association Rules and Regulations, to provide to the Payment Associations and applicable regulatory bodies, AGENCY's name and contact information as well as transaction details should AGENCY's chargeback ratio exceed the allowable limits in any given period.

6.12 Resubmitting Transactions. AGENCY shall not re-submit any Transaction unless it is returned as (i) Insufficient funds (R01); or (ii) Uncollected funds (R09); or unless a new authorization is obtained from Constituent.

6.13 Settlement. Settlement of AGENCY's funds for Transactions, less any Chargebacks or Returns, to AGENCY's designated Settlement Account will occur within 72 hours of origination excluding weekends and US federal banking holidays. Settlement of Transactions will occur via electronic funds transfer over the ACH Network. Upon receipt of Agency's sales data for card transactions through FORTE's Services, Acquirer will process AGENCY's sales data to facilitate the funds transfer between the various Payment Associations and AGENCY. After Acquirer receives credit for such sales data, Acquirer will fund AGENCY, either directly to the AGENCY-Owned Designated Account or through FORTE to an account designated by FORTE ("FORTE Designated Account"), at Acquirer's sole option, for such card transactions. AGENCY agrees that the deposit of funds to the FORTE Designated Account shall discharge Acquirer of its settlement obligation to AGENCY, and that any dispute regarding the receipt or amount of settlement shall be between FORTE and AGENCY. Acquirer will debit the FORTE Designated Account for funds owed to Acquirer as a result of the Services provided hereunder, unless an Agency-owned account is otherwise designated by AGENCY. Further, if a cardholder disputes a Transaction, if a Transaction is charged back for any reason, or if FORTE or Acquirer reasonably believe a Transaction is unauthorized or otherwise unacceptable, the amount of such Transaction may be charged back and debited from AGENCY if settled to an Agency-owned account or debited from the FORTE Designated Account if settled to that account.

6.14 Provisional and Final Payment. AGENCY, AGENCY's third party senders (if applicable), and/or AGENCY's agent(s) understand and agree that Entries may be transmitted through the ACH Network, that payment of an Entry by the RDFI to the Receiver is provisional until receipt by the RDFI of final settlement for such Entry, and that if such settlement is not received, then the RDFI will be entitled to a refund from the Receiver of the amount credited and AGENCY will not be deemed to have paid the Receiver the amount of the Entry. The rights and obligations of AGENCY concerning the Entry are governed by and construed in accordance with the laws of the state in which the processing ODFI is located, unless AGENCY and FORTE have agreed that the laws of another jurisdiction govern their rights and obligations.

6.15 Reporting. FORTE will make daily origination and deposit reports available to AGENCY on a 24/7 basis through the Internet-based FORTE platform.

7. TRANSACTION AUTHORIZATION

7.1 Constituent Authorization. AGENCY shall obtain authorization from Constituent prior to requesting a Transaction to or from Constituent's account.

7.2 Retention. AGENCY shall retain proof of Constituent's authorization for a period of not less than two (2) years for standard Transactions and for a period of five (5) years for health-related Transactions from the authorization date or revocation of authorization date and shall provide such proof of authorization to FORTE upon request within five (5) business days of the request.

7.3 Revoked Authorization. AGENCY shall cease initiating Transactions to or from a Constituent's account immediately upon receipt of any actual or constructive notice of that Constituent's termination or revocation of authorization. AGENCY may re-initiate Transactions to or from a Constituent's account only upon receiving new authorization from the Constituent.

8. AGENCY PROHIBITIONS

AGENCY must not i) require a cardholder to complete a postcard or similar device that includes the cardholder's account number, card expiration date, signature, or any other card account data in plain view when mailed, ii) add any tax to Transactions, unless applicable law expressly requires that AGENCY impose a tax (any tax amount, if allowed, must be included in the Transaction amount and not collected separately), iii) request or use an account number for any purpose other than as payment for its goods or services, iv) disburse funds in the form of travelers checks if the sole purpose is to allow the cardholder to make a cash purchase of goods or services from AGENCY, v) disburse funds in the form of cash unless AGENCY is dispensing funds in the form of travelers checks, TravelMoney cards, or foreign currency (in such case, the Transaction amount is limited to the value of the travelers checks, TravelMoney cards, or foreign currency, plus any commission or fee charged by AGENCY), or AGENCY is participating in a cash back service, vi) submit any Transaction receipt for a Transaction that was previously charged back to the Acquirer and subsequently returned to AGENCY, irrespective of cardholder approval, vii) accept a Visa consumer credit card or commercial Visa product issued by a U.S. issuer to collect or refinance an existing debt that has been deemed uncollectable by AGENCY, or ix) submit a Transaction that represents collection of a dishonored check. AGENCY further agrees that, under no circumstance, will AGENCY store cardholder data in violation of the Laws or the operating regulations of any Payment Association including but not limited to the storage of track-2 data. Neither AGENCY nor its agent shall retain or store magnetic-stripe data subsequent to the authorization of a sales Transaction.

9. AUTHORIZATION

9.1 **ACH Authorization.** AGENCY authorizes FORTE to electronically debit and credit AGENCY's designated bank account(s) for any amounts owed to or by AGENCY in accordance with the terms of this Agreement.

9.2 **Third Party Service Provider.** If AGENCY uses the Services through or in conjunction with a third party service provider that is not a party to this Agreement, AGENCY authorizes FORTE to provide _____ ("Partner") with its FORTE merchant account information and credentials. If applicable, AGENCY authorizes Partner to originate Transactions and receive the corresponding results on its behalf.

10. CONSTITUENT DISPUTES

All disputes between AGENCY and its Constituent (s) relating to any Transaction processed under this Agreement will be settled by and between AGENCY and Constituent. AGENCY agrees that FORTE bears no responsibility or involvement in any such dispute.

11. COMPLIANCE WITH LAWS, RULES AND REGULATIONS

In performing its duties under this Agreement, each Party agrees to comply with all applicable Rules, Regulations and Laws, including but not limited to all confidentiality and security requirements of the USA Patriot Act (or similar law, rule or regulation), all Rules of any applicable Payment Associations, all requirements under the Payment Card Industry Data Security Standard (or similar applicable data security law, rule or regulation) including but not limited to the VISA Cardholder Information Security Program, the MasterCard Site Data Protection Program, and any other program or requirement that may be published and/or mandated by the Associations. Each Party agrees to cooperate and provide information reasonably requested by the other to facilitate its compliance with any applicable Law, Rule or Regulation. Additionally, should a Payment Association or regulatory body impose a fee or fine on AGENCY for any violation of the Rules or Laws by AGENCY, such fee or fine may be charged to FORTE as a pass-through to AGENCY. If any such fee or fine is charged to FORTE, AGENCY shall reimburse FORTE for any such fees or fines.

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12. PRICING AND PAYMENT

12.1 FORTE will provide the Services in accordance with the fees listed on the Pricing Schedule(s) attached

hereto or any amendments thereto. Pricing which utilizes an Absorbed Fee Model will be billed to the AGENCY monthly in arrears and will automatically be debited from AGENCY's designated account via ACH Debit.

Pricing which utilizes a Service Fee Model will result in a processing fee being charged to the Constituent in the form of a non-refundable service fee which is either (i) added to; or (ii) charged as a separate transaction to the Constituent at the time of payment.

12.2 Pricing which utilizes a flat service fee model are calculated based on historical or estimated transactional amount activity by AGENCY. In the event that experiential transaction activity varies significantly from the historical or estimated amounts, FORTE shall have the right to adjust the service fee in accordance to the experiential transaction activity.

12.3 FORTE's pricing is subject to the underlying fees established by the Payment Associations and its service providers. As such, in the event FORTE experiences an increase in cost for any processing services utilized by AGENCY during any term of this Agreement, FORTE will pass through the increases with no additional markup to AGENCY. FORTE will provide AGENCY a minimum of thirty (30) days' notice of any change or adjustment in fees.

13. LIMITS OF LIABILITY

13.1 Neither Party shall be liable to the other Party or to any third party for any special, consequential, incidental or punitive damages of any kind or nature incurred in relation to this Agreement. The amount of damages recoverable by either Party from the other will not exceed that Party's actual, direct damages and will be limited to the amount of the average monthly fees and charges paid by AGENCY for the Service for the immediate three (3) month period prior to the event giving rise to the applicable claim. Neither Party will be liable for failure to perform any of its obligations under this Agreement if such performance would result in it being in breach of any Law, Rule or requirement of any governmental authority. The provisions of this section will survive the termination of this Agreement.

13.2 FORTE shall not be held responsible for errors, acts or failures to act of others, including, and among other entities, banks, other processors, communications carriers or clearing houses through which Transactions may be originated or through which FORTE may receive or transmit information, and no such entity shall be deemed an agent of FORTE.

14. REPRESENTATIONS AND WARRANTIES.

14.1 **FORTE's Representations and Warranties.** FORTE makes no representations or warranties concerning its services except as may be specifically authorized, in writing, or set out herein.

14.1.1 FORTE hereby warrants that its software solutions and services will perform in accordance with their published specifications in all material respects.

14.1.2 FORTE further warrants that in performing its obligations hereunder, it shall exercise due care and reasonable efforts to ensure that information originated by AGENCY is transmitted accurately.

14.2 **AGENCY's Representations and Warranties.** AGENCY represents and warrants to FORTE that:

14.2.1 If applicable, with respect to all Transactions originated by FORTE on behalf of AGENCY that (i) each Transaction in all respects has been properly authorized by Receiver; (ii) each Transaction is for an amount agreed to by the Receiver and; (iii) AGENCY shall provide proof of authorization in compliance with applicable Rules for any Transaction to FORTE upon request within five (5) Business Banking Days.

14.2.2 AGENCY agrees to adhere to the warranties within the applicable Rules for each Transaction FORTE processes on AGENCY's behalf.

14.3 **Mutual Representations and Warranties.** Each Party represents and warrants to the other that:

14.3.1 The execution of this Agreement does not violate any applicable international, federal, state, or local law, Payment Network rule or contract to which such Party is subject.

14.3.2 There are no actions, suits or proceedings existing or pending against or affecting it before any judicial or regulatory authority which would have a material adverse effect on its ability to perform its obligations hereunder.

14.3.3 When executed and delivered, this Agreement will constitute a legal, valid, and binding obligation,

enforceable in accordance with its terms.

15. FORTE SERVICE POLICY.

FORTE makes no representations or warranties concerning its services except as may be specifically authorized, in writing, or set out herein. AGENCY acknowledges and understands that FORTE does not warrant that the Services will be uninterrupted or error free and that FORTE may occasionally experience delays or outages due to disruptions that are not within FORTE’s control. Any such interruption shall not be considered a breach of the Agreement by FORTE. FORTE shall use its best efforts to remedy any such interruption in service as quickly as possible.

16. FORCE MAJEURE

Neither Party shall be liable for, or be considered in breach of or default under the Agreement on account of any delay or failure to perform its obligations hereunder as a result of any causes or conditions that are beyond such Party's reasonable control and that such Party is unable to overcome through the exercise of commercially reasonable diligence. If any force majeure event occurs, the affected Party shall give prompt written notice to the other Party and shall use all commercially reasonable efforts to minimize the impact of the event.

17. ASSIGNMENT

The rights granted under this Agreement shall not be assigned by either Party without the prior written consent of the other Party, which shall not be unreasonably withheld.

18. CHOICE OF LAW

This Agreement shall be governed by and construed in accordance with the internal laws of the State of _____ . Merchant hereby agrees that claims applicable to American Express may be resolved through arbitration as further described in the American Express Merchant Operating Guide, see Appendix D, Section 4 herein.

19. AMENDMENT

Except as otherwise provided for herein, the terms and conditions of this Agreement shall not be modified or amended except in writing, signed by the parties hereto and specifically referring to this Agreement.

20. PUBLICITY

Neither Party shall use the other Party’s name, logo or service marks in conjunction with a press release or advertisement without first obtaining written approval.

21. NOTICE

Any notice required to be given by either Party hereunder, shall be in writing and delivered personally to the other designated Party, or sent by any commercially reasonable means of receipted delivery, addressed, to that Party at the address most recently provided in writing. Either Party may change the address to which notice is to be sent by written notice to the other under any provision of this paragraph.

Notices to FORTE:

CSG Forte Payments, Inc.
500 W. Bethany Drive
Suite #200
Allen, TX 75013
Attn: General Counsel

Notices to AGENCY:

22. HEADINGS

The headings contained in this Agreement are for convenience of reference only and shall not affect the meaning of any provision of this Agreement.

23. SEVERABILITY

Should any term, clause or provision herein be found invalid or unenforceable by a court of competent jurisdiction, such invalidity shall not affect the validity or operation of any other term, clause or provision and such invalid term, clause or provision shall be construed to most closely reflect the original intent of the parties.

24. ENTIRE AGREEMENT; WAIVER; COUNTERPARTS

This Agreement constitute the entire understanding of the Parties, and revoke and supersede all prior agreements between the Parties and are intended as a final expression of their agreement. Either Party's waiver of any breach of any provision of this Agreement shall not be deemed a waiver of any subsequent breach of same or other provision. This Agreement may be executed in two or more counterparts, each of which shall be deemed an original and all of which together shall constitute one instrument.

IN WITNESS WHEREOF, the undersigned, being duly authorized thereto by their respective organizations, have executed this Agreement as of the date set forth below.

CSG FORTE PAYMENTS, INC:

AGENCY:

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

APPENDIX A DEFINITIONS

ACH Network – Automated Clearing House Network is a batch processing, store-and-forward system that accumulates and distributes ACH transactions that are received from ODFI (defined below) and are forwarded to the specified RDFI (defined below) according to the specific schedules established by the participants.

Acquirer – A sponsoring financial institution or payment processor that enters into an agreement which enables merchants or their Agent(s) to submit Transactions to a payment network.

Affiliate – A business entity effectively controlling or controlled by another or associated with others under common ownership or control.

Agent Any director, officer, employee, representative, affiliate, third-party vendor or any other person acting on behalf of the Merchant with the actual, implied or apparent authority of Merchant.

Business Banking Day – Monday through Friday excluding banking holidays.

Chargeback – A Transaction that is rejected by the owner of the account debited or charged because a dispute exists between the Originator of the Transaction (typically a Merchant) and the account owner.

Confidential Information - Confidential Information may include information regarding all of the computer software and technologies, systems, structures, architectures, processes, formulae, compositions, improvements, devices, know-how, inventions, discoveries, concepts, ideas, designs, methods, and information and databases developed, acquired, owned, produced or practiced at any time by a Party or any affiliate thereof, including software programs and documentation licensed by third parties to the disclosing Party, any business or financial information directly or indirectly related to the disclosing Party's company(s) or investments or

its internal administrative, billing and accounting systems, customer and vendor lists and information, employee personnel information and policies and procedures, information regarding the disclosing Party's products and services that is not generally available to the public.

Credit Entry (or "Entry") – An ACH/EFT Transaction that is intended to deposit funds into a Receiver's (defined below) account which has been withdrawn from Merchant's Settlement Account (defined below).

Debit Entry (or "Entry") – An ACH/EFT Transaction that is intended to withdraw funds from a Receiver's account for deposit into Merchant's Settlement Account (defined below).

Laws – All international, national, regional and local regulations or laws which are applicable to the services provided herein.

NACHA – National Automated Clearing House Association responsible for establishing, revising and enforcing the Operating Rules for the US ACH Network.

ODFI – Originating Depository Financial Institution is the financial institution that receives ACH Transactions from Merchant through FORTE and then forwards these Transactions (defined below) to the ACH Network.

Originator – A Merchant who has contracted with FORTE to initiate ACH entries, on their behalf, to the ACH Network.

Payment Association – Any entity governing a payment network, including but not limited to VISA, M/C, Discover, American Express, NACHA, CPA.

PCI-DSS – System security measures established by the various credit card companies, known as the Payment Card Industry Data Security Standards.

RDFI – Receiving Depository Financial Institution is the financial institution that receives the ACH Transactions from the ODFI through the ACH Network and posts these Transactions to the accounts of Receivers (defined below).

Receiver – An entity or individual consumer that has an established account with a card issuer or financial institution upon which a Transaction is or may be acted upon.

Reserve – A specific amount of money that is held in your Merchant account to be used by FORTE to offset amounts owed to FORTE for Services provided, such as returned items, chargebacks, fees/fines, billing or other Merchant obligations to FORTE that FORTE is unable to collect from Merchant.

Returned Entries – Any Transaction that is not able to be completed successfully and is returned/rejected back to the Originator.

Rules – The operational rules, policies and procedures established by each applicable Payment Association to govern all transactions and parties that participate in the associated payment network.

Settlement Account – An account established and maintained by Merchant with a financial institution through which the following may occur: (a) deposit of funds for Debit Entries, (b) the extractions of funds for Credit Entries, reserve funds or fee obligations unless otherwise agreed to by the parties.

Settlement Entry – A Debit or Credit Entry to Merchant's Settlement Account which corresponds to the net amount owed Merchant by FORTE at the end of each Business Banking Day.

Transactions – Any transfer of data or information to FORTE in a format pre-approved by FORTE, including but not limited to payment, verification and authentication items.

Users - All individuals who access a FORTE website or utilize any portion of the FORTE Services on behalf of Merchant directly or through software that accesses the FORTE systems through Merchant's systems, by using Merchant's access credentials or any other access reasonably presumed to be on behalf of Merchant.

APPENDIX B
ACCOUNT VERIFICATION AND AUTHENTICATION SERVICES

1. Representation by Agency. Each request for data through the verification and authentication services shall constitute a representation, warranty and certification by Agency that the data (i) shall be used and disclosed only in accordance with the terms of the Agreement, and in accordance with any applicable Rules or Laws; and (ii) shall be used solely for the intended use as stated by Agency on the application and that use is in compliance with the permissible uses under the Fair Credit Reporting Act (“FCRA”) as provided in the FCRA Requirements Addendum located at <http://www.forte.net/fair-credit-reporting-act>; (iii) Agency will follow proper procedures for adverse action notification to its Constituents, as provided by the FCRA Requirements Addendum; and (iv) Agency acknowledges it has implemented security measures to prohibit the unauthorized access to the information provided.

2. Use of Services.

2.1 AGENCY SHALL USE THE VERIFICATION SERVICES ONLY IN CONNECTION WITH PAYMENTS PRESENTED TO AGENCY BY ITS CONSTITUENTS IN EXCHANGE FOR GOODS OR SERVICES. AGENCY SHALL NOT RESELL THE VERIFICATION DATA OR SERVICES TO ANY THIRD PARTIES.

2.2 Agency understands and agrees that it cannot decline services to a consumer or customer after receiving an approval result from FORTE on a verification inquiry unless Agency is declining based on other grounds and/or information. Further, if Agency does decline services to a FORTE approved consumer or customer based on alternate information, Agency shall not provide FORTE’s contact information as recourse for the consumer to pursue a dispute of the result under FCRA Adverse Action requirements.

2.3 Agency shall provide to FORTE, as part of a verification inquiry, the accurate amount for each transaction Agency wants to verify.

3. Retention of Data. Agency acknowledges and agrees that it shall not retain, store, compile or aggregate the results of verification or authentication inquiries received from FORTE except as required by applicable law or to perform its obligations under this Agreement.

APPENDIX C
ACCOUNT UPDATER SERVICES

- 1. Description of Services.** Participating Visa/MasterCard Issuers submit their account changes to the Account Updater Database. On a monthly basis, FORTE will compare all of AGENCY's recurring tokenized transactions against the Account Updater Database. FORTE will then update the tokenized card information on file with updated account information.
- 2. Agency Requirements for Account Updater Participation.**
 - a. AGENCY must be properly established and registered in the United States.
 - b. AGENCY must not have been disqualified from participating in the Visa, MasterCard, American Express, or Discover programs.
 - c. AGENCY must be in compliance with all Card Association Operating Regulations.
 - d. AGENCY must submit inquiries only for those accounts with which the merchant has an ongoing customer relationship and customer's authority to submit such payments.
 - e. AGENCY may not request authorization on accounts that have returned "Contact Cardholder" or "Closed."
 - f. AGENCY must not submit inquiries on behalf of any other entity.
 - g. AGENCY assumes all risk associated with the use of the Account Updater Service. FORTE shall have no liability whatsoever to AGENCY for any liability associated with the Account Updater Service, including but not limited to the accuracy or completeness of the information provided via the Account Updater Service.

APPENDIX D
AMERICAN EXPRESS CARD ACCEPTANCE

1. Merchant hereby acknowledges and agrees that for purposes of acceptance of American Express, the American Express Merchant Operating Guide and any amendments thereto (the “Operating Guide”) is hereby incorporated by reference into this Agreement and can be found at www.americanexpress.com/merchantopguide.

All capitalized terms found in this section shall have the attributed meaning from the Operating Guide.

2. Merchant hereby acknowledges and agrees that it is not a party to any agreement between FORTE and American Express.

3. Merchant hereby authorizes FORTE and/or Acquirer to submit American Express transactions to, and receive settlement from, American Express on behalf of Merchant. Merchant must accept the American Express card as payment for goods and services (other than those goods and services prohibited under the Operating Guide) sold, or (if applicable) for charitable contributions made, at all of its establishments, except as expressly permitted by applicable Law. Merchant is jointly and severally liable for the obligations of Merchant’s establishments under the Agreement. For the avoidance of doubt, “cardholder” as used in this Agreement shall include Cardmembers as defined in the Operating Guide.

4. Merchant hereby acknowledges and agrees that (i) FORTE or Acquirer may disclose American Express Transaction Data (which for purposes of this section shall have the same definition as “Transaction Data” in the Operating Guide), Merchant Data (as defined below), and other information about Merchant to American Express, (ii) American Express may use such information to perform its responsibilities in connection with the American Express Program, promote the American Express Network, perform analytics and create reports, and for any other lawful business purpose, including marketing purposes, and (iii) American Express may use the information obtained in this application at the time of setup to screen and/or monitor Merchant in connection with American Express Card (the “Card”) marketing and administrative purposes. If Merchant has provided a wireless phone number in connection with this Agreement, Merchant hereby agrees that it may be contacted at that number and the communications sent may include autodialed text messages or automated prerecorded calls. If Merchant has provided a fax number, Merchant hereby agrees that it may be sent fax communications. To opt out of American Express-related marketing communications, Merchant may contact FORTE customer service as described in this Agreement. For purposes of this section, “Merchant Data” means names, postal and email addresses, tax ID numbers, names and social security numbers of the authorized signer of Merchant and similar identifying information about Merchant. For clarification, Merchant Data does not include American Express Transaction Data.

5. Merchant will adhere to the following website information display guidelines in the event Merchant has a website and/or operates an e-commerce business. Merchant’s website must display the following:

- An accurate description of the goods/services offered, including the currency type for the Transaction (e.g., U.S. Dollars). Note: Transaction currency must be in U.S. Dollars.
- Merchant's physical address in the U.S.
- An email address or telephone number for customer service disputes.
- Return/refund policy.
- A description of Merchant's delivery policy (e.g., no overnight delivery).
- A description of Merchant's security practices (e.g., information highlighting security practices Merchant uses to secure Transactions on its systems, including Transactions conducted on the Internet).
- A statement of known export restrictions, tariffs, and any other regulations.

- A privacy statement regarding the type of personal information collected and how the information is used. Additionally, Merchant must provide to customers the option to decline being included in marketing campaigns or having their personal information included on lists sold to third parties.

6. Merchant hereby agrees that, in the event that Merchant becomes a High Charge Volume Merchant (as defined below), Merchant will be converted from the American Express Program to a direct American Express Card acceptance relationship with American Express, and upon such conversion, (i) Merchant will be bound by American Express' then-current card acceptance agreement, and (ii) American Express will set pricing and other fees payable by Merchant for American Express Card acceptance. "High Charge Volume Merchant" for purposes of this section means an American Express Program Merchant with either (i) greater than \$1,000,000 in American Express charge volume in a rolling twelve (12) month period or (ii) greater than \$100,000 in American Express charge volume in any three (3) consecutive months. For clarification, if Merchant has multiple establishments, the American Express charge volume from all establishments shall be summed together when determining whether Merchant has exceeded the thresholds above.

7. Except as expressly permitted by applicable Law, Merchant must not: (a) indicate or imply that Merchant prefers, directly or indirectly, any Other Payment Products over the Card, (b) try to dissuade Cardmembers from using the Card, (c) criticize or mischaracterize the Card or any of American Express' services or programs, (d) try to persuade or prompt Cardmembers to use any Other Payment Products or any other method of payment (e.g., payment by check), (e) impose any restrictions, conditions, disadvantages, or fees when the Card is accepted that are not imposed equally on all other payment products, except for electronic funds transfer, cash or check, (f) suggest or require Cardmembers to waive their right to dispute any Transaction, (g) engage in activities that harm American Express' business or the American Express Brand (or both), (h) promote any Other Payment Products (except, if applicable, Merchant's own private label card that it issues for use solely at its Establishments) more actively than Merchant promotes the Card, or (i) convert the currency of the original sale Transaction to another currency when requesting Authorization or submitting Transactions (or both).

8. Merchant may offer discounts or in-kind incentives from its regular prices for payments in cash, ACH funds transfer, check, debit card, or credit/charge card, provided that (to the extent required by applicable Law): (i) Merchant clearly and conspicuously discloses the terms of the discount or in-kind incentive to its customers, (ii) the discount or in-kind incentive is offered to all of Merchant's prospective customers, and (iii) the discount or in-kind incentive does not differentiate on the basis of the Issuer or, except as expressly permitted by applicable state statute, payment card network (e.g., Visa, MasterCard, Discover, JCB, American Express). The offering of discounts or in-kind incentives in compliance with the terms of this paragraph will not constitute a violation of the provisions set forth Section 3.2 of the Operating Guide.

9. Whenever payment methods are communicated to customers, or when customers ask what payments are accepted, Merchant must indicate its acceptance of the Card and display American Express' Marks (including any Card application forms provided to Merchant) as prominently and in the same manner as any Other Payment Products. Merchant must not use American Express' Marks in any way that injures or diminishes the goodwill associated with the American Express Mark, nor in any way (without American Express' prior written consent) indicate that American Express endorses Merchant's goods or services. Merchant shall use the American Express brand and marks in accordance with the requirements set forth in the Operating Guide and shall remove the American Express brand and marks from Merchant's website and wherever else they are displayed upon termination Merchant's acceptance of American Express cards.

10. Any and all Cardmember Information is confidential and the sole property of the Issuer, American

Express or its Affiliates. Except as otherwise specified, Merchant must not disclose Cardmember Information, nor use nor store it, other than to facilitate Transactions in accordance with this Agreement. For more information, refer to the Operating Guide, Section 4.2, "Completing a Transaction at the Point of Sale" and Chapter 8, "Protecting Cardmember Information".

11. Merchant shall not assign to any third party any American Express-related payments due to it under this Agreement, and all indebtedness arising from American Express Charges (as defined below) will be for bona fide sales of goods and services (or both) at its establishments (as defined below) and free of liens, claims, and encumbrances other than ordinary sales taxes; provided, however, that Merchant may sell and assign future American Express transaction receivables to FORTE, its affiliated entities and/or any other cash advance funding source that partners with FORTE or its affiliated entities, without consent of American Express.

12. Merchant hereby agrees that American Express shall have third party beneficiary rights, but not obligations, to enforce this Agreement as against Merchant to the extent applicable to American Express processing. Merchant understands and agrees that it shall have no third party beneficiary rights under any agreement between FORTE and American Express and/or Acquirer. Merchant shall maintain refund policies for purchases on the American Express card that are at least as favorable as its refund policy for purchases on any other payment product. Merchant will disclose any such refund policy to Cardmembers at the time of purchase and in compliance with the Operating Guide and all applicable Laws. Merchant's termination of American Express Card acceptance shall have no direct or indirect effect on Merchant's rights to accept other card brands. To terminate American Express acceptance, Merchant may contact FORTE customer service as described in this Agreement.

13. Without limiting any other rights provided herein, FORTE and/or Acquirer shall have the right to immediately terminate Merchant's acceptance of American Express cards upon request of American Express. Merchant may not bill or collect from any Cardmember for any purchase or payment on the Card unless a chargeback has been exercised, Merchant has fully paid for such charge, and it otherwise has the right to do so. Merchant will comply with all procedural requirements relating to chargebacks, as provided in the Operating Guide, Chapter 11.

14. American Express Liability. SPONSORED MERCHANT ACKNOWLEDGES AND AGREES THAT IN NO EVENT SHALL AMERICAN EXPRESS, ITS AFFILIATES, AGENTS, SUCCESSORS, OR ASSIGNS BE LIABLE TO SPONSORED MERCHANT FOR ANY DAMAGES, LOSSES, OR COSTS INCURRED, INCLUDING INCIDENTAL, INDIRECT, SPECULATIVE, CONSEQUENTIAL, SPECIAL, PUNITIVE, OR EXEMPLARY DAMAGES OF ANY KIND (WHETHER BASED ON CONTRACT, TORT, INCLUDING NEGLIGENCE, STRICT LIABILITY, FRAUD, OR OTHERWISE, OR STATUTES, REGULATIONS, OR ANY OTHER THEORY), ARISING OUT OF OR IN CONNECTION WITH THE AGREEMENT.



PRICING FEE SCHEDULE

Forte Payment Systems is proud to provide a robust processing platform and flexible pricing strategies:

- **Service Fee Model** – in a service fee model approach, the citizen pays a service fee for processing their transaction. Your office absorbs no cost.
- **Absorbed Model** - credit card/debit card Merchant Services, Electronic Check Services and the Secure Gateway are absorbed by your office.

Service (Convenience) Fee Pricing Option:

MasterCard, Visa, Discover and American Express cards

2.55 % of the payment amount with a minimum fee of \$2.00 based upon volume.

Debit Cards (Tax Program only)

1.95% of the transaction amount

Electronic check – online WEB and IVR payments

Includes Forte Verification for known accounts.

eCheck Transaction Tiers	Fees	Frequency
\$0.00 to \$50,000.00	\$2.00 w/Verification	Per Transaction
\$50,000.01 to \$75,000.00	\$3.25 w/Verification	Per Transaction
\$75,000.01 to \$100,000.00	\$6.25 w/Verification	Per Transaction
\$100,000.01 to \$150,000.00	\$10.25 w/Verification	Per Transaction
\$150,000.01 + \$250,000.00	\$15.25 w/Verification	Per Transaction

Absorbed Pricing Option:

Emerging Market and Public-Sector Rate Structure

Processing Costs:	Fees	Frequency
Option 1. Visa, MasterCard, Discover, American Express	2.55% +\$0.20	Per Transaction
Option 2. Visa, MasterCard, Discover,	*Pass Thru pricing + \$0.20+ 40bpts*	Per transaction
Option 2. American Express	*Pass Thru pricing + \$0.20	Per Transaction
Forte Protect (End-2-End Encryption)	\$0.10	Per transaction
Forte Protect (Key Injection Fee)	\$25.00	One time Per Device
Account Updater (Optional)	\$0.35	Per Transaction
Account Updater (Optional)	\$25.00	Per Month
Credit Card Chargeback Fee	\$25.00	Per Chargeback
Batch Fee	\$0..25	No Charge - Waived
ACH Fee-debits/credits	\$0.55 with Forte Validate	Per Transaction
ACH Return Fee	\$2.00	Per Return
Monthly Fee	\$5.00	Each Month per Merchant Account
Manual Billing (single bill for multiple merchant accounts)	\$50.00	Monthly

*Pass Thru pricing includes the direct interchange dues, assessments and all other fees that are charged directly from the associations. Forte Payment Systems believes in transparent pricing, meaning that we utilize a *Pass-Thru Plus* pricing model. Interchange pass thru pricing is a form of credit card processing that allows the actual cost of the processing (*interchange fees & assessments) to be passed directly through to your office. The advantage of this pricing strategy is that it is transparent and, in most instances, provides the lowest processing costs.

Forte's fees include: Total volume processed multiplied by bpts
 Total # of transactions processed by per item fee

Gateway Only Pricing Option:

Fee Description	Fee	Frequency
Forte Gateway Fee	\$0.15	Per Transaction
Monthly Gateway Fee	\$19.95	Per Merchant ID

Equipment and Service Pricing:

The following table reflects our Equipment and Service Offerings

Standard Product	Description	Fees and Cost of Equipment
VeriFone V400c Terminal (Standalone)		\$299.00 per terminal plus shipping
VeriFone V400c Terminal (Hybrid with cables)		\$350.00 per terminal plus shipping
MagTek eDynamo		\$155 per devise plus shipping
MagTek eDynamo and Counter-Top Docking Station Bundle (recommended)		\$190/Device with Docking station plus shipping

Select pricing option(s) desired: **Absorbed Pricing** **Service Fee Pricing** **Gateway Only Pricing**

Option 1 Option2 Dual Bill

***Required Merchant Signature:** _____

Date _____

Forte is Level 1 PCI Compliant and takes the following steps to ensure that credit card information is secure:

- PCI compliance audited annually
- Credit card numbers strongly encrypted in transit and at rest
- Access limited by perimeter, internal, and application firewalls
- Annual penetration tests and quarterly network scans
- Intrusion detection monitoring and monitoring for log tampering
- Password policy requires strong passwords changed regularly
- Two factor authenticated VPN access required for access to production systems
- Multiple email filtering layers to prevent malware and viruses
- Rigorous employee screening, including background and credit checks
- Access granted on a need to know basis
- Software changes subject to peer review and security review
- Additional fraud and security monitoring

In addition to the steps we take to maintain our Level 1 PCI Compliance, Forte works in partnership with our clients and our Integrated Partners, providing solutions to minimize their PCI Scope. We also work with QSA and assist our clients with maintaining their compliance.

SSAE

CSG provides customers an annual SSAE 18 SOC 1 report (formerly SAS 70 and SSAE 16), and CSG Forte Payment Services processes are included within the scope of the report.

Forte ensures the security of your data through advanced encryption technology and PCI DSS compliant processing systems. Our processing operations run in three separate datacenters which are also PCI DSS compliant and maintain a SOC 2 report. They run in an active/active/active arrangement and are staffed 24/7 to ensure that any local power, networking or other issues are handled quickly. Additionally, our staff is available 24/7 as well to respond to other critical system events. Data is replicated across all three sites and each one is capable of handling the entire processing load if necessary. Our datacenters provide a highly-available and quickly scalable environment, all but eliminating capacity and availability concerns. Encrypted backups of the data are taken regularly then stored both locally and at another remote datacenter.

Risk/Cyber Attack:

We do not explicitly do network security risk evaluation because we do penetration tests annually for our PCI DSS certification.

Data transmissions are protected by strong encryption (TLS 1.2). Files generated for transmission can also be encrypted at rest using PGP encryption on top of the TLS 1.2 during the transmission process. For files, protection from fraud is achieved through PGP encryption and its public/private key mechanism. For web-services, private credentials along with the option to IP limit traffic can be used to help mitigate fraud risk. For webhooks, private key

hashing is used to authenticate us as the webhook originator, and IP limiting can also be used to mitigate fraud risk.

Our security measures have been established based on the best practices mandated by PCI-DSS which we are audited for compliance on an annual basis. More specifically, physical access to employee areas is restricted by access key cards. Network access is restricted by firewalls and AWS security groups. Access to web services/applications is username/password protected. System-level access requires two-factor authentication. There have been no compromises/breaches in the 20+ year history of our organization.

Forte recently engaged a service to perform penetration testing, including technical and social engineering style attacks that directly target our employees, and we're happy to report that they were unable to compromise our systems. The following is feedback from the company that performed the penetration testing: "Over the past 10 years that I have been with Netragard, we've had a compromise success rate of 98.6% with social engineering module enable. I am happy to report to you that you are in the remaining 1.4%!"

Credit Card Encryption:

Forte's system provides extensive security measures, including encryption and tokenization.

Our system follows the process below:

- Card data is captured and encrypted before touching merchant's equipment or network
- Encrypted card data is transmitted over a secure link to any one of our endpoint solutions
- Preliminary validation of request is performed and then routed to farm of transaction processors
- Encrypted message and card data is decrypted for authorization
- Authorization request is routed over appropriate card network in order to obtain an approval number from the card issuer
- Card data is re-encrypted and stored in our secure data vault and Token is generated and returned
- Approval information and Token are returned to calling endpoint

All credit card information is stored and processed on our end, so the Merchant will never have to worry about storing confidential information.

In 2020, Forte was named by NACHA as the Preferred Partner for Government Agency ACH Payment Gateways. We continue to be a preferred vendor for NACHA.

CSG staffs an Internal Audit team and contracts out with third-party auditors to perform various assessments.

- ISO-27001
- SSAE 18
- SOX 404
- PCI

- SOC1

Annual SSAE 18 and SOX 404 assessments are performed by CSG's Internal Audit group and 3rd party assessors. CSG has also been CISP/PCI certified for the past several years. As part of the PCI/DSS requirement CSG has enlisted the services of a qualified third-party security auditor to perform both the annual security process assessment and quarterly internal and external network scans and of CSG's network. The quarterly network scans are complimented by annual network and application penetration tests provided by the third-party security auditor. Audit reports and certifications can be provided upon request.

**CITY OF MEDICAL LAKE
SPOKANE COUNTY, WASHINGTON
RESOLUTION NO. 23-564**

**A RESOLUTION OF THE CITY OF MEDICAL LAKE APPROVING A
FUEL TAX GRANT AGREEMENT AND FUNDING WITH THE
WASHINGTON STATE TRANSPORTATION IMPROVEMENT BOARD**

WHEREAS, on December 2, 2022, the City of Medical Lake was awarded certain funding for the Lefevre Street Restriping and Sidewalk project from the Washington State Transportation Improvement Board (“TIB”) pursuant to TIB project number P-E-897(P-10)-1; and

WHEREAS, the TIB has awarded the City of Medical Lake Ninety-Two Percent (92.00%) of approved eligible project costs with a maximum grant of \$639,400.00; and

WHEREAS, the parties will enter into a Fuel Tax Grant Agreement consistent with the TIB award; and

WHEREAS, City Staff recommends the City accept the TIB award and enter into the Fuel Tax Grant Agreement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MEDICAL LAKE, WASHINGTON as follows:

Section 1. Approval of Agreement. The Council hereby approves the Fuel Tax Grant Agreement (“Agreement”) in the form attached to this Resolution as Exhibit “A” and by reference incorporated herein.

Section 2. Authorization. The Mayor is authorized and directed to execute the Agreement on behalf of the City in substantially the form attached as Exhibit “A”. The Mayor and Finance Director/City Clerk are each hereby authorized and directed to take such further action as may be appropriate in order to affect the purpose of this Resolution and the Agreement authorized hereby.

Section 3. Severability. If any section, sentence, clause, or phrase of this Resolution should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this Resolution.

Section 4. Effective Date. This Resolution shall become effective immediately upon its adoption.

ADOPTED this 3rd day of January, 2023.

Mayor, Terri Cooper

Attest:

Approved as to Form:

Koss Ronholt, City Clerk

City Attorney, Sean P. Boutz



Washington State Transportation Improvement Board

TIB Members

Chair

Mayor Glenn Johnson
City of Pullman

Vice Chair

Councilmember Sam Low
Snohomish County

Amy Asher

Mason Transit Authority

Aaron Butters, PE
HW Lochner Inc.

Susan Carter
Hopelink

Kent Cash, PE
Port of Vancouver

Barbara Chamberlain
WSDOT

Elizabeth Chamberlain
City of Walla Walla

Dongho Chang, PE
WSDOT

Scott Chesney
Spokane County

Vicky Clarke

scade Bicycle Club/Washington Bikes

Mike Dahlem, PE
City of Sumner

Commissioner Al French
Spokane County

Councilmember Hilda Guzmán
City of Granger

Commissioner Scott Hutsell
Lincoln County

Les Reardanz

Whatcom Transportation Authority

Peter Rogalsky, PE
City of Richland

Mayor Kim Roscoe
City of Fife

María Thomas
Office of Financial Management

Jennifer Walker
Thurston County

Jane Wall
County Road Administration Board

Ashley Probart
Executive Director

P.O. Box 40901
Olympia, WA 98504-0901
Phone: 360-586-1140
Fax: 360-586-1165
www.tib.wa.gov

December 02, 2022

Mr. Scott Duncan
Public Works Director
City of Medical Lake
Post Office Box 369
Medical Lake, WA 99022-0369

Dear Mr. Duncan:

Congratulations! We are pleased to announce the selection of your project, Lefevre Street Restriping and Sidewalk, Idaho St to n/o James St, TIB project number P-E-897(P10)-1.

TIB is awarding 92.0000% of approved eligible project costs with a maximum grant of \$639,400.

Before any work is permitted on this project, you must complete the following:

- Verify the information on the attached Project Funding Status Form and, revise if necessary. Print, sign and email a scanned copy;
- Submit the section of your adopted Six Year Transportation Improvement Plan listing this project;
- Sign, scan and email one copy of the Fuel Tax Grant Distribution Agreement; and
- Return the above items to TIB;

You may only incur reimbursable expenses after you receive approval from TIB.

In accordance with RCW 47.26.084, you must certify full funding by December 2, 2023 or the grant may be terminated. Grants may also be rescinded due to unreasonable project delay as described in WAC 479-05-211.

If you have questions, please contact Andrew Beagle, TIB Project Engineer, at AndrewB@TIB.wa.gov.

Sincerely,

Ashley Probart
Executive Director

Enclosures



City of Medical Lake
P-E-897(P10)-1
Lefevre Street Restriping and Sidewalk
Idaho St to n/o James St

STATE OF WASHINGTON
TRANSPORTATION IMPROVEMENT BOARD
AND
City of Medical Lake
AGREEMENT

THIS GRANT AGREEMENT (hereinafter "Agreement") for the Lefevre Street Restriping and Sidewalk, Idaho St to n/o James St (hereinafter "Project") is entered into by the WASHINGTON STATE TRANSPORTATION IMPROVEMENT BOARD (hereinafter "TIB") and City of Medical Lake, a political subdivision of the State of Washington (hereinafter "RECIPIENT").

1.0 PURPOSE

For the project specified above, TIB shall pay 92.0000 percent of approved eligible project costs up to the amount of \$639,400, pursuant to terms contained in the RECIPIENT'S Grant Application, supporting documentation, chapter 47.26 RCW, title 479 WAC, and the terms and conditions listed below.

2.0 SCOPE AND BUDGET

The Project Scope and Budget are initially described in RECIPIENT's Grant Application and incorporated by reference into this Agreement. Scope and Budget will be further developed and refined, but not substantially altered during the Design, Bid Authorization and Construction Phases. Any material alterations to the original Project Scope or Budget as initially described in the Grant Application must be authorized by TIB in advance by written amendment.

3.0 PROJECT DOCUMENTATION

TIB requires RECIPIENT to make reasonable progress and submit timely Project documentation as applicable throughout the Project. Upon RECIPIENT's submission of each Project document to TIB, the terms contained in the document will be incorporated by reference into the Agreement. Required documents include, but are not limited to the following:

- a) Project Funding Status Form
- b) Bid Authorization Form with plans and engineers estimate
- c) Award Updated Cost Estimate
- d) Bid Tabulations
- e) Contract Completion Updated Cost Estimate with final summary of quantities
- f) Project Accounting History

4.0 BILLING AND PAYMENT

The local agency shall submit progress billings as project costs are incurred to enable TIB to maintain accurate budgeting and fund management. Payment requests may be submitted as



often as the RECIPIENT deems necessary, but shall be submitted at least quarterly if billable amounts are greater than \$50,000. If progress billings are not submitted, large payments may be delayed or scheduled in a payment plan.

5.0 TERM OF AGREEMENT

This Agreement shall be effective upon execution by TIB and shall continue through closeout of the grant or until terminated as provided herein, but shall not exceed 10 years unless amended by the Parties.

6.0 AMENDMENTS

This Agreement may be amended by mutual agreement of the Parties. Such amendments shall not be binding unless they are in writing and signed by persons authorized to bind each of the Parties.

7.0 ASSIGNMENT

The RECIPIENT shall not assign or transfer its rights, benefits, or obligations under this Agreement without the prior written consent of TIB. The RECIPIENT is deemed to consent to assignment of this Agreement by TIB to a successor entity. Such consent shall not constitute a waiver of the RECIPIENT's other rights under this Agreement.

8.0 GOVERNANCE & VENUE

This Agreement shall be construed and interpreted in accordance with the laws of the state of Washington and venue of any action brought hereunder shall be in the Superior Court for Thurston County.

9.0 DEFAULT AND TERMINATION

9.1 NON-COMPLIANCE

- a) In the event TIB determines, in its sole discretion, the RECIPIENT has failed to comply with the terms and conditions of this Agreement, TIB shall notify the RECIPIENT, in writing, of the non-compliance.
- b) In response to the notice, RECIPIENT shall provide a written response within 10 business days of receipt of TIB's notice of non-compliance, which should include either a detailed plan to correct the non-compliance, a request to amend the Project, or a denial accompanied by supporting details.
- c) TIB will provide 30 days for RECIPIENT to make reasonable progress toward compliance pursuant to its plan to correct or implement its amendment to the Project.
- d) Should RECIPIENT dispute non-compliance, TIB will investigate the dispute and may withhold further payments or prohibit the RECIPIENT from incurring additional reimbursable costs during the investigation.

9.2 DEFAULT

RECIPIENT may be considered in default if TIB determines, in its sole discretion, that:



- a) RECIPIENT is not making reasonable progress toward correction and compliance.
- b) TIB denies the RECIPIENT's request to amend the Project.
- c) After investigation TIB confirms RECIPIENT'S non-compliance.

TIB reserves the right to order RECIPIENT to immediately stop work on the Project and TIB may stop Project payments until the requested corrections have been made or the Agreement has been terminated.

9.3 TERMINATION

- a) In the event of default by the RECIPIENT as determined pursuant to Section 9.2, TIB shall serve RECIPIENT with a written notice of termination of this Agreement, which shall be served in person, by email or by certified letter. Upon service of notice of termination, the RECIPIENT shall immediately stop work and/or take such action as may be directed by TIB.
- b) In the event of default and/or termination by either PARTY, the RECIPIENT may be liable for damages as authorized by law including, but not limited to, repayment of grant funds.
- c) The rights and remedies of TIB provided in the AGREEMENT are not exclusive and are in addition to any other rights and remedies provided by law.

9.4 TERMINATION FOR NECESSITY

TIB may, with ten (10) days written notice, terminate this Agreement, in whole or in part, because funds are no longer available for the purpose of meeting TIB's obligations. If this Agreement is so terminated, TIB shall be liable only for payment required under this Agreement for performance rendered or costs incurred prior to the effective date of termination.

10.0 USE OF TIB GRANT FUNDS

TIB grant funds come from Motor Vehicle Fuel Tax revenue. Any use of these funds for anything other than highway or roadway system improvements is prohibited and shall subject the RECIPIENT to the terms, conditions and remedies set forth in Section 9. If Right of Way is purchased using TIB funds, and some or all of the Right of Way is subsequently sold, proceeds from the sale must be deposited into the RECIPIENT's motor vehicle fund and used for a motor vehicle purpose.

11.0 INCREASE OR DECREASE IN TIB GRANT FUNDS

At Bid Award and Contract Completion, RECIPIENT may request an increase in the maximum payable TIB funds for the specific project. Requests must be made in writing and will be considered by TIB and awarded at the sole discretion of TIB. All increase requests must be made pursuant to WAC 479-05-202 and/or WAC 479-01-060. If an increase is denied, the recipient shall be liable for all costs incurred in excess of the maximum amount payable by TIB. In the event that final costs related to the specific project are less than the initial grant award, TIB funds will be decreased and/or refunded to TIB in a manner that maintains the intended ratio between TIB funds and total project costs, as described in Section 1.0 of this Agreement.



12.0 INDEPENDENT CAPACITY

The RECIPIENT shall be deemed an independent contractor for all purposes and the employees of the RECIPIENT or any of its contractors, subcontractors, and employees thereof shall not in any manner be deemed employees of TIB.

13.0 INDEMNIFICATION AND HOLD HARMLESS

The PARTIES agree to the following:

Each of the PARTIES, shall protect, defend, indemnify, and save harmless the other PARTY, its officers, officials, employees, and agents, while acting within the scope of their employment as such, from any and all costs, claims, judgment, and/or awards of damages, arising out of, or in any way resulting from, that PARTY's own negligent acts or omissions which may arise in connection with its performance under this Agreement. No PARTY will be required to indemnify, defend, or save harmless the other PARTY if the claim, suit, or action for injuries, death, or damages is caused by the sole negligence of the other PARTY. Where such claims, suits, or actions result from the concurrent negligence of the PARTIES, the indemnity provisions provided herein shall be valid and enforceable only to the extent of a PARTY's own negligence. Each of the PARTIES agrees that its obligations under this subparagraph extend to any claim, demand and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, each of the PARTIES, by mutual negotiation, hereby waives, with respect to the other PARTY only, any immunity that would otherwise be available to it against such claims under the Industrial Insurance provision of Title 51 RCW. In any action to enforce the provisions of the Section, the prevailing PARTY shall be entitled to recover its reasonable attorney's fees and costs incurred from the other PARTY. The obligations of this Section shall survive termination of this Agreement.

14.0 DISPUTE RESOLUTION

- a) The PARTIES shall make good faith efforts to quickly and collaboratively resolve any dispute arising under or in connection with this AGREEMENT. The dispute resolution process outlined in this Section applies to disputes arising under or in connection with the terms of this AGREEMENT.
- b) Informal Resolution. The PARTIES shall use their best efforts to resolve disputes promptly and at the lowest organizational level.
- c) In the event that the PARTIES are unable to resolve the dispute, the PARTIES shall submit the matter to non-binding mediation facilitated by a mutually agreed upon mediator. The PARTIES shall share equally in the cost of the mediator.
- d) Each PARTY agrees to compromise to the fullest extent possible in resolving the dispute in order to avoid delays or additional incurred cost to the Project.
- e) The PARTIES agree that they shall have no right to seek relief in a court of law until and unless the Dispute Resolution process has been exhausted.



15.0 ENTIRE AGREEMENT

This Agreement, together with the RECIPIENT'S Grant Application, the provisions of chapter 47.26 Revised Code of Washington, the provisions of title 479 Washington Administrative Code, and TIB Policies, constitutes the entire agreement between the PARTIES and supersedes all previous written or oral agreements between the PARTIES.

16.0 RECORDS MAINTENANCE

The RECIPIENT shall maintain books, records, documents, data and other evidence relating to this Agreement and performance of the services described herein, including but not limited to accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Agreement. RECIPIENT shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the Agreement shall be subject at all reasonable times to inspection, review or audit by TIB personnel duly authorized by TIB, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

Approved as to Form
Attorney General

By:

Signature on file

Guy Bowman
Assistant Attorney General

Lead Agency

Transportation Improvement Board

Chief Executive Officer Date

Executive Director Date

Print Name

Print Name



Transportation Improvement Board

Project Funding Status Form

Agency Name: **MEDICAL LAKE**
Project Name: **Lefevre Street Restriping and Sidewalk Idaho St to n/o James St**

TIB Project Number: **P-E-897(P10)-1**

Verify the information below and revise if necessary.
Email to: Your TIB Engineer

PROJECT SCHEDULE

Target Dates		
Construction Approval	Contract Bid Award	Contract Completion

PROJECT FUNDING PARTNERS

List additional funding partners and amount.

Funding Partners	Amount	Revised Funding
MEDICAL LAKE	55,600	
WSDOT	0	
Federal Funds	0	
TOTAL LOCAL FUNDS	55,600	

Signatures are required from two different agency officials. Email a signed copy of this form to your TIB Engineer.

Mayor or Public Works Director

Signature

Date

Printed or Typed Name

Title

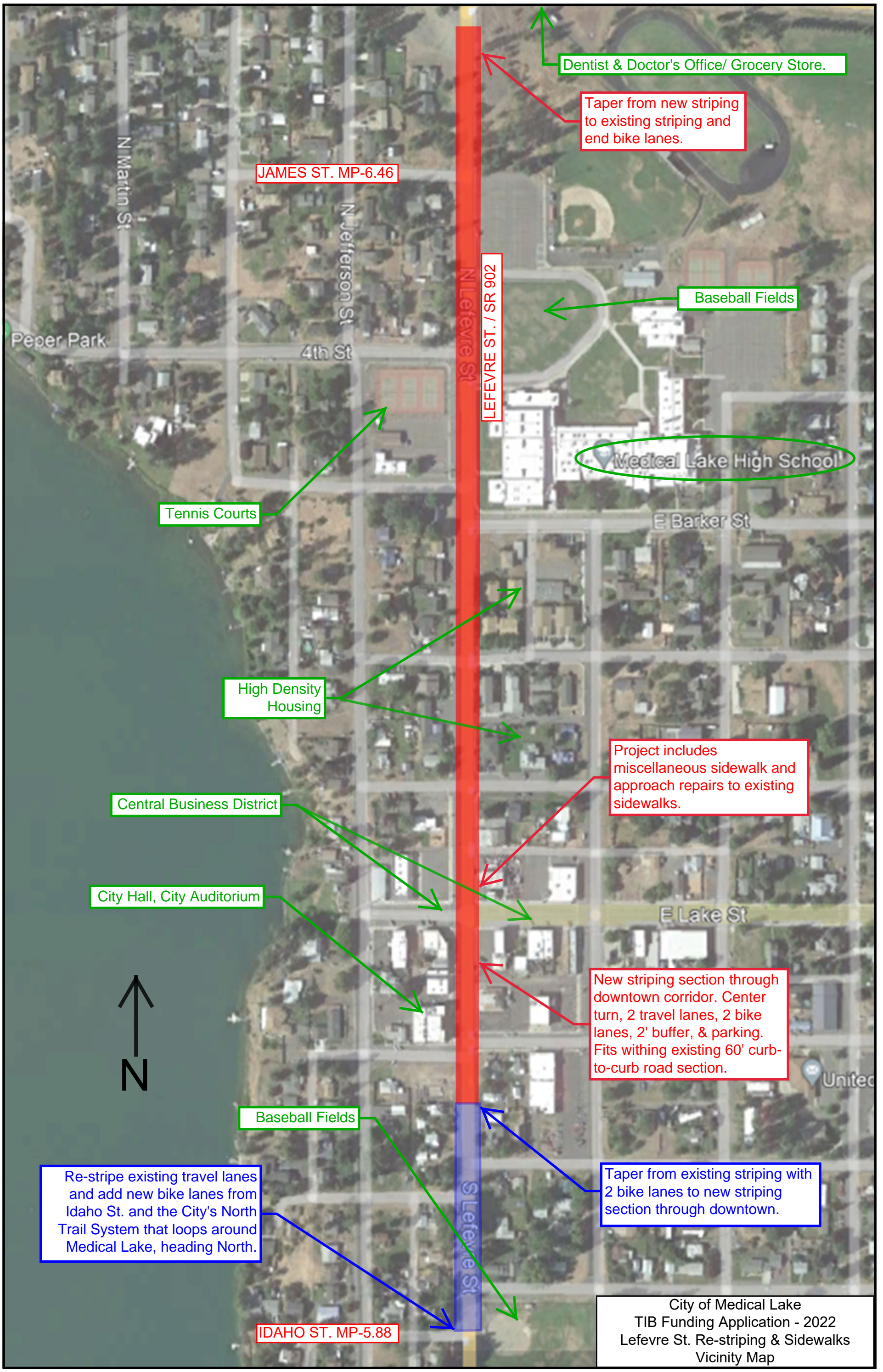
Financial Officer

Signature

Date

Printed or Typed Name

Title



Dentist & Doctor's Office/ Grocery Store.

Taper from new striping to existing striping and end bike lanes.

JAMES ST. MP-6.46

Baseball Fields

LEFEVRE ST. / SR 902

Medical Lake High School

Tennis Courts

E Barker St

High Density Housing

Project includes miscellaneous sidewalk and approach repairs to existing sidewalks.

Central Business District

City Hall, City Auditorium

E Lake St

New striping section through downtown corridor. Center turn, 2 travel lanes, 2 bike lanes, 2' buffer, & parking. Fits within existing 60' curb-to-curb road section.



Baseball Fields

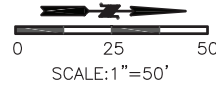
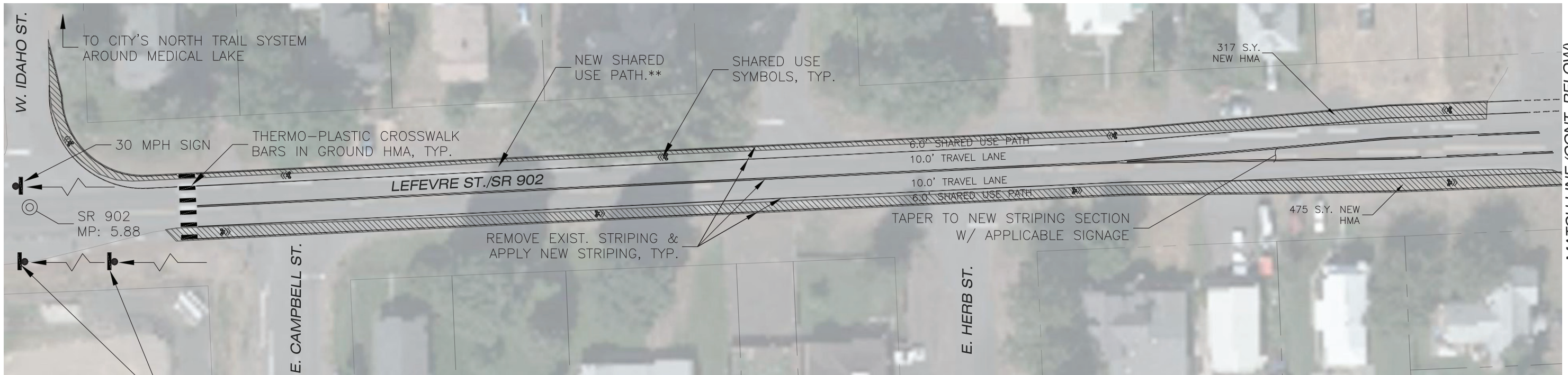
Re-stripe existing travel lanes and add new bike lanes from Idaho St. and the City's North Trail System that loops around Medical Lake, heading North.

Taper from existing striping with 2 bike lanes to new striping section through downtown.

IDAHO ST. MP-5.88

S Lefevre St

City of Medical Lake
TIB Funding Application - 2022
Lefevre St. Re-striping & Sidewalks
Vicinity Map



REDUCE SPEED FROM 30 MPH TO 25 MPH.

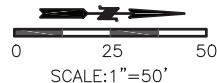
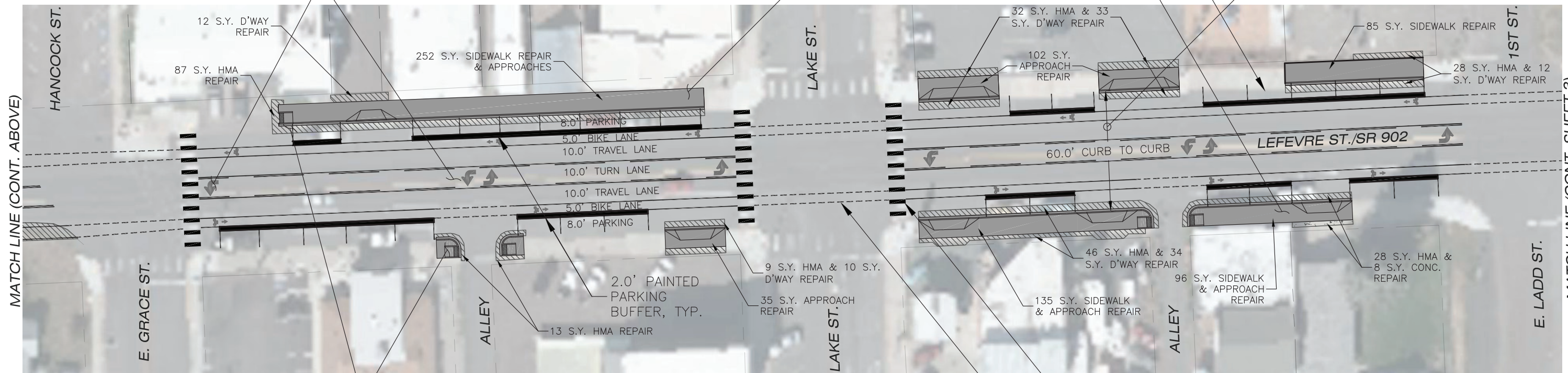
****NOTE:**
 SHARED USE PATH CAN BE SEPARATED FROM TRAVEL LANES WITH VEGETATIVE BUFFER STRIP DEPENDING UPON TIB/WSDOT RECOMMENDATIONS AND APPROVALS. COSTS ESSENTIALLY OFFSET. MORE PAVEMENT AREA, BUT LESS OF A SECTION. HIGHWAY SECTION IS 0.5' OVER 0.75' WHEREAS PATH CAN BE 0.2' OVER 0.5'. ISSUES WITH WSDOT ANTICIPATED FOR MERGING SEPARATED SHARED PATH WITH SPLIT BIKE/PED FACILITIES THOUGH TAPER TO GRACE ST., BUT IT IS FEASIBLE.

FINAL NUMBER OF STALLS & ARRANGEMENT TO BE DETERMINED IN DESIGN

SIDEWALK REPAIR AREAS & NEW APPROACHES MEETING ADA 2010 STD.

EXIST. 60' SECTION THROUGH DOWNTOWN CORRIDOR

FINAL CHANNELIZATION, TURN POCKETS, ETC. TO BE DETERMINED DURING DESIGN



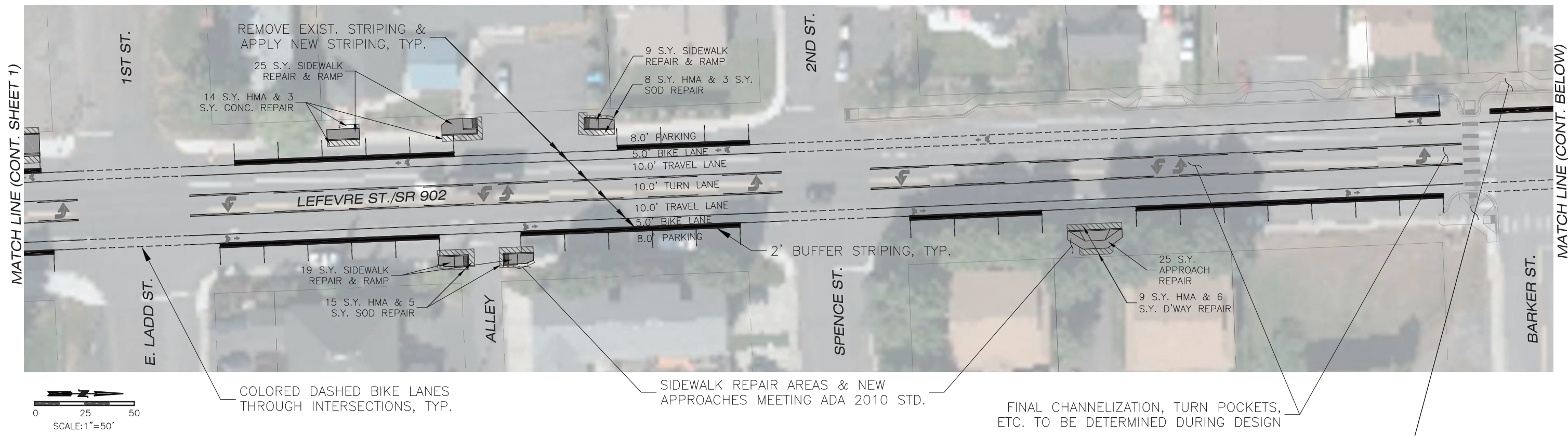
SINGLE DIRECTION RAMP REPLACEMENT MEETING ADA 2010 STD.

THERMO-PLASTIC CROSSWALK BARS IN GROUND HMA, TYP.

COLORED DASHED BIKE LANES THROUGH INTERSECTIONS, TYP.

**CITY OF MEDICAL LAKE
 LEFEVRE ST. LANE RE-STRIPING & SIDEWALKS
 (IDAHO ST. TO JAMES ST.)
 TIB FUNDING APPLICATION
 PRELIMINARY PLAN 1/3**

E & H ENGR.
E&H ENGINEERING, INC.
 12611 W. Sunset Hwy., Suite B
 Airway Heights, WA. 99001
 (509) 744-0245
 FAX: (509) 744-0062

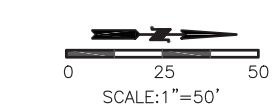
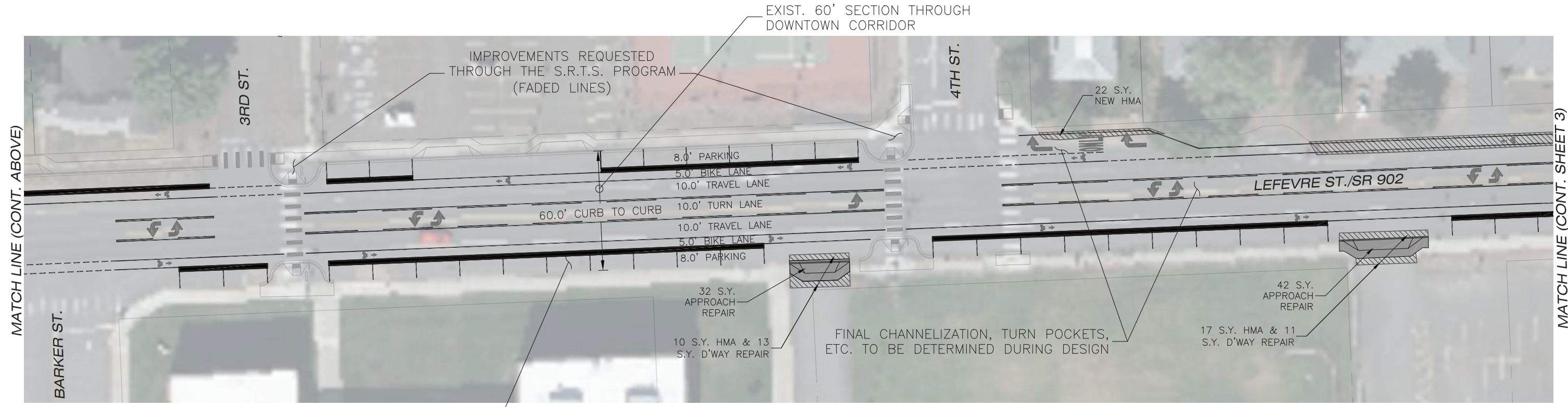


COLORED DASHED BIKE LANES THROUGH INTERSECTIONS, TYP.

SIDEWALK REPAIR AREAS & NEW APPROACHES MEETING ADA 2010 STD.

FINAL CHANNELIZATION, TURN POCKETS, ETC. TO BE DETERMINED DURING DESIGN

IMPROVEMENTS REQUESTED THROUGH THE S.R.T.S. PROGRAM (FADED LINES)



FINAL NUMBER OF STALLS & ARRANGEMENT TO BE DETERMINED IN DESIGN

FINAL CHANNELIZATION, TURN POCKETS, ETC. TO BE DETERMINED DURING DESIGN

**CITY OF MEDICAL LAKE
LEFEVRE ST. LANE RE-STRIPING & SIDEWALKS
(IDAHO ST. TO JAMES ST.)
TIB FUNDING APPLICATION
PRELIMINARY PLAN 2/3**

E & H ENGR.	E&H ENGINEERING, INC.
	12611 W. Sunset Hwy., Suite B
	Airway Heights, WA. 99001
	(509) 744-0245
	FAX: (509) 744-0062

FINAL CHANNELIZATION, TURN POCKETS,
ETC. TO BE DETERMINED DURING DESIGN

REDUCE SPEED FROM
30 MPH TO 25 MPH.

SR 902 END MP: 6.53

SR 902
MP: 6.46

110 S.Y.
NEW HMA

203 S.Y.
NEW HMA

JAMES ST.

LEFEVRE ST./SR 902

EXISTING LANE
EXISTING LANE
EXISTING LANE

5.0' BIKE LANE
10.0' TRAVEL LANE
10.0' TURN LANE
10.0' TRAVEL LANE
5.0' BIKE LANE
8.0' PARKING

39 S.Y.
APPROACH
REPAIR

15 S.Y. HMA & 11
S.Y. D'WAY REPAIR

THERMO-PLASTIC CROSSWALK
BARS IN GROUND HMA, TYP.

2.0' PAINTED
PARKING
BUFFER, TYP.

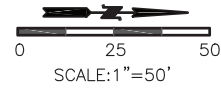
FINAL NUMBER OF STALLS
& ARRANGEMENT TO BE
DETERMINED IN DESIGN

COLORED DASHED BIKE LANES
THROUGH INTERSECTIONS, TYP.

TAPER TO EXIST. STRIPING
SECTION W/ APPLICABLE SIGNAGE

REMOVE EXIST. STRIPING &
APPLY NEW STRIPING, TYP.

MATCH LINE (CONT. SHEET 2)



CITY OF MEDICAL LAKE
LEFEVRE ST. LANE RE-STRIPING & SIDEWALKS
(IDAHO ST. TO JAMES ST.)
TIB FUNDING APPLICATION
PRELIMINARY PLAN 3/3

E & H ENGR.	E&H ENGINEERING, INC.
	12611 W. Sunset Hwy., Suite B
	Airway Heights, WA. 99001
	(509) 744-0245
	FAX: (509) 744-0062

TPH 8/14/22

**CITY OF MEDICAL LAKE
SPOKANE COUNTY, WASHINGTON
RESOLUTION NO. 23-565**

**A RESOLUTION OF THE CITY OF MEDICAL LAKE APPROVING A
FUEL TAX GRANT AGREEMENT AND FUNDING WITH THE
WASHINGTON STATE TRANSPORTATION IMPROVEMENT BOARD**

WHEREAS, on December 9, 2022, the City of Medical Lake was awarded certain funding for the 2022 Maintenance Project for multiple locations within the City of Medical Lake from the Washington State Transportation Improvement Board (“TIB”) pursuant to TIB project number 2-E-897(006)-1; and

WHEREAS, the TIB has awarded the City of Medical Lake Ninety-Five and Two-Ten-Thousandths Percent (95.0002%) of approved eligible project costs with a maximum grant of \$218,318.00; and

WHEREAS, the parties will enter into a Fuel Tax Grant Agreement consistent with the TIB award; and

WHEREAS, City Staff recommends the City accept the TIB award and enter into the Fuel Tax Grant Agreement.

NOW THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF MEDICAL LAKE, WASHINGTON as follows:

Section 1. Approval of Agreement. The Council hereby approves the Fuel Tax Grant Agreement (“Agreement”) in the form attached to this Resolution as Exhibit “A” and by reference incorporated herein.

Section 2. Authorization. The Mayor is authorized and directed to execute the Agreement on behalf of the City in substantially the form attached as Exhibit “A”. The Mayor and Finance Director/City Clerk are each hereby authorized and directed to take such further action as may be appropriate in order to affect the purpose of this Resolution and the Agreement authorized hereby.

Section 3. Severability. If any section, sentence, clause, or phrase of this Resolution should be held to be invalid or unconstitutional by a court of competent jurisdiction, such invalidity or unconstitutionality shall not affect the validity or constitutionality of any other section, sentence, clause, or phrase of this Resolution.

Section 4. Effective Date. This Resolution shall become effective immediately upon its adoption.

ADOPTED this 3rd day of January, 2023.

Mayor, Terri Cooper

Attest:

Approved as to Form:

Koss Ronholt, City Clerk

City Attorney, Sean P. Boutz



Washington State Transportation Improvement Board

TIB Members

Chair
Mayor Glenn Johnson
City of Pullman

Vice Chair
Councilmember Sam Low
Snohomish County

Amy Asher
Mason Transit Authority

Aaron Butters, PE
HW Lochner Inc.

Susan Carter
Hopelink

Kent Cash, PE
Port of Vancouver

Barbara Chamberlain
WSDOT

Elizabeth Chamberlain
City of Walla Walla

Dongho Chang, PE
WSDOT

Scott Chesney
Spokane County

Vicky Clarke
scade Bicycle Club/Washington Bikes

Mike Dahlem, PE
City of Sumner

Commissioner Al French
Spokane County

Councilmember Hilda Guzmán
City of Granger

Commissioner Scott Hutsell
Lincoln County

Les Reardanz
Whatcom Transportation Authority

Peter Rogalsky, PE
City of Richland

Mayor Kim Roscoe
City of Fife

Maria Thomas
Office of Financial Management

Jennifer Walker
Thurston County

Jane Wall
County Road Administration Board

Ashley Probart
Executive Director

P.O. Box 40901
Olympia, WA 98504-0901
Phone: 360-586-1140
Fax: 360-586-1165
www.tib.wa.gov

December 09, 2022

Mr. Scott Duncan
Public Works Director
City of Medical Lake
Post Office Box 369
Medical Lake, WA 99022-0369

Dear Mr. Duncan:

Congratulations! We are pleased to announce the selection of your project, 2022 Maintenance Project, TIB project number 2-E-897(006)-1.

TIB is awarding 95.0002% of approved eligible project costs with a maximum grant of \$218,318.

Before any work is permitted on this project, you must complete the following:

- Verify the information on the attached Project Funding Status Form and, revise if necessary. Print, sign and email a scanned copy;
- Sign, scan and email one copy of the Fuel Tax Grant Distribution Agreement; and
- Return the above items to TIB;

You may only incur reimbursable expenses after you receive approval from TIB.

In accordance with RCW 47.26.084, you must certify full funding by December 2, 2023 or the grant may be terminated. Grants may also be rescinded due to unreasonable project delay as described in WAC 479-05-211.

If you have questions, please contact Andrew Beagle, TIB Project Engineer, at AndrewB@TIB.wa.gov.

Sincerely,

Ashley Probart
Executive Director

Enclosures



City of Medical Lake
2-E-897(006)-1
2022 Maintenance Project
Multiple Locations

STATE OF WASHINGTON
TRANSPORTATION IMPROVEMENT BOARD
AND
City of Medical Lake
AGREEMENT

THIS GRANT AGREEMENT (hereinafter "Agreement") for the 2022 Maintenance Project, Multiple Locations (hereinafter "Project") is entered into by the WASHINGTON STATE TRANSPORTATION IMPROVEMENT BOARD (hereinafter "TIB") and City of Medical Lake, a political subdivision of the State of Washington (hereinafter "RECIPIENT").

1.0 PURPOSE

For the project specified above, TIB shall pay 95.0002 percent of approved eligible project costs up to the amount of \$218,318, pursuant to terms contained in the RECIPIENT'S Grant Application, supporting documentation, chapter 47.26 RCW, title 479 WAC, and the terms and conditions listed below.

2.0 SCOPE AND BUDGET

The Project Scope and Budget are initially described in RECIPIENT'S Grant Application and incorporated by reference into this Agreement. Scope and Budget will be further developed and refined, but not substantially altered during the Design, Bid Authorization and Construction Phases. Any material alterations to the original Project Scope or Budget as initially described in the Grant Application must be authorized by TIB in advance by written amendment.

3.0 PROJECT DOCUMENTATION

TIB requires RECIPIENT to make reasonable progress and submit timely Project documentation as applicable throughout the Project. Upon RECIPIENT'S submission of each Project document to TIB, the terms contained in the document will be incorporated by reference into the Agreement. Required documents include, but are not limited to the following:

- a) Project Funding Status Form
- b) Bid Authorization Form with plans and engineers estimate
- c) Award Updated Cost Estimate
- d) Bid Tabulations
- e) Contract Completion Updated Cost Estimate with final summary of quantities
- f) Project Accounting History

4.0 BILLING AND PAYMENT

The local agency shall submit progress billings as project costs are incurred to enable TIB to maintain accurate budgeting and fund management. Payment requests may be submitted as



often as the RECIPIENT deems necessary, but shall be submitted at least quarterly if billable amounts are greater than \$50,000. If progress billings are not submitted, large payments may be delayed or scheduled in a payment plan.

5.0 TERM OF AGREEMENT

This Agreement shall be effective upon execution by TIB and shall continue through closeout of the grant or until terminated as provided herein, but shall not exceed 10 years unless amended by the Parties.

6.0 AMENDMENTS

This Agreement may be amended by mutual agreement of the Parties. Such amendments shall not be binding unless they are in writing and signed by persons authorized to bind each of the Parties.

7.0 ASSIGNMENT

The RECIPIENT shall not assign or transfer its rights, benefits, or obligations under this Agreement without the prior written consent of TIB. The RECIPIENT is deemed to consent to assignment of this Agreement by TIB to a successor entity. Such consent shall not constitute a waiver of the RECIPIENT's other rights under this Agreement.

8.0 GOVERNANCE & VENUE

This Agreement shall be construed and interpreted in accordance with the laws of the state of Washington and venue of any action brought hereunder shall be in the Superior Court for Thurston County.

9.0 DEFAULT AND TERMINATION

9.1 NON-COMPLIANCE

- a) In the event TIB determines, in its sole discretion, the RECIPIENT has failed to comply with the terms and conditions of this Agreement, TIB shall notify the RECIPIENT, in writing, of the non-compliance.
- b) In response to the notice, RECIPIENT shall provide a written response within 10 business days of receipt of TIB's notice of non-compliance, which should include either a detailed plan to correct the non-compliance, a request to amend the Project, or a denial accompanied by supporting details.
- c) TIB will provide 30 days for RECIPIENT to make reasonable progress toward compliance pursuant to its plan to correct or implement its amendment to the Project.
- d) Should RECIPIENT dispute non-compliance, TIB will investigate the dispute and may withhold further payments or prohibit the RECIPIENT from incurring additional reimbursable costs during the investigation.

9.2 DEFAULT

RECIPIENT may be considered in default if TIB determines, in its sole discretion, that:



- a) RECIPIENT is not making reasonable progress toward correction and compliance.
- b) TIB denies the RECIPIENT's request to amend the Project.
- c) After investigation TIB confirms RECIPIENT'S non-compliance.

TIB reserves the right to order RECIPIENT to immediately stop work on the Project and TIB may stop Project payments until the requested corrections have been made or the Agreement has been terminated.

9.3 TERMINATION

- a) In the event of default by the RECIPIENT as determined pursuant to Section 9.2, TIB shall serve RECIPIENT with a written notice of termination of this Agreement, which shall be served in person, by email or by certified letter. Upon service of notice of termination, the RECIPIENT shall immediately stop work and/or take such action as may be directed by TIB.
- b) In the event of default and/or termination by either PARTY, the RECIPIENT may be liable for damages as authorized by law including, but not limited to, repayment of grant funds.
- c) The rights and remedies of TIB provided in the AGREEMENT are not exclusive and are in addition to any other rights and remedies provided by law.

9.4 TERMINATION FOR NECESSITY

TIB may, with ten (10) days written notice, terminate this Agreement, in whole or in part, because funds are no longer available for the purpose of meeting TIB's obligations. If this Agreement is so terminated, TIB shall be liable only for payment required under this Agreement for performance rendered or costs incurred prior to the effective date of termination.

10.0 USE OF TIB GRANT FUNDS

TIB grant funds come from Motor Vehicle Fuel Tax revenue. Any use of these funds for anything other than highway or roadway system improvements is prohibited and shall subject the RECIPIENT to the terms, conditions and remedies set forth in Section 9. If Right of Way is purchased using TIB funds, and some or all of the Right of Way is subsequently sold, proceeds from the sale must be deposited into the RECIPIENT's motor vehicle fund and used for a motor vehicle purpose.

11.0 INCREASE OR DECREASE IN TIB GRANT FUNDS

At Bid Award and Contract Completion, RECIPIENT may request an increase in the maximum payable TIB funds for the specific project. Requests must be made in writing and will be considered by TIB and awarded at the sole discretion of TIB. All increase requests must be made pursuant to WAC 479-05-202 and/or WAC 479-01-060. If an increase is denied, the recipient shall be liable for all costs incurred in excess of the maximum amount payable by TIB. In the event that final costs related to the specific project are less than the initial grant award, TIB funds will be decreased and/or refunded to TIB in a manner that maintains the intended ratio between TIB funds and total project costs, as described in Section 1.0 of this Agreement.



12.0 INDEPENDENT CAPACITY

The RECIPIENT shall be deemed an independent contractor for all purposes and the employees of the RECIPIENT or any of its contractors, subcontractors, and employees thereof shall not in any manner be deemed employees of TIB.

13.0 INDEMNIFICATION AND HOLD HARMLESS

The PARTIES agree to the following:

Each of the PARTIES, shall protect, defend, indemnify, and save harmless the other PARTY, its officers, officials, employees, and agents, while acting within the scope of their employment as such, from any and all costs, claims, judgment, and/or awards of damages, arising out of, or in any way resulting from, that PARTY's own negligent acts or omissions which may arise in connection with its performance under this Agreement. No PARTY will be required to indemnify, defend, or save harmless the other PARTY if the claim, suit, or action for injuries, death, or damages is caused by the sole negligence of the other PARTY. Where such claims, suits, or actions result from the concurrent negligence of the PARTIES, the indemnity provisions provided herein shall be valid and enforceable only to the extent of a PARTY's own negligence. Each of the PARTIES agrees that its obligations under this subparagraph extend to any claim, demand and/or cause of action brought by, or on behalf of, any of its employees or agents. For this purpose, each of the PARTIES, by mutual negotiation, hereby waives, with respect to the other PARTY only, any immunity that would otherwise be available to it against such claims under the Industrial Insurance provision of Title 51 RCW. In any action to enforce the provisions of the Section, the prevailing PARTY shall be entitled to recover its reasonable attorney's fees and costs incurred from the other PARTY. The obligations of this Section shall survive termination of this Agreement.

14.0 DISPUTE RESOLUTION

- a) The PARTIES shall make good faith efforts to quickly and collaboratively resolve any dispute arising under or in connection with this AGREEMENT. The dispute resolution process outlined in this Section applies to disputes arising under or in connection with the terms of this AGREEMENT.
- b) Informal Resolution. The PARTIES shall use their best efforts to resolve disputes promptly and at the lowest organizational level.
- c) In the event that the PARTIES are unable to resolve the dispute, the PARTIES shall submit the matter to non-binding mediation facilitated by a mutually agreed upon mediator. The PARTIES shall share equally in the cost of the mediator.
- d) Each PARTY agrees to compromise to the fullest extent possible in resolving the dispute in order to avoid delays or additional incurred cost to the Project.
- e) The PARTIES agree that they shall have no right to seek relief in a court of law until and unless the Dispute Resolution process has been exhausted.



15.0 ENTIRE AGREEMENT

This Agreement, together with the RECIPIENT'S Grant Application, the provisions of chapter 47.26 Revised Code of Washington, the provisions of title 479 Washington Administrative Code, and TIB Policies, constitutes the entire agreement between the PARTIES and supersedes all previous written or oral agreements between the PARTIES.

16.0 RECORDS MAINTENANCE

The RECIPIENT shall maintain books, records, documents, data and other evidence relating to this Agreement and performance of the services described herein, including but not limited to accounting procedures and practices which sufficiently and properly reflect all direct and indirect costs of any nature expended in the performance of this Agreement. RECIPIENT shall retain such records for a period of six years following the date of final payment. At no additional cost, these records, including materials generated under the Agreement shall be subject at all reasonable times to inspection, review or audit by TIB personnel duly authorized by TIB, the Office of the State Auditor, and federal and state officials so authorized by law, regulation or agreement.

If any litigation, claim or audit is started before the expiration of the six (6) year period, the records shall be retained until all litigation, claims, or audit findings involving the records have been resolved.

Approved as to Form
Attorney General

By:

Signature on file

Guy Bowman
Assistant Attorney General

Lead Agency

Transportation Improvement Board

Chief Executive Officer Date

Executive Director Date

Print Name

Print Name



Transportation Improvement Board

Project Funding Status Form

Agency Name: **MEDICAL LAKE**
Project Name: **2022 Maintenance Project Multiple Locations**

TIB Project Number: **2-E-897(006)-1**

Verify the information below and revise if necessary.

Return to: Transportation Improvement Board • PO Box 40901 • Olympia, WA 98504-0901

PROJECT SCHEDULE

Target Dates		
Construction Approval	Contract Bid Award	Contract Completion

PROJECT FUNDING PARTNERS

List additional funding partners and amount.

Funding Partners	Amount	Revised Funding
MEDICAL LAKE	11,490	
WSDOT	0	
TOTAL LOCAL FUNDS	11,490	

Signatures are required from two different agency officials. Return the originally signed form to the TIB office.

Mayor or Public Works Director

Signature

Date

Printed or Typed Name

Title

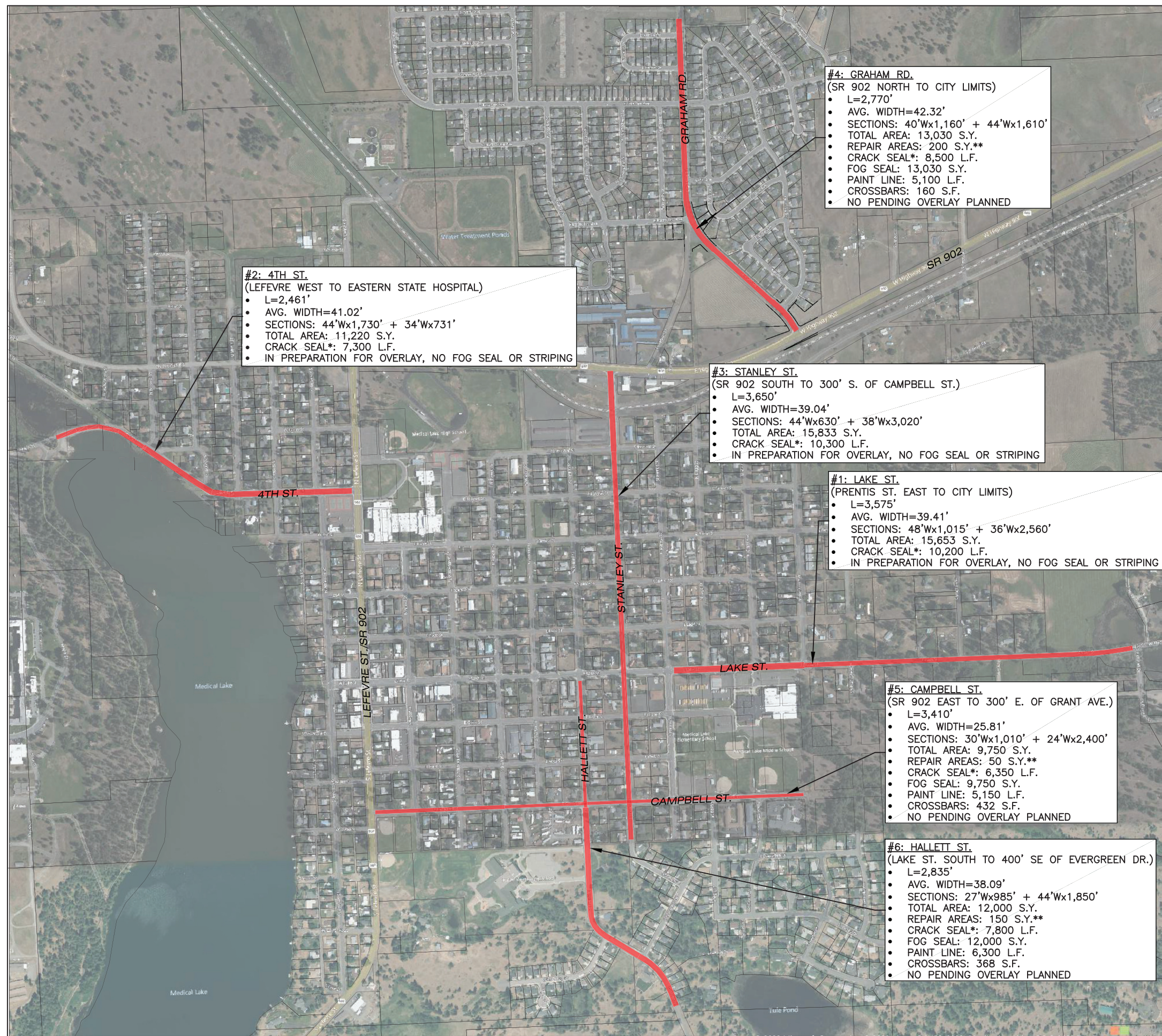
Financial Officer

Signature

Date

Printed or Typed Name

Title



#4: GRAHAM RD.
 (SR 902 NORTH TO CITY LIMITS)
 • L=2,770'
 • AVG. WIDTH=42.32'
 • SECTIONS: 40'Wx1,160' + 44'Wx1,610'
 • TOTAL AREA: 13,030 S.Y.
 • REPAIR AREAS: 200 S.Y.**
 • CRACK SEAL*: 8,500 L.F.
 • FOG SEAL: 13,030 S.Y.
 • PAINT LINE: 5,100 L.F.
 • CROSSBARS: 160 S.F.
 • NO PENDING OVERLAY PLANNED

#2: 4TH ST.
 (LEFEVRE WEST TO EASTERN STATE HOSPITAL)
 • L=2,461'
 • AVG. WIDTH=41.02'
 • SECTIONS: 44'Wx1,730' + 34'Wx731'
 • TOTAL AREA: 11,220 S.Y.
 • CRACK SEAL*: 7,300 L.F.
 • IN PREPARATION FOR OVERLAY, NO FOG SEAL OR STRIPING

#3: STANLEY ST.
 (SR 902 SOUTH TO 300' S. OF CAMPBELL ST.)
 • L=3,650'
 • AVG. WIDTH=39.04'
 • SECTIONS: 44'Wx630' + 38'Wx3,020'
 • TOTAL AREA: 15,833 S.Y.
 • CRACK SEAL*: 10,300 L.F.
 • IN PREPARATION FOR OVERLAY, NO FOG SEAL OR STRIPING

#1: LAKE ST.
 (PRENTIS ST. EAST TO CITY LIMITS)
 • L=3,575'
 • AVG. WIDTH=39.41'
 • SECTIONS: 48'Wx1,015' + 36'Wx2,560'
 • TOTAL AREA: 15,653 S.Y.
 • CRACK SEAL*: 10,200 L.F.
 • IN PREPARATION FOR OVERLAY, NO FOG SEAL OR STRIPING

#5: CAMPBELL ST.
 (SR 902 EAST TO 300' E. OF GRANT AVE.)
 • L=3,410'
 • AVG. WIDTH=25.81'
 • SECTIONS: 30'Wx1,010' + 24'Wx2,400'
 • TOTAL AREA: 9,750 S.Y.
 • REPAIR AREAS: 50 S.Y.**
 • CRACK SEAL*: 6,350 L.F.
 • FOG SEAL: 9,750 S.Y.
 • PAINT LINE: 5,150 L.F.
 • CROSSBARS: 432 S.F.
 • NO PENDING OVERLAY PLANNED

#6: HALLETT ST.
 (LAKE ST. SOUTH TO 400' SE OF EVERGREEN DR.)
 • L=2,835'
 • AVG. WIDTH=38.09'
 • SECTIONS: 27'Wx985' + 44'Wx1,850'
 • TOTAL AREA: 12,000 S.Y.
 • REPAIR AREAS: 150 S.Y.**
 • CRACK SEAL*: 7,800 L.F.
 • FOG SEAL: 12,000 S.Y.
 • PAINT LINE: 6,300 L.F.
 • CROSSBARS: 368 S.F.
 • NO PENDING OVERLAY PLANNED

***NOTE:**
 CALCULATIONS FOR CRACK SEAL FOOTAGE IS BASED ON 0.65 L.F. OF CRACK SEAL PER S.Y. OF ROADWAY AREA; THIS IS BASED OFF OF AN OBSERVED 3.2 LINEAL FEET OF CRACK SEAL PER LINEAL FOOT OF 48' ROADWAY IN 2021.

****NOTE:**
 THESE REPAIR AREAS ARE FOR DEPRESSED/ALLIGATORED ONLY AND DO NOT INCLUDE GRINDING AND REPAIRING LONGITUDINAL AND TRAVERSE CRACKING. BELOW ARE CALCULATIONS FOR REPAIRING THE LARGER CRACKS THAT CANNOT BE CRACK SEALED:

LAKE ST.—TRAVERSE CRACKS
 $48'W(14)+36'W(29)=1,716$ L.F. x $2'W=$
 $3,432$ S.F./ $9 = 385$ S.Y.;
 385 S.Y.x $1.2SF=460$ S.Y.

4TH ST.—TRAVERSE CRACKS
 $44'W(33)+34'W(16)=1,996$ L.F. x $2'W=$
 $3,992$ S.F./ $9 = 445$ S.Y.;
 445 S.Y.x $1.2SF=530$ S.Y.

STANLEY—TRAVERSE & LONGITUDINAL CRACKS
 $44'W(11)+38'W(54)+2,403'$ (LONG.)=
 $4,939$ L.F. x $2'W=9,878$ S.F./ $9=1,100$ S.Y.;
 $1,100$ S.Y.x $1.2SF=1,320$ S.Y.

GRAHAM—TRAVERSE CRACKS
 $40'W(16)+44'W(22)=1,610$ L.F. x $2'W=$
 $3,220$ S.F./ $9=360$ S.Y.;
 360 S.Y.x $1.2SF=430$ S.Y. + NOTED REPAIRS
 OF 200 S.Y. = 630 S.Y.

CAMPBELL—TRAVERSE CRACKS
 $30'W(10)+24'W(22)=828$ L.F. x $2'W=$
 $1,656$ S.F./ $9=190$ S.Y.;
 190 S.Y.x $1.2SF=230$ S.Y. + NOTED REPAIRS
 OF 50 S.Y. = 280 S.Y.

HALLETT—TRAVERSE CRACKS
 $27'W(4)+44'W(29)=1,384$ L.F. x $2'W=$
 $2,768$ S.F./ $9=310$ S.Y. + NOTED REPAIRS OF
 150 S.Y. = 460 S.Y.

REPAIR AREAS, GRINDING/REPAIRING CRACKS,
 AND STRIPING WOULD HAVE TO BE COMPLETED
 OFF OF THE SMALL WORKS ROSTER.

**CITY OF MEDICAL LAKE
 CITY WIDE CRACK & FOG SEAL
 (6 CITY ROADS)
 TIB FUNDING APPLICATION
 PROJECT PLAN 1/1**

E & H ENGR.	E&H ENGINEERING, INC.
	12611 W. Sunset Hwy., Suite B
	Airway Heights, WA. 99001
	(509) 744-0245
	FAX: (509) 744-0062