

## REIMBURSEMENT AND RELEASE AGREEMENT

This Reimbursement and Release Agreement ("Agreement") is entered into as of **October 18<sup>th</sup>, 2024** (the "Effective Date"), by and between City of Everett (**Everett Animal Shelter**) ("Merchant") with its principal place of business at **333 Smith Island Road, Everett, Washington, 98201** and **PayPal, Inc.** ("PayPal"), a Delaware corporation having a place of business at 2211 North First Street, San Jose, California 95153. The aforesaid shall be referred to hereinafter collectively as the "Parties."

### WHEREAS:

**A.** The Parties have previously entered into one or more agreement(s), certain of which may have been entered into online ("Original Agreement(s)") whereby PayPal provides certain online payment processing and/or payment gateway services to Merchant (the "Services");

**B.** In connection to a third party's unauthorized access leading to refunds to various cards via the Services and the subsequent withdrawal of the funds by the third party with criminal intent resulting in Merchant incurring certain fees in August 2024 and September 2024 ("August-September Fees") associated with the refunds ("August-September Issue");

**C.** In good faith and entirely out of its goodwill, PayPal agrees to reimburse Merchant, and Merchant agrees to accept from PayPal, a sum set forth below as reimbursement for the Fees; and

**D.** Merchant now desires to completely release and discharge PayPal from any and all liabilities, losses, damages, rights, claims and actions of every kind and nature arising out of or in any way relating to the August-September Issue and the August-September Fees or PayPal's reimbursement to Merchant for the August-September Fees.

**ACCORDINGLY**, in consideration of the foregoing recitals, the promises contained herein, and other good and valuable consideration, the Parties hereto agree as follows:

**1. Payment.** In good faith and entirely out of its goodwill, PayPal shall within ten (10) business days of the execution of this Agreement, PayPal shall pay a total of **\$5,467.10** US dollars (**\$5,467.10**) for August and **\$2,656.30** US dollars (**\$2,656.30**) for September to reimburse Merchant for the August-September Fees.

**2. Merchant/PayPal Acknowledgement.** Merchant acknowledges and agrees that PayPal asserts that it has no obligation to reimburse Merchant for the August-September Fees per the Original Agreement(s). Merchant further acknowledges and agrees that this Agreement or any compensation or reimbursement by PayPal to Merchant under this Agreement does not (i) amend or modify the Parties' rights and obligations in the Original Agreement(s) or (ii) constitute any admission of liability by PayPal hereto. PayPal acknowledges and agrees that this Agreement or any compensation or reimbursement by PayPal to Merchant under this Agreement does not (i) amend or modify the Parties' rights and obligations in the Original Agreement(s) or (ii) constitute any admission of liability by Merchant hereto.

**3. Release.** Immediately upon the execution of this Agreement,

(a) Claims. Merchant, on behalf of itself, its present and former affiliates, subsidiaries and parent corporations, predecessors, successors and assigns, hereby forever releases and discharges PayPal from any and all claims, rights, causes of action, suits, matters and issues related to the August-September Issue, or PayPal's reimbursement to Merchant for the August-September Fees, whether known or unknown, concealed or hidden, suspected or unsuspected, that have been or could have been asserted against PayPal and their respective present, future, or former parents, subsidiaries or affiliated corporations, divisions, successors and assigns, employees, officers, directors, agents, accountants, counsel, brokers, resellers and anyone actually or allegedly associated with PayPal or acting on their behalf, and all of them, from the beginning of time to the present (the "Claim").

(b) Unknown Claims. To ensure that the release provided in this Agreement is fully enforceable in accordance with its terms, Merchant knowingly and voluntarily waives any protection that they might have by virtue of Section 1542 of the California Civil Code, which provides:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS WHICH THE CREDITOR DOES NOT KNOW OR SUSPECT TO EXIST IN HIS FAVOR AT THE TIME OF EXECUTING THE RELEASE, WHICH IF KNOWN BY HIM MUST HAVE MATERIALLY AFFECTED HIS SETTLEMENT WITH THE DEBTOR.**

In addition, Merchant hereby knowingly and voluntarily waives any protection that may exist under any comparable or similar statutes and principles of common law as it pertains to the enforcement of the release provided in this paragraph.

**4. Not Used.**

**5. Independent Advice of Counsel; Preparation of Agreement.** In executing this Agreement, the Parties have relied solely upon their own judgment, belief and knowledge and, to the extent they feel it is necessary, have sought the advice and recommendations of their own independently selected counsel concerning the nature, extent and duration of their rights and claims relating thereto, the rights affected by this Agreement, the form and content of this Agreement, and the advisability of entering into and executing the Agreement. No Party has been unduly influenced to any extent whatsoever by any other Party. The Parties have read this Agreement carefully. The contents thereof are known and understood by the Parties, and this Agreement is freely and voluntarily signed. This Agreement is the product of

negotiation and preparation by and among the Parties and their respective attorneys. The Parties, therefore, expressly acknowledge and agree that this Agreement shall not be deemed prepared or drafted by one Party or another, or its attorneys, and will be construed accordingly.

**6. Use of this Agreement in Court.** This Agreement may be pleaded as a full and complete defense to any action, suit, or other proceeding that may be instituted, prosecuted or attempted for, upon, or in respect of any of the claims released hereby. The Parties agree that any such proceeding would cause irreparable injury to the Party against whom it is brought and that any court of competent jurisdiction may enter an injunction restraining prosecution thereof. The Parties further agree that this Agreement may be pleaded as necessary for purpose of enforcing this Agreement in court.

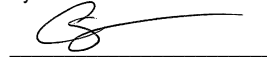
**7. Miscellaneous.** This Agreement has been entered into in the State of California, and shall be governed by, construed and enforced in accordance with the laws of the State of California. The Parties shall take all further steps and execute all additional documents that may be reasonably required to effectuate the purposes of this Agreement. This Agreement constitutes the complete and final expression of the entire and only understanding between the Parties relating to the subject matter of this Agreement and supersedes any prior written and oral representations between the Parties. This Agreement may not be altered or amended except by a writing signed by all of the Parties to this Agreement expressly stating that such modification is intended. If any portion or term of this Agreement is held unenforceable by a court of competent jurisdiction, the remainder of this Agreement shall not be affected and shall remain fully in force and enforceable. The prevailing Party in any action at law or in equity, including an action for declaratory relief, or any other legal proceeding, arising out of or related to this Agreement shall be entitled to recover all reasonable costs and expenses, including, without limitation, reasonable attorneys' fees, in addition to any other relief to which that Party may be entitled. The Parties represent and warrant that they have not assigned, conveyed, or transferred, or attempted or purported to assign, convey, or transfer, in any manner or degree whatsoever, to any person or entity, any rights, claims or remedies against any of the other Parties, or any rights, claims or remedies released in this Agreement. Each Party represents and warrants that it, he or she has the authority to enter into this Agreement, and that the individual executing the Agreement is authorized to do so on behalf of the Party. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which shall constitute one and the same instrument. Scanned or facsimile copies shall be deemed valid originals.

**IN WITNESS WHEREOF** the parties hereto have caused this Agreement to be duly executed and delivered as of the Effective Date.

DATED:

**MERCHANT:**

By:



03/12/2025

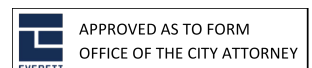
Cassie Franklin

Mayor, City of Everett

Attest:



Ashleigh Scott, Acting City Clerk



DATED:

**PAYPAL, INC.**

By:

Its:











# PayPal Reimbursement and Release Agreement\_3.7.25\_SD

Final Audit Report

2025-03-13

Created:	2025-03-12
By:	Ashleigh Scott (AScott@everettwa.gov)
Status:	Signed
Transaction ID:	CBJCHBCAABAABptA7oNw5e-rbVnBsX3eTa6QYS7CkvU5

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-  Document created by Ashleigh Scott (AScott@everettwa.gov)  
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-  Document emailed to gfrederiksen@everettwa.gov for approval  
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-  Email viewed by gfrederiksen@everettwa.gov  
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-  Signer gfrederiksen@everettwa.gov entered name at signing as Glynis Frederiksen  
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 Agreement completed.

2025-03-13 - 4:14:53 PM GMT