



**NASSAU COUNTY**  
**BOARD OF COUNTY COMMISSIONERS**  
P.O. Box 1010  
Fernandina Beach, Florida 32035-1010

Jim B. Higginbotham  
John A. Crawford  
Tom Branan  
Chris Kirkland  
Jimmy L. Higginbotham

Dist. No. 1 Fernandina Beach  
Dist. No. 2 Fernandina Beach  
Dist. No. 3 Yulee  
Dist. No. 4 Hilliard  
Dist. No. 5 Callahan

August 14, 1996

T. J. "Jerry" GREESON  
Ex-Officio Clerk

MICHAEL S. MULLIN  
County Attorney

WALTER D. GOSSETT  
County Coordinator

Ms. Kelly B. Madden, Vice-President  
Commercial Banking  
First Union National Bank of Florida  
225 Water Street  
Jacksonville, FL 32202

Re: Agreement for Comprehensive Banking Services between Nassau  
County and First Union National Bank of Florida

Dear Ms. Madden:

Attached please find the original executed copy on behalf of Nassau County, of the above-mentioned Agreement. Please have someone attest your signature, make a copy for your files, and forward the original Agreement to this office for our files.

I have also attached a copy of Attachments "A" and "B" for your files and have retained the originals.

Thank you for your assistance in this matter.

Sincerely,

T. J. "Jerry" Greeson  
Ex-Officio Clerk

TJG/mja

Attachment: Agreement for Banking Services (Original)  
Attachments "A" & "B" (file copy for 1st Union)

(904) 225-9021 Board Room; 321-5703, 879-1029, 355-6275

*An Affirmative Action / Equal Opportunity Employer*

## AGREEMENT

This Agreement is made this 12th day of August, 1996, between the Nassau County Board of County Commissioners (the "County") and First Union National Bank, a national banking association duly organized and existing under the laws of the United States of America (the "Bank").

The Clerk of the Circuit Court, as the constitutional custodian of all county funds, will be responsible for this Agreement for The County.

The County on June 10, 1996, issued requests for proposals (Attachment A) from banks in Nassau County to provide comprehensive banking services for the County as the County's "primary bank". On July 1, 1996 the Bank submitted a proposal to provide the requested banking services for the prices set forth in their bid proposal (Attachment B). On August 12, 1996, the County accepted the Bank's bid and awarded the banking services to the Bank.

Now, Therefore, in consideration of the premises, the County and the Bank agree to follow the Request for Proposal (Attachment A), and the Bank's Bid Proposal (Attachment B). This Agreement shall be for the period beginning September 1, 1996, and ending on August 31, 1999, with an option to renew for two years..

Contact personnel for purposes of the Agreement will be T.J. Greeson, Clerk of the Circuit Court Nassau County and Kelly B. Madden, Vice President, First Union National Bank.

Either party may terminate this Agreement at any time by providing written notice to the other party no later than ninety (90) calendar days before the proposed termination date. However, the termination provision may be exercised only after the Agreement has been in effect for three calendar months. The Bank shall be entitled to just and equitable compensation for any satisfactory work completed to the termination date. Neither party to this Agreement will be held responsible for delays caused by acts of God or other factors beyond control of the parties.

By   
T.J. Greeson  
Clerk of the Circuit Court

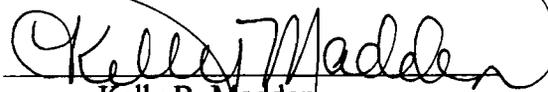
NASSAU COUNTY BOARD OF COUNTY  
COMMISSIONERS, FLORIDA

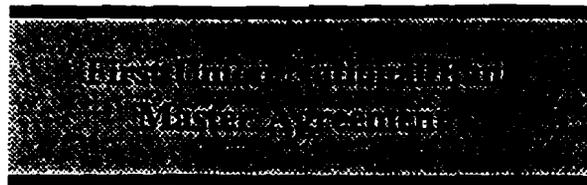
By   
Chairman

Attest



FIRST UNION NATIONAL BANK

  
Kelly B. Madden

**FIRST  
UNION**

This Master Agreement is made this 26 day of October, 1995 by and between Board of County Commissioners, Nassau County herein called "Company", and any of the FIRST UNION NATIONAL BANKS named below which are subsidiaries of First Union Corporation, a bank holding company. The term "Bank" as used in this Master Agreement shall mean any one or more of the First Union National Banks as the context may require.

In consideration of the mutual promises and covenants herein, the parties agree to be bound by the following terms and conditions:

1. **Terms.** Company agrees to subscribe to and the Bank agrees to provide to Company Cash Management Services (the "Services"), in accordance with the terms and conditions set forth herein, and as applicable, in the Service Description(s), and in the Bank's Depositor's Agreement for Non-Personal Accounts, all of which may be attached hereto and are incorporated by reference. The Services are more fully described in the Service Description(s). The Company hereby authorizes any Bank to provide information, receive data and act upon the Company's requests in connection with the Services, as the case may be. Both parties agree if any terms and conditions of the Service Description(s) or the Bank's Depositor's Agreement for Non-Personal Accounts conflict with the terms of the Master Agreement, the terms and conditions of the Service Description(s) shall govern. The terms of this Master Agreement, the Service Description(s) and the Bank's Depositor's Agreement for Non-Personal Accounts will govern any and all accounts and services that Company shall utilize, both initially and at any time hereafter.
2. **Documentation.** Prior to the implementation of any Services, the Company will execute and deliver documentation and instruments satisfactory to the Bank, including but not limited to Bank resolutions and signature cards. The Bank, in its sole discretion, will determine the adequacy of the documents and instruments and may delay the implementation of the Services prior to the receipt of adequate documents and instruments. The Company will promptly notify the Cash Management Department of the Bank in writing of any actual changes underlying or represented in the documentation, and will promptly execute and deliver new documentation as may be required by the Bank. The Bank shall not be liable for any actions taken by the Bank until actual notice is received by the Bank in sufficient time for it to act thereon.
3. **Service Fees.** The Bank will charge the Company on a monthly basis for the Services, in accordance with the Bank's fee schedule incorporated herein by reference. The Bank may amend its fee schedule from time to time without prior notice.
4. **Termination.** Either party may terminate this Master Agreement by giving the other party at least thirty (30) days prior written notice, postage prepaid, return receipt requested. Termination of the Master Agreement shall constitute termination of the Service(s). However, the Bank may terminate this Master Agreement and all services immediately and the Bank shall be entitled to any remedy available to it at law or equity if (1) the Company does not maintain a financial posture deemed satisfactory by the Bank, (2) the Company fails to make any payment to the Bank when due, or (3) the Company should seek protection under any law for the protection of those unable to pay their debts or should any action in bankruptcy be filed by or against the Company. In the event of termination for whatever reason, all sums and fees owed by the Company to the Bank shall be immediately due and payable.
5. **Notices.** The Company will deliver any notices, correspondence, documentation and instruments to the Bank at the following address:

First Union National Bank of Florida  
Cash Management Division - FL0120  
P.O. Box 2080  
Jacksonville, Florida 32231-0010

Unless otherwise provided herein, all notices or other communications under this Master Agreement must be in writing and signed by a duly authorized representative of the party giving such notice, or such other persons as either party shall specify in a written notice to the other.

- 6. **Governing Law.** For any given transaction, this Master Agreement shall be enforced and governed by the laws of the state in which such transaction is processed by the Bank, and all applicable Federal laws, rules and regulations.
- 7. **Modifications and Amendments.** The Bank reserves the right to amend the terms of this Master Agreement upon twenty (20) business days written notice. Otherwise, no modifications or changes to this Master Agreement shall be binding unless consented to in writing and executed by authorized representatives of both parties. The Bank may make changes in its operational procedure without amending this Master Agreement and upon notice to the Company.
- 8. **Indemnification: Limitation of Liability.** The Company agrees that the Bank shall be liable to the Company only for actual direct damages caused by negligence or willful misconduct of the Bank or its employees. The Company agrees to indemnify and hold harmless the Bank, its officers, employees and agents from any and all losses or claims of any kind arising in connection with the Services provided under this Master Agreement, except losses or claims arising out of negligence or willful misconduct of the Bank or its employees. The Company further agrees to indemnify and hold harmless the Bank, its officers, employees and agents from any and all losses or claims of any kind arising out of actions taken or omitted by the Bank in reliance upon instructions of any employee or officer of the Company and for any losses and claims incurred as a result of improper use of facsimile signature stamps used by or authorized for use by the Company. The Bank shall not be responsible for any other entity's (not under the Bank's direct control) acts or omissions, including, without limitation, any Federal Reserve Bank or transmission or communication facility.

In no event shall the Bank or the Company be liable, to one another, for special, consequential or punitive damages arising out of or in connection with the furnishing, performance or use of the Services provided for under this Master Agreement, even if it has been advised of the possibility of such damages. The limitations and exclusions in this Paragraph 8 shall apply to all claims of every kind, nature and description whether arising from breach of contract, breach of warranty, negligence or other tort, and shall survive the termination of this Master Agreement.

- 9. **Waiver.** Any delay or failure of either party hereto at any time to require performance by the other party of any provision of this Master Agreement shall in no way affect the right of such party to require performance of that or any other provision of this Master Agreement and shall not be construed as a waiver of any other right under this Master Agreement.
- 10. **Invalidity of Contract Provisions.** In the event any one or more of the provisions of this Master Agreement shall for any reason, including under any applicable statute or rule of law, be held to be invalid, illegal or unenforceable, the remaining provisions of this Master Agreement shall remain in full force and effect.
- 11. **Force Majeure.** The Company agrees the Bank shall have no responsibility or liability for delay in its performance under this Master Agreement or for any losses arising out of delays and/or interruptions of business due to acts of God, acts of government authority, acts of public enemy or war, riots, civil disturbances, insurrections, labor difficulties, power failure, telecommunications failure, severe adverse weather conditions or other causes beyond the Bank's reasonable control. The time, if any, required for such performance under this Master Agreement shall be automatically extended during the period of such delay or interruption.
- 12. **Disbursement Fraud Detection Services.** The Company acknowledges that the Bank has developed and made available to it several Services designed to reduce the likelihood that a fraudulent, unauthorized or altered check or other item will be paid. The Company also acknowledges that failure to utilize those Services could substantially increase the likelihood that a fraudulent, unauthorized or altered check or other item will ultimately be paid out of its account.
- 13. **Subsidiaries.** If the Company is executing this Master Agreement on behalf of separate corporate entities or subsidiaries as well as on its own behalf, the Company hereby represents and warrants to the Bank that it has received proper authorization or powers of attorney from each of such separate corporate entities or subsidiaries and that it has full power and authority to bind such entities to the terms of this Master Agreement.

- 14. **Authorized Individuals.** By its acceptance and use of the Service(s) provided hereunder, the Company warrants, represents, and guarantees that each individual executing this Master Agreement on behalf of the Company is a duly authorized representative of the Company and has full authority to bind the Company to the terms and conditions of this Master Agreement. Company further represents and warrants that it is an entity duly organized, validly existing and in good standing under any applicable laws, and has all requisite power to make and perform its obligations under this Master Agreement, the Service Description(s) and the Bank's Depositor's Agreement for Non-Personal Accounts, and its obligations hereunder do not and will not violate any legal or contractual restriction binding upon Company or any person controlling Company.
- 15. **Entire Agreement.** The terms and conditions stated in this Master Agreement, the Service Description(s), any Attachment(s) or Exhibit(s), and in the Bank's Depositor's Agreement for Non-Personal Accounts replace and supersede any previous agreement governing the Services and constitutes the entire agreement between the parties for the Services. This Master Agreement shall be effective only after its acceptance by the Bank at its principal office.

IN WITNESS WHEREOF, the parties hereto have caused this Master Agreement to be executed by their duly authorized representatives, to be effective the date first written above.

ATTEST:

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

(Corporation Seal)

COMPANY NAME

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

Title: Ex-Officio Clerk

Date: October 26, 1995

ADDRESS OF COMPANY

P. O. Box 1010

Fernandina Beach, FL 32035

FIRST UNION NATIONAL BANK OF FLORIDA

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

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**FIRST**  
UNION



July 1, 1996

Mr T. J. Greeson  
Clerk of the Circuit Court  
Nassau County Courthouse  
416 Centre Street  
Fernandina Beach, FL 32034

Dear Mr. Greeson:

First Union National Bank of Florida is most pleased to submit this banking services proposal to continue to serve the banking and financial needs of Nassau County. We believe you will find our response to your request for proposals to be complete, comprehensive and competitive. First Union recognizes that to be successful, not only must we offer the most competitive products, but also quality customer service. Our total commitment to quality service and progressive technology has enabled First Union to offer more banking services to government units than any other bank in Florida. We have been, and will continue to be, a leader in the advancement of new technology.

**The State Treasurer has certified First Union National Bank of Florida as a Qualified Public Depository pursuant to Section 280, Florida Statutes.** If successful, First Union would service this account relationship from our Centre Street office, at 402 Centre Street, Fernandina Beach, Florida, 32034.

We look forward to your examination of our presentation and review of our credentials. Should you have any questions resulting from the review of our proposal, we would be pleased to answer them or arrange for an interview as you best decide.

Thank you for the opportunity to bid on this relationship. We look forward to hearing from you at your convenience.

Very truly yours,

FIRST UNION NATIONAL BANK OF FLORIDA

A handwritten signature in cursive script that reads "Kelly B. Madden".

Kelly B. Madden  
Vice President

**PROPOSAL FOR BANKING SERVICES**

**NASSAU COUNTY**

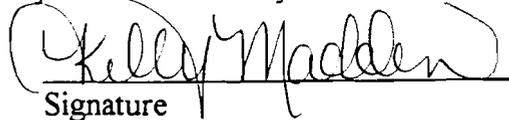
*PROPOSAL SUBMITTED BY:*

BANK First Union National Bank of Florida  
ADDRESS 225 Water Street  
Jacksonville, Florida 32202

TELEPHONE (904) 361-3237

This proposal contains all the information requested in the Request for Proposal, including the following exhibits:

1. Exhibit A: Consolidated Proposal Form
2. Exhibit A-1: Calculation Supporting Balance Required to Support \$1.00 of Services
3. Exhibit B: Exceptions to this Proposal
4. Bank's Availability Schedule(s)
5. Bank's Audited Financial Statements for the previous two (2) years
6. Wire Transfer Agreement
7. Master Repurchase Agreement - Not Applicable
8. Annex II : Name and Addresses for Communications - Not Applicable
9. Credit Evaluation Form
10. Resolution 95-144 Nassau County Investment Policy



Signature

Kelly B. Madden

Typed Name

Vice President

Title

Date

July 1, 1996



NASSAU COUNTY BANKING SERVICES  
PROPOSAL FORM

BANK: FIRST UNION NATIONAL BANK

BANKING DEPOSITORY SERVICES	ESTIMATED ANNUAL VOLUME	CHARGE PER ITEM	ANNUAL SERVICE CHARGES
Account Maintenance	48	\$15.00	\$720.00
Checks Paid:			
Account Payable	7,500	\$0.07	\$525.00
Payroll	5,800	\$0.07	\$406.00
Worker's Comp	300	\$0.07	\$21.00
Items Deposited	4,056	\$0.08	\$324.48
Returned Checks	50	\$2.50	\$125.00
Stop Payments - Manual	15	\$10.00	\$150.00
Wire Transfers:			
Incoming	200	\$5.00	\$1,000.00
Outgoing	48	\$9.00	\$432.00
Bank Transfers Between Accounts (via ZBA)	756	\$0.07	\$52.92
Telephone Calls	48	N/C	\$0.00
PC Modem Access (PC InVision)*	12	\$50.00	\$600.00
Monthly Service Charge Reports	12	N/C	\$0.00
Checks Sorted by Number	17,656	\$0.02	\$353.12
<b>Other Services</b>			
Daily Repurchase Agreement	252	N/A	
Safekeeping Fees	252	N/A	
Return Items Resubmitted		\$1.00	
Stop Payments (via PC InVision)		\$4.00	
Wire Transfer			
Outgoing (via PC InVision)		\$7.00	
Serial Sort Maintenance	36	\$10.00	\$360.00
Controlled Disbursement Maintenance	36	\$40.00	\$1,440.00
Controlled Cash Flow Maintenance	12	\$200.00	\$2,400.00
		Total Proposed	\$8,909.52
		Average Monthly Amount (Total/12)	\$742.46
		Balance Required to Support \$1.00 of Services (Exhibit A-1)	\$236.60
		Required Monthly Compensating Balance	\$175,666.04

Minimum amounts required for open repurchase agreement:

Initial Amount: N/A

Increment: N/A

\*PC InVision includes:

5 Accounts

1500 Detail Items (over 1500 - .09 per item)

20 Internal Transfers

First Union reserves the right to charge for additional services required, but not listed above.

NASSAU COUNTY BANKING SERVICES PROPOSAL FORM  
PROPOSAL FORM

B. Rate quotation on repurchase agreement.

Not Applicable. See Item D for recommended investment service.

C. Latest time transactions will be posted and be included as current day business.

We must receive deposits by 2:00 p.m. at a First Union branch. We must receive Wire Transfers by 5:00 p.m. at First Union.

D. Describe investment services offered.

First Union is offering an interest bearing Public Fund account that is similar to a "Super NOW Account" and earns interest at a preferred rate. Funds maintained in this account are considered public deposits and collateralized according to the Florida Statutes, Chapter 280. As such, we pledge the collateral in the name of the State Treasurer as required by the above referenced Statute.

First Union is pleased to offer the County a preferred rate of the **monthly average of the daily effective Federal Funds Rate minus 19 basis points**. We will apply this rate to the County's average available balance obtained from the monthly account analysis statement for each account using this investment option. First Union will calculate and credit interest to the Concentration Account monthly.

First Union applies the yield rate for the Public Fund account to the average available balance for the month, divided by 365(366 in 1996) days and multiplied by the number of days in the month. We are going to waive any reserve requirements so that the full amount of the average available balance can earn interest.

E. Describe any other services and related costs not specifically requested, but which are offered by the proposer.

**Partial Reconciliation** provides paid checks in a computer file compatible with your accounts payable system, thereby relieving the costly burden of manually keying paid checks to your system. It allows you to select the order in which we list your paid checks on your reconciliation report. You may have them listed in check number, dollar amount, or date paid order. The report shows the check number, a dollar amount of the check and date we paid it, including any missing check numbers and items on which stop payments have been placed. In addition, you will receive a list of miscellaneous debits and credits made to the account. The Partial Listing allows you to easily compare totals with your own commercial account

statement.

**Partial Reconciliation Fees:**

Maintenance per acct.	\$25.00
Per Item	\$0.07
Transmission	\$10.00
(or) Tape/Diskette	\$25.00

These fees include the cost of check sort service.

First Union, as one of the largest originators of ACH transactions within the State of Florida, is an experienced provider of electronic banking services, such as direct deposit of payroll. First Union's **Direct Deposit of Payroll Service** will enable the County to deposit your employees' net pay directly into their personal bank account at the financial institution of their choice. First Union offers this service through the Automated Clearing House (ACH). The ACH acts as a central facility for electronic payments and receipts. Given the national scope and function of the ACH system, we can deposit your employees' pay into any account, at any bank, savings and loan, credit union or other participating financial institution, no matter its geographical location in the United States. This not only allows employees to maintain current banking relationships, but it simplifies the payment of offsite employees. First Union offers several Direct Deposit of Payroll options. First Union recommends the County use data transmission since this is the most efficient means of forwarding direct deposit information to the Bank. The County should transmit your direct deposit file directly to First Union by 4:00 p.m. two days before the effective date of payroll. Any adjustments, remakes or deletions can be initiated before 4:30 p.m. After that time, we can satisfy reversals on a next day basis.

ACH Maintenance	\$35.00 per month
ACH File Processed	
Transmission	\$7.00 per file
Tape/Diskette Surcharge	\$15.00 per tape/diskette
ACH Items	\$0.07 per item
ACH Returns	\$2.00 per return

F. Bank contact for contract.

Kelly Madden  
Vice President  
First Union National Bank  
225 Water Street  
Jacksonville, FL 32202  
(904) 361-3237

G. Provide description of on-line "fed-wire" capabilities.

First Union gives the County maximum confidence when moving funds. Using the state-of-the-art wire transfer system IntraNet, First Union offers a variety of methods for initiating domestic and international wire transfers, receiving advice of incoming funds and obtaining timely information about your wire transfer activity. With First Union's Wire Transfer Service, the County can make payments through Fedwire, CHIPS or book transfer and be assured of timely movement of funds and advanced tracking capabilities.

First Union offers many options to express wire instructions. The County may initiate wire transfers online via PC InVision or InVision, (our on-line Information Reporting and Transaction Initiation systems), or you may transmit a batch of wire instructions to First Union via our Electronic Commerce (EDI) service. Of course, wires may also be initiated by phone, fax, SWIFT, Telex or through one of more than 2,000 branches covering 13 states along the East Coast. First Union's Wire Transfer Service gives you expanded flexibility and absolute certainty, virtually connecting you to the world.

**CALCULATION SUPPORTING  
"BALANCE REQUIRED TO SUPPORT \$1.00 OF SERVICES"**

$$\frac{365 \cdot (1 - \text{Reserve Requirement})}{\# \text{ of days in current month}}$$

Earnings Allowance

## NOTES:

1. Banks should use required reserve rate as of May 1, 1996.
2. Complete the following for Earnings Allowance:

<u>3-MONTH TREASURY BILL AUCTION</u>	<u>COUPON EQUIVALENT</u>
May 6, 1996	<u>N/A</u>
May 13, 1996	<u>N/A</u>
May 20, 1996	<u>N/A</u>
May 28, 1996	<u>N/A</u>
Average	<u>4.99%</u>

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**INFORMATION REGARDING THE EXHIBIT**

1. Do *not* use the discount rate for the Treasury Bill auction. Only the *Coupon Equivalent Yield* will be accepted.
  2. If the bank uses another method, please note on Exhibit B and attach supporting documentation.
- First Union's Earnings Credit Rate is based on the 4 week average of the prior month's 90-day Treasury Bill.

NASSAU COUNTY BANKING SERVICES  
PROPOSAL EXCEPTION FORM

The Bank wishes to take exception to the following items:

- | <u>PAGE</u>  | <u>ITEM</u>  |
|--------------|--|
| Pg. 7, C.5.  | ZBA transfers from the Concentration Account will be charged only as miscellaneous items paid.   |
| Pg. 8, D.b.  | The crediting of incoming transfers comprised of principal and interest from bank initiated repurchase agreements is not applicable with a Public Fund NOW Account.  |
| Pg. 8, D.    | The availability schedule is subject to change without prior notification, but is available upon request.  |
| Pg. 8, E.    | Through PC InVision, the County will be able to determine the opening available balance each morning. Only through the use of Controlled Disbursement, is there a way of knowing that days postings to determine accurate investable balance.<br><br>Through the use of the Public Fund NOW Account, the available balance will be maintained in the Concentration Account and will not be swept out each day. |
| Pg. 8, F.    | Under this alternative, First Union is offering a Public Fund NOW Account instead of the Automatic Daily Repurchase Agreement.   |
| Pg. 10, H.b. | Debit and Credit memos will be returned on a monthly basis to the County with the bank statement.  |
| Pg. 11, I.   | First Union's Account Analysis will be mailed to the Finance Department generally within fifteen (15) days after the end of the month in place of the Monthly Service Charge Report. Both contain essentially the same information.  |
| Pg. 11, K.2. | First Union will provide stop payments at the fee shown on Exhibit A.  |
| Pg. 12, B.   | First Union recommends the use of a zero (0) percent reserve cash management compensation account which will reduce the reserve requirement to zero (0) percent from ten (10) percent. This compensation account reduces the balance needed to cover charges for the County.   |
| Pg. 19       | First Union uses the discount rate for the Treasury Bill auction in the calculation of our Earnings Credit Rate. The Earnings Credit Rate is based on the 4 week   |

average of the prior months 90-day Treasury Bill.

- Pg. 21 First Union will provide a Monthly Account Analysis in place of a Monthly Service Charge Report.
- Pg. 22 First Union will provide the Earnings Credit Rate with the corresponding Monthly Account Analysis in place of a Monthly Service Charge Report Attachment.

# ACCOUNT STRUCTURE

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The primary goal of our proposed recommendations is to create the most efficient cash management system available for the County. Reducing administration and banking costs will accomplish this goal, while maximizing interest income. We have tailored the proposed cash management system to meet your financial needs and will provide increased cash flow and maximize investment opportunity, while simplifying account reconciliation.

## Option A. Public Fund NOW Account

First Union will continue to offer the account structure requested and provided to the County for the past six years. This account structure consists of a Concentration Account, and the three zero-balance accounts (Payroll, Disbursements and Worker's Compensation). All disbursements will continue to flow through the zero-balance accounts. We will maintain all available balances in the Concentration Account. The three zero-balance accounts will continue to be reimbursed at the close of the business day that checks are presented for payment.

For investment purposes, we are offering the County a Public Fund NOW Account. We will apply a preferred rate to 100% of the average available balance of the County's Concentration Account obtained from the monthly account analysis statement. We are pleased to offer the County a preferred rate of the monthly average of the daily effective Federal Funds Rate minus 19 basis points. We will calculate interest and credit to the County's Concentration Account monthly.

The County will continue to have access to their account activity via a personal computer's modem hookup through First Union's PC InVision. This software package offers the information and transaction initiation that the County wants, which includes on-line stop payments and wire transfers. Both incoming and outgoing wire transfer service will continue to be provided to the County in the efficient manner to which the County has become accustomed. We will continue to return all canceled checks to the County, sorted by check number, via serial sort reconciliation.

## Option B. Money Manager Trust Investment Account

First Union is also proposing a second investment alternative to Nassau County. Under this option, the flow of funds will be similar to Option A except the three disbursement accounts will be coded as Controlled Disbursement Accounts. This type of account will allow us to determine your investable available balance early in the day. Through Controlled Disbursement Accounts, the bank receives information on which checks will be clearing early in the day before they actually clear your account. At the end of each day the accounts will be funded; the balance in the accounts should always remain at zero.

In conjunction with the Controlled Disbursement Accounts, each day we will calculate the County's net cash position as part of our Controlled Cash Flow service. If funds in the depository account are insufficient to cover disbursements, we will transfer the needed amount from the County's Money Manager trust investment account. This investment is described on the next page. If excess funds are in the Concentration Account after allowing for that day's disbursement clearings, these funds will be transferred to the investment account. The minimum transfer will be \$5,000 with additional

amounts in \$1,000 increments. If needed, you may receive a daily cash position calculation sheet via the U.S. Mail.

If the County plans to initiate outgoing wire transfers, it will need to notify the bank prior to 2:00 p.m. so that adjustments may be made to the daily cash position calculation and the investment adjusted as appropriate. Likewise, if the County is expecting incoming wires, the bank will need to be notified of this prior to 2:00 p.m. so these funds can be invested or used to cover disbursements.

As with Option A, the County will have access to their concentration and disbursement accounts via PC InVision. Through PC InVision, the County will also be able to view the prior day's transfer made between the Concentration Account and the Money Manager account. Checks on the disbursement accounts will also be sorted when returned with the bank statements.

Money Manager is a liquidity management service that is tied to your controlled disbursement account. First Union automatically "sweeps" idle cash from your demand deposit account on a daily basis to the Money Manager trust investment account, and invests these funds according to your investment guidelines. These guidelines could be tied to your cash flow, extending maturities when cash is high and moving to a strict overnight program when cash is low. These guidelines are solely based on your needs, and First Union would strictly adhere to your policies and investment parameters.

Based on the County's Investment Policy, your assets would be invested in a portfolio of U.S. Treasury and U.S. Agency securities. In other words, the county would own the securities as opposed to the county's owning an investment which is collateralized with other securities. The county's portfolio would not be "housed" in the Bank but would be held in the Trust Division of the Bank in the county's name.

In 1995, Money Manager's yield (return) was more than 1% superior to Option A described herein. So far in 1996, Money Manager has been approximately equal to Option A. Over long periods of time (3 years or more), Money Manager should outperform Option A by at least ½%. Money Manager will outperform most money market fund by ¾% annually (see also chart following).

## FIRST UNION NATIONAL BANK MONEY MANAGER

### Program

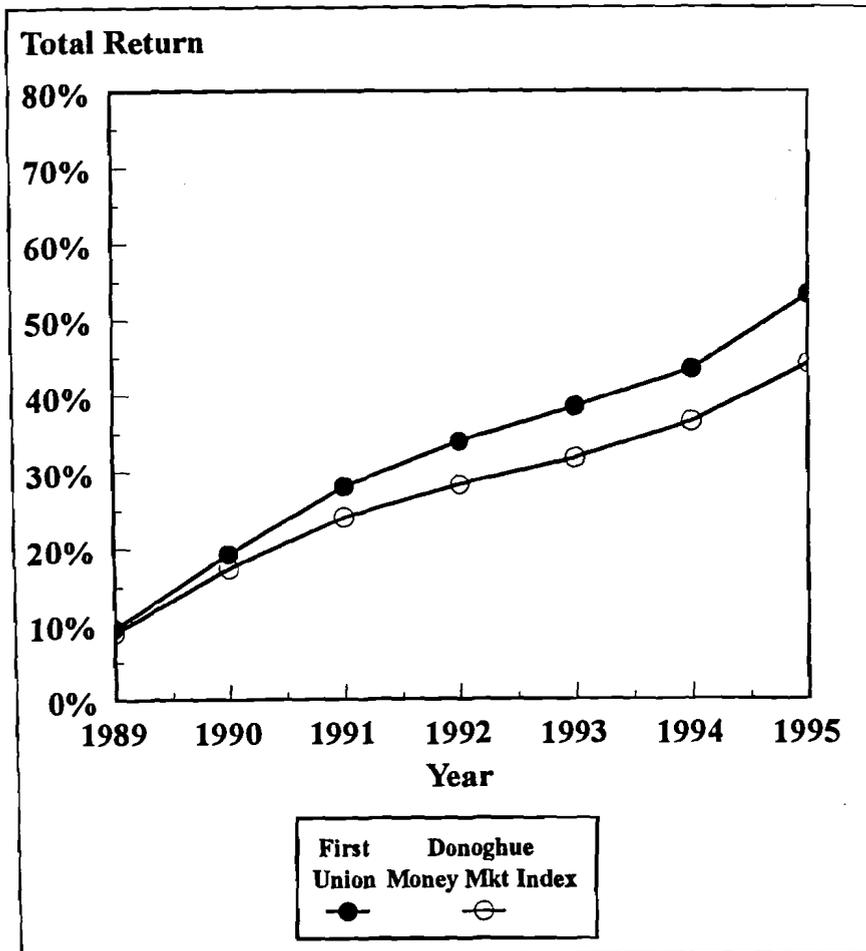
- Maximum Maturity 1 Year
- Average Maturity 4.5 Months
- U.S. Treasury Obligations
- U.S. Government Agency Obligations
- Money Market Instruments

### Benefits

- Enhance Yield
- Safety of Principal
- Meet Liquidity Requirements
- Strict Adherence to Investment Policy
- Reduce Administrative Responsibility
- Customized Portfolio

# First Union National Bank Performance History

MONEY MANAGER COMPOSITE



Note: Returns compounded

**FIRST UNION NATIONAL BANK  
SPECIALTY FIXED INCOME GROUP  
ANNUAL TOTAL RETURNS**

Year	Money Manager Composite	Donoghue Money Mkt Index
1989	9.45%	8.87%
1990	8.91%	7.82%
1991	7.44%	5.70%
1992	4.59%	3.38%
1993	3.43%	2.70%
1994	3.52%	3.66%
1995	6.87%	5.53%
Since 1989 (compounded and annualized)	6.29%	5.36%
Since 1989 (compounded)	53.27%	44.10%

## DESIGNATED ACCOUNT OFFICERS

First Union has a fully qualified staff of personnel dedicated to meet the needs, goals, and objectives of the County. The Cash Management Division works closely with the Relationship Manager who will handle the County's banking relationship. We have listed the principal staff members who will service your relationship below:

**Kelly B. Madden**, Vice President, will be Nassau County's relationship manager and primary contact for all of the County's banking needs. Ms. Madden has been the relationship manager for Nassau County since 1990. In this role she will continue to be responsible for coordinating and delivering various banking products and services, including debt instruments, on behalf of First Union. This level of account coordination insures the highest level of customer service. Ms. Madden has eight (8) years of extensive banking experience, specializing in management of Government and Municipal relationships in North Florida. Ms. Madden received her Bachelor's Degree from Florida State University in 1988, majoring in Marketing Management, with a minor in Psychology.

**Paul F. Vincent**, Vice President, will be responsible for assisting in the County's account relationship. In this role, he will be responsible for coordinating various banking products and services to ensure quality customer service. Mr. Vincent has over thirteen (13) years of extensive banking experience in cash management, operations, commercial lending and commercial depository relationships. Mr. Vincent received his Bachelor's degree from the University of Notre Dame. Mr. Vincent is also First Union's Government Banking Relationship Manager for North Florida.

**Tripp Caldwell**, Vice President, is the Sales Manager for the North Florida Middle Market Banking Group at First Union National Bank and will serve as the backup Relationship Manager for the County. Mr. Caldwell oversees the bank's commercial banking efforts in this area of companies with sales of \$20-\$100 Million, and all municipalities. A native of Hickory, NC, Mr. Caldwell attended Davidson College where he graduated with a BA in history in 1987. Mr. Caldwell completed his Masters of Business Administration at the University of Central Florida.

**Loni K. McCane**, Vice President, CCM, provides cash management sales and servicing support in our North Florida Region and is assigned to our Jacksonville office. In this capacity, Ms. McCane will be responsible for the County's cash management needs. Ms. McCane has been with First Union in the Cash Management Division for ten (10) years. Ms. McCane received her Bachelor's degree from Mercer University in Macon, Georgia in 1985. She has attained her Certified Cash Manager designation.

**The Commercial Customer Service Group** provides centralized customer service for every area of your banking requirements. Historically, we have provided customer service by a variety of individuals, depending on the product. Now, Service Specialists placed in central locations will provide assistance for any of your requests, from depository accounts and cash management services to credit services. By simply dialing a toll-free number, you will have easy and quick access to information, no matter the nature of your request.

Significant technological advancements over the past few years have increased the availability of easily accessible information. Additionally, we will greatly simplify internal training and the timely distribution of information, ensuring that our Service Specialists have the most up-to-date information and skill sets possible.

Highly motivated and experienced specialists have been carefully selected to staff the Commercial Customer Service Group and First Union is committed to the ongoing training of each specialist to ensure that they have extensive product knowledge and up-to-date information. We have created Service Analysts teams to handle customers from specific regions in Florida. This process ensures that customers deal with the same small group of Analysts.

The Service Specialists will have access to a wide range of bank systems and technology to obtain, record, share and analyze customer information. Our goal is to answer all questions on the first phone call, and we will guarantee all inquiries a 24-hour response turnaround. With the service units in Jacksonville, FL and Charlotte, NC, back-up will be readily available should a disaster situation dictate the need to reroute calls. Our number-one objective is to support each account relationship with the delivery of unparalleled customer service. The Commercial Customer Service Group has a toll-free number for your convenience: 1-800-222-3862.

The Government Banking Group was created to support the delivery of all banking services to every level of government within the State. The Government Banking Group includes professionals with experience as State Officials that act as liaisons with various specialty product units to ensure that the perspective of the governmental unit is not lost. It is well versed in the laws and regulations affecting the County and truly understands the priorities and procedures established by Governmental units in their dealings with private interest.

Your Government Banking Relationship Manager coordinates our products and services to meet your specific needs:

- Credit Products . . . loans, leases, and letters of credit
- Public Finance . . . note and bond underwriting and distribution, as well as financial advisory services
- Deposit Products . . . innovative cash management services
- Fiduciary Services . . . trustee, registrar, paying agencies, escrows, investment management, and safekeeping services
- Investment Services . . . money-market instruments, government and agency securities, mortgage-backed securities, hedging strategies, and derivative products

We guarantee that we will continue to base our business practices on our total commitment to protecting your money - and your community. Because it is our community, too.

# CORPORATE AVAILABILITY SCHEDULE

## General Terms

- To receive the stated availability, items for deposit must be received by 6:00 p.m. at a First Union Service Center or by 2:00 p.m. at a First Union branch. Items received after the deadline will be processed as next-business day deposits.
- Rejects will be assigned one additional day of availability.
- Availability schedules are subject to change without prior notification.

## Checks Drawn on First Union Banks

- All checks drawn on accounts residing at First Union banks located within the state of deposit will receive same-business day availability, with the following exception:

All checks drawn on accounts designated by First Union as "Controlled Disbursement" accounts will receive next-business day availability.

- One-day availability will be assigned to all First Union Controlled Disbursement checks deposited. These items have a 20799 account prefix with one of the following routing numbers: 254070019 (DC), 063210125 (FL), 061209756 (GA), 255072935 (MD), 053101561 (NC), 065101424 (TN), and 256072701 (VA).

- All checks drawn on First Union bank accounts located outside the state of deposit will receive next-business day availability, with the following exceptions:

### 1) For deposits made in Maryland, Virginia or Washington D.C.

Checks deposited in and drawn on accounts residing at First Union banks located in Virginia, Maryland, and Washington, D.C., excluding drawee accounts designated by First Union as "Controlled Disbursement" accounts, will receive same-business day availability.

### 2) For deposits made in North Carolina or South Carolina (effective Feb. 1996)

Checks deposited in and drawn on accounts residing at First Union banks located in North Carolina and South Carolina, excluding drawee accounts designated by First Union as "Controlled Disbursement" accounts, will receive same-business day availability.

## Checks Not Drawn on First Union Banks

- All checks drawn on accounts at non-First Union banks located within the state of deposit will be subject to fractional float assignment of 1%. All checks drawn on accounts at non-First Union banks located outside the Federal Reserve Zone(s) of the state of deposit will be subject to fractional float assignment of 5%. These assessments are designed to cover float passbacks charged to First Union by the Federal Reserve and/or correspondent banks whose deposit deadlines were missed due to flight delays, weather conditions, courier problems, or other related reasons.

- Thrift institutions (typically identified by a routing number that begins with a 2 or 3) receive the same availability as banks within the same Federal Reserve district.

**FIRST UNION NATIONAL BANK  
CORPORATE AVAILABILITY SCHEDULE  
FLORIDA (NORTH)  
EFFECTIVE JANUARY 1, 1995,  
MONDAY - FRIDAY  
ENHANCED (LEDGER DAY)**

**Deposit Deadline: 2:00 PM at Branches, 6:00 PM at Processing Center**

SENDPOINT NAME	R/T NUMBER	MON - THUR	FRI
U.S. TREASURY	0000-XXXX	1	1
U.S. MONEY ORDERS	0000-XXXX	1	1
BOSTON CITY	0110-XXXX	1	1
WINDSOR LOCKS RCPC	0111-XXXX	1	1
LEWISTON RCPC	0112-XXXX	2	1
BOSTON RCPC	0113-XXXX	1	1
BOSTON RCPC	0114-XXXX	1	1
BOSTON RCPC	0115-XXXX	1	1
WINDSOR LOCKS RCPC	0116-XXXX	2	1
WINDSOR LOCKS RCPC	0117-XXXX	2	1
WINDSOR LOCKS RCPC	0118-XXXX	1	1
WINDSOR LOCKS RCPC	0119-XXXX	1	1
NEW YORK CITY	0210-XXXX	1	1
WINDSOR LOCKS RCPC	0211-XXXX	1	1
CRANFORD RCPC	0212-XXXX	1	1
UTICA RCPC	0213-XXXX	1	1
JERICHO RCPC	0214-XXXX	1	1
NEW YORK CNTRY	0215-XXXX	2	2
NEW YORK CNTRY	0216-XXXX	2	2
JERICHO RCPC	0219-XXXX	1	1
BUFFALO CITY	0220-XXXX	1	1
BUFFALO RCPC	0223-XXXX	2	1
NEW YORK CITY	0260-XXXX	1	1
NEW YORK CITY	0280-XXXX	1	1
PHILADELPHIA CITY	0310-XXXX	1	1
PHILADELPHIA RCPC	0311-XXXX	1	1
PHILADELPHIA RCPC	0312-XXXX	1	1
PHILADELPHIA RCPC	0313-XXXX	1	1
PHILADELPHIA RCPC	0319-XXXX	1	1
PHILADELPHIA CITY	0410-XXXX	1	1
CLEVELAND RCPC	0412-XXXX	2	1
CINCINNATI CITY	0420-XXXX	1	1
CINCINNATI RCPC	0421-XXXX	1	1
CINCINNATI RCPC	0422-XXXX	1	1
CINCINNATI RCPC	0423-XXXX	1	1
PITTSBURGH CITY	0430-XXXX	1	1
PITTSBURGH RCPC	0432-XXXX	2	1
PITTSBURGH RCPC	0433-XXXX	2	1

FIRST UNION NATIONAL BANK

CORPORATE AVAILABILITY SCHEDULE

FLORIDA (NORTH)

EFFECTIVE JANUARY 1, 1995

MONDAY - FRIDAY

ENHANCED (LEDGER DAY)

Deposit Deadline: 2:00 PM at Branches, 6:00 PM at Processing Center

SENDPOINT NAME	RT NUMBER	MON - THUR	FRI
PITTSBURGH RCPC	0434-XXXX	2	1
COLUMBUS CITY	0440-XXXX	1	1
COLUMBUS RCPC	0441-XXXX	2	1
COLUMBUS RCPC	0442-XXXX	2	1
RICHMOND CITY	0510-XXXX	1	1
RICHMOND RCPC	0514-XXXX	1	1
CHARLESTON RCPC	0515-XXXX	2	1
CHARLESTON CITY	0519-XXXX	1	1
BALTIMORE CITY	0520-XXXX	1	1
BALTIMORE RCPC	0521-XXXX	1	1
BALTIMORE RCPC	0522-XXXX	1	1
CHARLOTTE CITY	0530-XXXX	1	1
CHARLOTTE RCPC	0531-XXXX	1	1
COLUMBIA RCPC	0532-XXXX	1	1
COLUMBIA CITY	0539-XXXX	1	1
BALTIMORE RCPC	0540-XXXX	1	1
BALTIMORE RCPC	0550-XXXX	1	1
BALTIMORE RCPC	0560-XXXX	1	1
BALTIMORE RCPC	0570-XXXX	1	1
ATLANTA CITY	0610-XXXX	1	1
ATLANTA RCPC	0611-XXXX	1	1
ATLANTA RCPC	0612-XXXX	1	1
ATLANTA RCPC	0613-XXXX	1	1
BIRMINGHAM CITY	0620-XXXX	1	1
BIRMINGHAM RCPC	0621-XXXX	1	1
BIRMINGHAM RCPC	0622-XXXX	1	1
JACKSONVILLE CITY	0630-XXXX	1	1
FIRST UNION FLORIDA	0630-XXXX	0	0
JACKSONVILLE RCPC	0631-XXXX	1	1
FIRST UNION FLORIDA	0631-0718	1	1
FIRST UNION FLORIDA	0631-XXXX	0	0
JACKSONVILLE RCPC	0632-XXXX	1	1
FIRST UNION FLORIDA	0632-1012	1	1
FIRST UNION FLORIDA	0632-XXXX	0	0
NASHVILLE CITY	0640-XXXX	1	1
NASHVILLE RCPC	0641-XXXX	1	1
NASHVILLE RCPC	0642-XXXX	1	1
NEW ORLEANS CITY	0650-XXXX	1	1
NEW ORLEANS RCPC	0651-XXXX	1	1

**FIRST UNION NATIONAL BANK  
CORPORATE AVAILABILITY SCHEDULE**

**EFFECTIVE JANUARY 1, 1995**

**MONDAY - FRIDAY**

**ENHANCED (LEDGER DAY)**

**Deposit Deadline: 2:00 PM at Branches, 6:00 PM at Processing Center**

SENDPOINT NAME	R/T NUMBER	MON - THUR	FRI
NEW ORLEANS RCPC	0652-XXXX	1	1
NEW ORLEANS RCPC	0653-XXXX	1	1
NEW ORLEANS RCPC	0654-XXXX	1	1
NEW ORLEANS RCPC	0655-XXXX	1	1
MIAMI CITY	0660-XXXX	1	1
FIRST UNION FLORIDA	0660-XXXX	0	0
MIAMI RCPC	0670-XXXX	1	1
FIRST UNION FLORIDA	0670-XXXX	0	0
CHICAGO CITY	0710-XXXX	1	1
CHICAGO RCPC	0711-XXXX	1	1
CHICAGO RCPC	0712-XXXX	1	1
CHICAGO RCPC	0719-XXXX	1	1
DETROIT CITY	0720-XXXX	1	1
MICHIGAN RCPC	0724-XXXX	1	1
DES MOINES CITY	0730-XXXX	1	1
DES MOINES RCPC	0739-XXXX	2	1
INDIANAPOLIS CITY	0740-XXXX	1	1
INDIANAPOLIS RCPC	0749-XXXX	2	1
MILWAUKEE CITY	0750-XXXX	1	1
MILWAUKEE RCPC	0759-XXXX	2	1
ST. LOUIS CITY	0810-XXXX	1	1
ILLINOIS RCPC	0812-XXXX	2	2
LOUISVILLE RCPC	0813-XXXX	2	1
ILLINOIS RCPC	0815-XXXX	2	2
ST. LOUIS RCPC	0819-XXXX	2	1
LITTLE ROCK CITY	0820-XXXX	1	1
LITTLE ROCK RCPC	0829-XXXX	2	1
LOUISVILLE CITY	0830-XXXX	1	1
LOUISVILLE RCPC	0839-XXXX	2	1
MEMPHIS CITY	0840-XXXX	1	1
MEMPHIS RCPC	0841-XXXX	2	1
MEMPHIS RCPC	0842-XXXX	2	1
MEMPHIS RCPC	0843-XXXX	2	1
LOUISVILLE RCPC	0863-XXXX	2	1
ST LOUIS COUNTRY	0865-XXXX	2	2
MINNEAPOLIS CITY	0910-XXXX	1	1
MINNEAPOLIS COUNTRY	0911-XXXX	2	2
MINNEAPOLIS COUNTRY	0912-XXXX	2	2
MINNEAPOLIS COUNTRY	0913-XXXX	2	2

CORPORATE AVAILABILITY SCHEDULE

FLORIDA (NORTH)

EFFECTIVE JANUARY 1, 1995

MONDAY - FRIDAY

ENHANCED (LEDGER DAY)

Deposit Deadline: 2:00 PM at Branches, 6:00 PM at Processing Center

SENDPOINT NAME	R/T NUMBER	MON - THUR	FRI
MINNEAPOLIS CNTRY	0914-XXXX	2	2
MINNEAPOLIS CNTRY	0915-XXXX	2	2
MINNEAPOLIS RCPC	0918-XXXX	2	1
MINNEAPOLIS RCPC	0919-XXXX	2	1
HELENA CITY	0920-XXXX	2	1
HELENA CNTRY	0921-XXXX	2	2
HELENA RCPC	0929-XXXX	2	1
MINNEAPOLIS CITY	0960-XXXX	1	1
KANSAS CITY CITY	1010-XXXX	1	1
KANSAS CITY COUNTRY	1011-XXXX	2	2
KANSAS CITY COUNTRY	1012-XXXX	2	2
KANSAS CITY COUNTRY	1019-XXXX	2	2
DENVER CITY	1020-XXXX	1	1
DENVER COUNTRY	1021-XXXX	2	2
DENVER COUNTRY	1022-XXXX	2	2
DENVER COUNTRY	1023-XXXX	2	2
OKLAHOMA CITY	1030-XXXX	1	1
OKLAHOMA CITY CNTRY	1031-XXXX	2	2
OKLAHOMA CITY RCPC	1039-XXXX	2	1
OMAHA CITY	1040-XXXX	1	1
OMAHA COUNTRY	1041-XXXX	2	2
OMAHA RCPC	1049-XXXX	2	1
DENVER RCPC	1070-XXXX	2	1
DALLAS CITY	1110-XXXX	1	1
DALLAS RCPC	1111-XXXX	2	2
DALLAS COUNTRY	1112-XXXX	2	2
DALLAS COUNTRY	1113-XXXX	2	2
DALLAS RCPC	1119-XXXX	2	1
EL PASO CITY	1120-XXXX	1	1
EL PASO RCPC	1122-XXXX	2	1
EL PASO RCPC	1123-XXXX	2	1
HOUSTON CITY	1130-XXXX	1	1
HOUSTON RCPC	1131-XXXX	2	1
SAN ANTONIO CITY	1140-XXXX	1	1
SAN ANTONIO RCPC	1141-XXXX	2	1
SAN ANTONIO RCPC	1149-XXXX	2	1
EL PASO RCPC	1163-XXXX	2	1
SAN FRANCISCO CITY	1210-XXXX	1	1
SAN FRANCISCO RCPC	1211-XXXX	2	1

**FIRST UNION NATIONAL BANK  
 CORPORATE AVAILABILITY SCHEDULE  
 FLORIDA (NORTH)  
 EFFECTIVE JANUARY 1, 1995  
 MONDAY - FRIDAY  
 ENHANCED (LEDGER DAY)  
 Deposit Deadline: 2:00 PM at Branches, 6:00 PM at Processing Center**

SENDPOINT NAME	R/T NUMBER	MON - THUR	FRI
FRANCISCO RCPC	1212-XXXX	2	1
FRANCISCO RCPC	1213-XXXX	2	1
FRANCISCO CNTRY	1214-XXXX	2	2
ANGELES CITY	1220-XXXX	1	1
ANGELES RCPC	1221-XXXX	2	1
ANGELES RCPC	1222-XXXX	2	1
ANGELES CITY	1223-XXXX	1	1
ANGELES RCPC	1224-XXXX	2	1
TLAND CITY	1230-XXXX	2	1
TLAND RCPC	1231-XXXX	2	1
TLAND RCPC	1232-XXXX	2	1
TLAND RCPC	1233-XXXX	2	1
TLAKE CITY	1240-XXXX	2	1
TLAKE RCPC	1241-XXXX	2	1
TLAKE RCPC	1242-XXXX	2	1
TLAKE RCPC	1243-XXXX	2	1
TLAKE CITY	1250-XXXX	2	1
TLAKE RCPC	1251-XXXX	2	1
TLAKE RCPC	1252-XXXX	2	1
WELERS CHECKS	8000-XXXX	1	1







Market Checking in Florida) and a commercial money market account. All checks and withdrawals will be presented against the commercial checking with interest account for interest. Interest will be paid on the collected balance in both the commercial checking with interest account and a commercial money market account. The blended Annual Percentage Yield earned and disclosed on the commercial money market account's monthly statement.

Balance in the Bank's Schedule of Fees, and six (6) transfers from the commercial money market account have not occurred during the monthly statement cycle, the amount in excess of the Threshold Balance in the commercial checking with interest account shall be transferred to the commercial money market account on a daily basis.

The aggregate checks and debits/withdrawals presented against the commercial checking with interest account exceed the available balance, a transfer from the commercial money market account to the commercial checking with interest shall be made if the funds are available in your commercial money market account. The transfer from the commercial money market account shall be made to pay all checks and debits/withdrawals presented that business day and to maintain the commercial checking with interest account to the Threshold Balance.

Transfers from the commercial money market account are limited to six (6) transfers during a monthly statement cycle. Upon the sixth transfer from the commercial money market account to the commercial checking with interest account during a monthly statement cycle, the entire amount in the commercial money market account shall be transferred to the commercial checking with interest account for the remainder of the statement cycle.

The Threshold Balance is the designated amount of the balance in the commercial checking with interest account above which the excess funds will be transferred to the commercial money market account.

**POLICY FOR PAYMENT OF INTEREST ON COLLECTED BALANCES.** The interest on deposits to your account begins when we receive credit for the funds deposited to your account. We receive credit for cash, electronic payments and the deposit of a check drawn on the same bank where your account is maintained on the banking day of deposit to your account. We receive credit for cash, electronic payments and the deposit of a check drawn on the same bank where your account is maintained on the banking day of deposit to your account. We receive credit for checks drawn on other financial institutions based on the readily schedule established by the applicable branch of the Federal Reserve Bank and its correspondent banks. The balance in the above interest-bearing deposit account for which we have received credit is called the collected balance. Interest is paid on the collected balance less reserves, if applicable, we have on deposit with the Federal Reserve Bank.

**COMMERCIAL SAVINGS.** Your balance(s) will earn interest at our current Commercial Savings interest rate. Please refer to your Commercial Accounts Schedule of Fees to confirm rates for earning higher rates of interest (may not be applicable in all states).

**ACCOUNT LIMITATIONS.** We are required under federal regulation to retain the right to make for seven days' written notice before you withdraw money from the following accounts: Commercial Interest Checking, Commercial Money Market Checking, Commercial Money Market Investment, Client Fund Manager and Commercial Savings accounts. Unless you have different instructions from us, you can make withdrawals by writing a check on the applicable account, except on Commercial Savings accounts.

**COMMERCIAL MONEY MARKET INVESTMENT ACCOUNT LIMITATIONS.** You may make unlimited withdrawals in person from your Commercial Money Market Investment Account (including telephone transfers and automatic transfers) each statement period. No transfers (including telephone transfers and automatic transfers) are not permitted to make more than six preauthorized transfers, by federal regulation, you are not permitted to make more than six preauthorized transfers (including telephone transfers and automatic transfers) each statement period. No more than three of the transfers may be made by draft or check to a third party. If this limitation is exceeded on a regular basis, we are required to convert your account to another account that permits unlimited check writing privileges. A fee will be imposed for items posted during a statement period in excess of this limit (see the Commercial Accounts Schedule of Fees for the amount of the fee). We will determine the number of third party checks for your statement period based on the posted date of the third party checks.

**COMMERCIAL SAVINGS ACCOUNT LIMITATIONS.** You may make unlimited withdrawals in person from your Commercial Savings Account; however, under federal regulations you are not permitted to make more than six preauthorized transfers (including telephone transfers and automatic transfers) and drafts per month. If this limitation is exceeded on a regular basis, we are required to close your account and to open another account that permits unlimited check writing privileges. Withdrawals can only be made by those persons authorized by previously submitted resolutions.

**CLIENT FUND MANAGER.** Your Master account is a non interest bearing Commercial Checking account established in your name to link it to related Client accounts. We are not acting as escrow agent or in any other fiduciary capacity with respect to your Master account or Client accounts. Each Client account will be a separate interest bearing Commercial Money Market Investment Account or non interest bearing Business Checking Account opened by you in the name of a party or parties to be designated by you at the time these accounts are opened. You are required to provide us with the name and taxpayer identification number of the party in whose name the Client account is being opened. Each deposit must be accompanied by a deposit ticket which indicates your Client's name and account number. You authorize us to accept deposits for credit to Client accounts as designated by you. Withdrawals from a Client account can only be made by first transferring funds to the Master account.

**TRANSFER OF ACCOUNTS.** Commercial Savings accounts and CDs are assignable; however, you must obtain our prior written consent before making any assignment. No assignment will become effective until we have documented it in our records.

**WIRE TRANSFER TERMS AND CONDITIONS**

If you wish to use our wire transfer service, the following terms and conditions shall govern all transactions for our acceptance and processing of your payment orders, credits and related requests. Unless otherwise defined below, the terms used in this Agreement shall have the same meaning as set forth in Article 4A of the Uniform Commercial Code of the state in which

**Limitation of Liability and Indemnification.** You expressly agree that we shall be liable only for our negligent performance or non-performance of the service provided pursuant to our Agreement, and that our responsibility shall be limited to the exercise of reasonable and ordinary care. We shall not be liable for any errors or delay on the part of any third party, including without limitation, third parties used by us in executing a payment order or performing a related act due to any cause other than our own failure to exercise reasonable and ordinary care. We shall not be liable for any such third party shall be deemed to be our agent. We shall not be liable for our return honor any request if we in good faith are unable to satisfy ourselves that such request is based upon our adherence to the Security Procedures. IN NO EVENT SHALL WE BE LIABLE FOR SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, EXCEPT AS MAY OTHERWISE BE PROVIDED BY LAW EVEN IF WE SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. Except as may be limited by applicable law, you agree to indemnify us and hold us harmless (including the payment of reasonable attorneys' fees) against all liability to third parties arising out of or in connection with the terms and conditions of our Agreement of the services provided hereunder or otherwise pursuant to your instructions.

**Use of Identifying Numbers.** When a payment or payment order identifies a beneficiary's bank or intermediary bank inconsistently by name and an identifying number as an account number, S.W.I.F.T. address or universal identification number, payment is made by the intermediary or beneficiary bank on the basis of the identifying number, even if the identifying number differs from the identifying number of the named person or entity. Payment order and that your obligation to pay the payment order shall not be excused if error. We will rely on the identifying number as proper identification of a beneficiary.

**Interest Compensation.** In the event that we shall be liable to you for interest compensation under this Agreement or by applicable law, interest shall be calculated on the basis of average Federal Funds rate for the period involved. You agree that we may, at our sole credit to your account with us.

**International Payments.** Orders for the transfer of U.S. Dollars shall be paid in U.S. dollars transferred to a beneficiary located in the United States. If transferred to a beneficiary located in a foreign country, the beneficiary's bank may elect to pay the beneficiary in foreign currency.

**Advice of Funds Transfers.** After executing each payment order, we will use our best effort to mail to you a confirmation of such payment order at your address indicated on our records. You agree to examine the confirmation promptly upon receipt and to notify us immediately of discrepancies between the confirmation and your records. We shall not be liable for interest compensation, unless we are notified of the discrepancy within thirty days after the date of receipt of the confirmation or your bank statement indicating the debit for the payment order, whichever is earlier. You agree that your right to assert a claim against us with respect to any transaction reasonably identified on a statement shall expire within one year of receipt of that statement, and that if you have elected not to receive a statement, such right shall expire within one year of the transaction.

**Execution of Payment Orders.** If we receive a payment order which has been verified according to our Security Procedures, you authorize and direct us to debit your account(s) listed on the Authorization Schedule and transfer the funds. We are also authorized to implement any instructions, including amendments or cancellations of prior payment orders upon verification of such instructions. We are authorized to rely on any payment order believed by us in good faith to have been given by an Authorized Representative. We may have payment orders received from you and other customers in any order selected by us and otherwise instructed by you, we may use any means, intermediaries or funds transfer systems which may have operating rules governing the execution of payment orders to effect the transfer as we, in our sole discretion, shall decide.

**Cut-Off Times.** All payment orders must be received by us before the cut-off time for transfers on a business day established by us from time to time. Any payment orders or requests received after such deadlines, or on weekends, holidays for us or the bank or institution to receive the transfer, or the funds transfer system to be used, will be treated as received on next funds transfer business day. We will make efforts to execute all payment orders received prior to the deadline.

**Advice of Funds Transfers.** After executing each payment order, we will use our best effort to mail to you a confirmation of such payment order at your address indicated on our records. You agree to examine the confirmation promptly upon receipt and to notify us immediately of discrepancies between the confirmation and your records. We shall not be liable for interest compensation, unless we are notified of the discrepancy within thirty days after the date of receipt of the confirmation or your bank statement indicating the debit for the payment order, whichever is earlier. You agree that your right to assert a claim against us with respect to any transaction reasonably identified on a statement shall expire within one year of receipt of that statement, and that if you have elected not to receive a statement, such right shall expire within one year of the transaction.

**Limitation of Liability and Indemnification.** You expressly agree that we shall be liable only for our negligent performance or non-performance of the service provided pursuant to our Agreement, and that our responsibility shall be limited to the exercise of reasonable and ordinary care. We shall not be liable for any errors or delay on the part of any third party, including without limitation, third parties used by us in executing a payment order or performing a related act due to any cause other than our own failure to exercise reasonable and ordinary care. We shall not be liable for any such third party shall be deemed to be our agent. We shall not be liable for our return honor any request if we in good faith are unable to satisfy ourselves that such request is based upon our adherence to the Security Procedures. IN NO EVENT SHALL WE BE LIABLE FOR SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, EXCEPT AS MAY OTHERWISE BE PROVIDED BY LAW EVEN IF WE SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. Except as may be limited by applicable law, you agree to indemnify us and hold us harmless (including the payment of reasonable attorneys' fees) against all liability to third parties arising out of or in connection with the terms and conditions of our Agreement of the services provided hereunder or otherwise pursuant to your instructions.

**Use of Identifying Numbers.** When a payment or payment order identifies a beneficiary's bank or intermediary bank inconsistently by name and an identifying number as an account number, S.W.I.F.T. address or universal identification number, payment is made by the intermediary or beneficiary bank on the basis of the identifying number, even if the identifying number differs from the identifying number of the named person or entity. Payment order and that your obligation to pay the payment order shall not be excused if error. We will rely on the identifying number as proper identification of a beneficiary.

**Interest Compensation.** In the event that we shall be liable to you for interest compensation under this Agreement or by applicable law, interest shall be calculated on the basis of average Federal Funds rate for the period involved. You agree that we may, at our sole credit to your account with us.

**International Payments.** Orders for the transfer of U.S. Dollars shall be paid in U.S. dollars transferred to a beneficiary located in the United States. If transferred to a beneficiary located in a foreign country, the beneficiary's bank may elect to pay the beneficiary in foreign currency.

**Advice of Funds Transfers.** After executing each payment order, we will use our best effort to mail to you a confirmation of such payment order at your address indicated on our records. You agree to examine the confirmation promptly upon receipt and to notify us immediately of discrepancies between the confirmation and your records. We shall not be liable for interest compensation, unless we are notified of the discrepancy within thirty days after the date of receipt of the confirmation or your bank statement indicating the debit for the payment order, whichever is earlier. You agree that your right to assert a claim against us with respect to any transaction reasonably identified on a statement shall expire within one year of receipt of that statement, and that if you have elected not to receive a statement, such right shall expire within one year of the transaction.

**Limitation of Liability and Indemnification.** You expressly agree that we shall be liable only for our negligent performance or non-performance of the service provided pursuant to our Agreement, and that our responsibility shall be limited to the exercise of reasonable and ordinary care. We shall not be liable for any errors or delay on the part of any third party, including without limitation, third parties used by us in executing a payment order or performing a related act due to any cause other than our own failure to exercise reasonable and ordinary care. We shall not be liable for any such third party shall be deemed to be our agent. We shall not be liable for our return honor any request if we in good faith are unable to satisfy ourselves that such request is based upon our adherence to the Security Procedures. IN NO EVENT SHALL WE BE LIABLE FOR SPECIAL, INDIRECT, OR CONSEQUENTIAL DAMAGES, EXCEPT AS MAY OTHERWISE BE PROVIDED BY LAW EVEN IF WE SHALL HAVE BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGE. Except as may be limited by applicable law, you agree to indemnify us and hold us harmless (including the payment of reasonable attorneys' fees) against all liability to third parties arising out of or in connection with the terms and conditions of our Agreement of the services provided hereunder or otherwise pursuant to your instructions.

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any and all liabilities, losses, damages, costs and expenses that we might incur in connection with payment of the adverse claim and any resulting dishonored checks or other items (b) the claimant has obtained an order requiring us to recognize the adverse claim from a court of competent jurisdiction.

**SUITES INVOLVING THE ACCOUNT.** You agree to reimburse us for any loss, costs or expenses, including, without limitation, reasonable attorneys' fees and the costs of litigation to the extent permitted by law, that we incur as a result of any dispute involving your account, and we authorize us to deduct any such loss, costs, or expenses from your account without prior notice to you. This obligation includes disputes between us involving the account and situations where we become involved in disputes between you and an authorized signor, another joint owner, or a third party claiming an interest in the account. It also includes situations where you, or a third party, another joint owner, or a third party takes action with respect to the account that causes us, in good faith, to seek the advice of counsel, whether or not we actually are involved in a dispute.

**CHANGING THIS AGREEMENT.** We can change the rules for any of the accounts covered in this Agreement at any time. We will notify you within a reasonable time before the change will take effect if the change is not in your favor. However, interest rate changes are not when posted in our branch offices and do not require prior notice.

**CUSTOMER'S WAIVER OF NOTICE.** By signing the Signature Card, you waive any notice of payment, dishonor or protest regarding any items credited to or charged against your account. For example, if a check which you deposited is dishonored and returned to us, we are not required to notify you of the dishonor.

**WAIVER OF RIGHTS BY THE BANK.** We reserve the right to waive the enforcement of the terms of this Agreement with respect to any transaction or series of transactions. Any waiver will not affect our right to enforce any of our rights with respect to other customers or any of our rights with respect to later transactions with you and is not sufficient to modify the terms and conditions of this Agreement.

**INVALIDITY OF CONTRACT PROVISIONS.** In the event any one or more of the provisions of this Agreement shall for any reason, including under any applicable statute or rule of law, be found to be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall remain in full force and effect.

**FORCE MAJEURE.** You agree we shall have no responsibility or liability to you or any third party for failure or delay in our performance under this Agreement or for any losses due to force majeure, including, without limitation, delays and/or interruptions of business due to acts of God, natural disasters, fire, acts of government authority, acts of public enemy or war, labor disturbances, insurrections, labor difficulties, power failure, telecommunications failure, and adverse weather conditions or other causes beyond our reasonable control. The time, if required for such performance under this Agreement shall be automatically extended during the period of such delay or interruption.

**APPLICABLE LAW.** These rules and regulations will be governed by the law of the state in which your account is opened. If there is any conflict between the rules and regulations and applicable federal or state law, the rules and regulations will be considered changed to the extent necessary to comply with the law. If any provision of these rules and regulations is found to be invalid, unenforceable or illegal, that part will not affect the validity of the other provisions.

**ARBITRATION OF DISPUTES.** If either you or we have any unresolvable dispute or claim concerning your account, upon demand of either of us it will be decided by binding arbitration under the expedited procedures of the Commercial Financial Disputes Arbitration Rules of the American Arbitration Association (AAA) and Title 9 of the United States Code. Arbitration hearings will be held in the city where the dispute occurred or where mutually agreed by us. An arbitrator or knowledge in banking transactions. The arbitrator will award the filing fees, costs and arbitrator fees to the prevailing party, and a judgment may be entered upon the award by a court of competent jurisdiction.

**ENTIRE AGREEMENT.** This Agreement and the documents to which it refers constitute the entire agreement and understanding and supersede all prior agreements and understandings. This Agreement may not be changed orally.





Customer Name \_\_\_\_\_  
 Customer Account Number (to originate the wire transfer from) \_\_\_\_\_  
 All Operators have Access or Specific Operators:  
 Select Repetitive (Fed) or Repetitive (Book) and New Set-up or Change:  
 Repetitive - Fed (S)  Repetitive - Book (B)  New Set-up  Change  
 In Vision Line Sheet Description (25): \_\_\_\_\_  
 Beneficiary's Name (35): \_\_\_\_\_  
 Beneficiary's Street Address (35): \_\_\_\_\_  
 Beneficiary's City (31): \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
 Beneficiary's Account Number: \_\_\_\_\_  
 Beneficiary's Bank (35): \_\_\_\_\_  
 Beneficiary's Bank ABA Number: \_\_\_\_\_  
 Beneficiary's Bank (35): \_\_\_\_\_  
 Beneficiary's Bank ABA Number: \_\_\_\_\_  
 Intermediary Bank (35): \_\_\_\_\_  
 Intermediary Bank ABA Number: \_\_\_\_\_  
 OBI/Payment Detail (140): \_\_\_\_\_  
 BBI - Bank to Bank (140): \_\_\_\_\_  
 RFB - Reference for Beneficiary: \_\_\_\_\_  
 LINE SHEET NUMBER (ASSIGNED BY BANK): \_\_\_\_\_

Customer Name \_\_\_\_\_  
 Customer Account Number (to originate the wire transfer from) \_\_\_\_\_  
 All Operators have Access or Specific Operators:  
 Select Repetitive (Fed) or Repetitive (Book) and New Set-up or Change:  
 Repetitive - Fed (S)  Repetitive - Book (B)  New Set-up  Change  
 In Vision Line Sheet Description (25): \_\_\_\_\_  
 Beneficiary's Name (35): \_\_\_\_\_  
 Beneficiary's Street Address (35): \_\_\_\_\_  
 Beneficiary's City (31): \_\_\_\_\_ State: \_\_\_\_\_ Zip Code: \_\_\_\_\_  
 Beneficiary's Account Number: \_\_\_\_\_  
 Beneficiary's Bank (35): \_\_\_\_\_  
 Beneficiary's Bank ABA Number: \_\_\_\_\_  
 Beneficiary's Bank (35): \_\_\_\_\_  
 Beneficiary's Bank ABA Number: \_\_\_\_\_  
 Intermediary Bank (35): \_\_\_\_\_  
 Intermediary Bank ABA Number: \_\_\_\_\_  
 OBI/Payment Detail (140): \_\_\_\_\_  
 BBI - Bank to Bank (140): \_\_\_\_\_  
 RFB - Reference for Beneficiary: \_\_\_\_\_  
 LINE SHEET NUMBER (ASSIGNED BY BANK): \_\_\_\_\_

Customer Authorization (REQUIRED): \_\_\_\_\_  
 Print Name and Title (Customer) \_\_\_\_\_  
 Signature (Customer) \_\_\_\_\_  
 Date \_\_\_\_\_  
 Print Name and Title (Bank Officer) \_\_\_\_\_  
 Signature (Bank Officer) \_\_\_\_\_  
 Date \_\_\_\_\_

Customer Authorization (REQUIRED):

Signature (Customer) \_\_\_\_\_ Date \_\_\_\_\_

Print Name and Title (Customer) \_\_\_\_\_

Signature (Bank Officer) \_\_\_\_\_ Date \_\_\_\_\_

Print Name and Title (Bank Officer) \_\_\_\_\_

Customer Name \_\_\_\_\_

Customer Account Number (to receive the wire transfer in to) \_\_\_\_\_

All Operators have Access or Specific Operators: \_\_\_\_\_

Select New Set-up or Change:  Drawdown (D)  Change

Line Sheet Description (25): \_\_\_\_\_

Drawee's Name (35): \_\_\_\_\_

Drawee's Street Address (35): \_\_\_\_\_

Drawee's City (31): \_\_\_\_\_ State: \_\_\_\_\_

Drawee's Account Number: \_\_\_\_\_

Drawdown Bank (35): \_\_\_\_\_

Drawdown Bank's ABA Number: \_\_\_\_\_ City (31): \_\_\_\_\_ State: \_\_\_\_\_

OBI/Payment Detail (140): \_\_\_\_\_

BB1 - Bank to Bank (140): \_\_\_\_\_

RFB - Reference for Beneficiary: \_\_\_\_\_

LINE SHEET NUMBER (ASSIGNED BY BANK): \_\_\_\_\_

Customer Name \_\_\_\_\_

Customer Account Number (to receive the wire transfer in to) \_\_\_\_\_

All Operators have Access or Specific Operators: \_\_\_\_\_

Select New Set-up or Change:  Drawdown (D)  Change

Line Sheet Description (25): \_\_\_\_\_

Drawee's Name (35): \_\_\_\_\_

Drawee's Street Address (35): \_\_\_\_\_

Drawee's City (31): \_\_\_\_\_ State: \_\_\_\_\_

Drawee's Account Number: \_\_\_\_\_

Drawdown Bank (35): \_\_\_\_\_

Drawdown Bank's ABA Number: \_\_\_\_\_ City (31): \_\_\_\_\_ State: \_\_\_\_\_

OBI/Payment Detail (140): \_\_\_\_\_

BB1 - Bank to Bank (140): \_\_\_\_\_

RFB - Reference for Beneficiary: \_\_\_\_\_

LINE SHEET NUMBER (ASSIGNED BY BANK): \_\_\_\_\_

Customer Name \_\_\_\_\_  
 In Vision Customer Number \_\_\_\_\_

All Operators have Access or Specific Operators:  
 Account Number (to originate the wire transfer from) \_\_\_\_\_

Currency Type of Wire Transfer, Charges to Originator or Beneficiary and New Set-up or Change  
 Currency Type  Charge Originator  Charge Beneficiary  New Set-up  Change

Sheet Description (25): \_\_\_\_\_  
 Beneficiary's Name (35): \_\_\_\_\_  
 Beneficiary's Street Address (35): \_\_\_\_\_  
 Beneficiary's City (31): \_\_\_\_\_  
 Beneficiary's Account Number: \_\_\_\_\_  
 Beneficiary Bank (35): \_\_\_\_\_  
 Beneficiary Bank's Identifier Number: \_\_\_\_\_  
 Beneficiary Bank's City (31): \_\_\_\_\_  
 Beneficiary Bank's Street Address: \_\_\_\_\_  
 Beneficiary Bank's City (31): \_\_\_\_\_  
 Beneficiary Bank (35): \_\_\_\_\_  
 Beneficiary's Bank Identifier Number: \_\_\_\_\_  
 Beneficiary Bank's City (31): \_\_\_\_\_  
 Beneficiary Bank's City (31): \_\_\_\_\_  
 Payment Detail (140): \_\_\_\_\_  
 Bank to Bank (140): \_\_\_\_\_

Reference for Beneficiary: \_\_\_\_\_  
 SHEET NUMBER (ASSIGNED BY BANK): \_\_\_\_\_

Customer Name \_\_\_\_\_  
 In Vision Customer Number \_\_\_\_\_

All Operators have Access or Specific Operators:  
 Account Number (to originate the wire transfer from) \_\_\_\_\_

Currency Type of Wire Transfer, Charges to Originator or Beneficiary and New Set-up or Change  
 Currency Type  Charge Originator  Charge Beneficiary  New Set-up  Change

Sheet Description (25): \_\_\_\_\_  
 Beneficiary's Name (35): \_\_\_\_\_  
 Beneficiary's Street Address (35): \_\_\_\_\_  
 Beneficiary's City (31): \_\_\_\_\_  
 Beneficiary's Account Number: \_\_\_\_\_  
 Beneficiary Bank (35): \_\_\_\_\_  
 Beneficiary Bank's Identifier Number: \_\_\_\_\_  
 Beneficiary Bank's City (31): \_\_\_\_\_  
 Beneficiary Bank's Street Address: \_\_\_\_\_  
 Beneficiary Bank's City (31): \_\_\_\_\_  
 Beneficiary Bank (35): \_\_\_\_\_  
 Beneficiary's Bank Identifier Number: \_\_\_\_\_  
 Beneficiary Bank's City (31): \_\_\_\_\_  
 Beneficiary Bank's City (31): \_\_\_\_\_  
 Payment Detail (140): \_\_\_\_\_  
 Bank to Bank (140): \_\_\_\_\_

B - Reference for Beneficiary: \_\_\_\_\_  
 SHEET NUMBER (ASSIGNED BY BANK): \_\_\_\_\_

Customer Authorization (REQUIRED): \_\_\_\_\_  
 Print Name and Title (Customer) \_\_\_\_\_  
 Signature (Customer) \_\_\_\_\_  
 Date \_\_\_\_\_

Print Name and Title (Bank Officer) \_\_\_\_\_  
 Signature (Bank Officer) \_\_\_\_\_  
 Date \_\_\_\_\_



Name First Union National Bank of Florida

**CREDIT EVALUATION FORM**

RATIOS		1993	1994	1995
1.	Bank loans to deposits	80.20%	82.33%	80.64%
2.	Cash & securities to deposits	37.66%	29.06%	27.14%
3.	Current loan losses to total loans	0.73%	0.56%	0.78%
4.	Capital to deposits	9.29%	9.46%	9.40%
5.	Capital to total loans	11.59%	11.49%	11.66%
6.	Capital to total assets	7.44%	7.82%	7.65%
7.	Net charge off to loans	0.58%	0.42%	0.60%
8.	Total deposits in amounts over \$100,000 to total deposits	29.52%	29.36%	29.80%

\* If 1995 data is not available, present most recent three (3) years.

A RESOLUTION ADOPTING AN INVESTMENT POLICY FOR NASSAU COUNTY, FLORIDA

WHEREAS, the Board of County Commissioners of Nassau County, Florida, is required, pursuant to Chapter 218.415, Florida Statutes, to adopt an investment policy for county funds. NOW, THEREFORE BE IT RESOLVED, this 25th day of September, 1995, by the Board of County Commissioners of Nassau County, Florida, that the investment policy for county funds shall be as follows:

I. SCOPE

This investment policy applies to all funds (excluding pension funds) held by or for the benefit of Nassau County, Florida (the County)

II. INVESTMENT OBJECTIVES

The following investment objectives will be applied in the management of the County's funds.

- A. The primary objective of the investment activities is the protection of County Funds.
- B. The investment strategy will provide sufficient liquidity to meet the County's operating, payroll, and capital requirements.
- C. When investing public funds, the Clerk of Circuit Court (Clerk) will strive to maximize the return on the portfolio, while minimizing investment risk.
- D. The Clerk will set procedures to properly diversify the investment portfolio and minimize the inherent risk associated with investment portfolios.

III. PRUDENCE AND ETHICAL STANDARDS

The County staff shall use the "prudent person" standard in the management of the overall investment portfolio.

The Clerk, or designee, acting as a "prudent person" in accordance with these written policies and procedures and

1. Cash Management Bills

Following:

B. Negotiable direct obligation or obligations, the principal and interest of which are unconditionally guaranteed by the United States government. Such securities will include, but not be limited to, the

A. The Florida Local Government Surplus Funds Trust Funds (SBA)

The Clerk or designee, shall purchase or sell investment securities at prevailing market rates. Authorized instruments are as follows:

AUTHORIZED INSTRUMENTS

Responsibility for the administration of the investment program pursuant to Florida Statutes Section 28.33 and 125.31 is hereby delegated to the Clerk who shall establish investment procedures based on these policies. The Clerk shall be responsible for the implementation of internal controls and monitoring the activities of subordinate staff.

DELEGATION OF AUTHORITY

A portfolio report shall be provided quarterly to the County Commission. The reports shall include a breakdown of the portfolio as well as its overall performance during that period.

INVESTMENT PERFORMANCE AND REPORTING

Investments shall be made with judgment and care, under circumstances then prevailing, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The "prudent person" standard is herewith understood to mean:

exercising due diligence, shall not be responsible for a security's credit risk or market price changes provided that appropriate monitoring efforts are performed.

- 1. United States Export-Import Bank  
Direct obligations or fully guaranteed  
certificates of beneficial ownership
- 2. Farmers Home Administration  
Certificates of beneficial ownership
- 3. Federal Financing Bank  
Discount notes, notes, and bonds
- 4. Federal Housing Administration Debentures  
General Services Administration Participation  
Certificates
- 5. Government National Mortgage Association (GNMA)  
GNMA-guaranteed mortgage-back bonds  
GNMA-guaranteed pass-through obligations
- 7. United States Maritime Administration  
Guaranteed Title XI Financing  
New Communities Debentures  
United States government guaranteed debentures
- 8. United States Public Housing Notes and Bonds  
United States Government guaranteed public  
housing notes and bonds
- 9. United States Department of Housing and Urban  
Development-Project notes and local authority  
bonds

C. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by United States agencies provided such obligations are back by the full faith and credit of the United States Government. Such securities will include, but not be limited to, the following:

- 2. Treasury Securities-State and Local Government Series (SLGS)
- 3. Treasury Bills
- 4. Treasury Notes
- 5. Treasury Bonds
- 6. Treasury Strips

- 2. Floating rate securities whose coupon floats inversely to an index or whose coupon floats
- 1. Reverse repurchase agreements.

Derivative securities, defined as a financial instrument the value of which depends on or is derived from the value of one or more underlying assets or index of asset values. Securities of this type which are prohibited investments include:

- G. Repurchase agreements comprised of only those investments as authorized in Sections B, C, and D.

Non-negotiable interest-bearing time certificates of deposit or savings accounts in banks or savings associations organized under the laws of this state and/or in national banks or savings associations organized under the laws of the United States and doing business and situated in this state, provided that any such deposits are secured pursuant to the Florida Security of Public Deposits Act, Chapter 280, Florida Statutes, and provided that the bank or savings association is not listed with any recognized credit watch information service. The Money Manager shall have the responsibility for reviewing credit watch status.

- E.
  - 6. Tennessee Valley Authority (TVA)
  - 5. Student Loan Marketing Association (Sallie Mae)
  - 4. Federal Home Loan Mortgage Corporation (Freddie-Macs) including Federal Home Loan Mortgage Corporation participation certificates
  - 3. Federal National Mortgage Association (FNMA) FNMA - guaranteed pass-through obligations
  - 2. Federal Home Loan Bank or its district banks (FHLB)
  - 1. Federal Farm Credit Bank (FFCB)

Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by United States Government agencies (Federal instrumentalities) which are non-full faith credit agencies limited to the following:

After the Clerk or designee, has determined the approximate maturity date based on cash flow needs and market conditions, a minimum of three (3) banks and or dealers must be contacted and asked to provide bids. To the extent permitted by law, bids will be held in confidence until the highest bid is determined and awarded. If the maturing investment is a certificate of deposit, then one of the contracts shall be the present holder of the funds. Due to the cost of safekeeping, one

BID POLICY

VIII.

To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of no longer than (12) months. Investments of bond reserves, construction funds, and other non-operating funds shall have a term appropriate to the need for funds and in accordance with debt covenants. The maturities of the underlying securities of a repurchase agreement will follow the requirements of Master Repurchase Agreement in the form approved by the Public Securities Association.

INVESTMENT MATURITY AND LIQUIDITY

VII.

H. Any investment authorized or permitted by Florida Statutes or any other law of the State of Florida controlling the investment of a public funds of a County.

The County will not use leverage in its investment portfolio.

Investment in these securities shall be limited to those types previously authorized herein and only be utilized if recommended by the Money Manager.

4. Securities whose future coupon may be suspended because of the movement of interest rates or an index.

3. Tranches of Collateralized Mortgage Obligations (CMOs) with the following characteristics: receives only the interest or principal from the underlying mortgage securities, commonly referred to as "IO's" and "PO's".

determined based upon more than one index.

The Clerk may execute a Third-Party Custodial Safekeeping Agreement with a commercial bank having trust company chartered by the United States Government or the State of Florida. All securities purchased and/or collateral obtained by the County shall be properly designated as an asset of the County and held in safekeeping by the trust department or trust company and no withdrawal of such securities, in whole or in part, shall be made from safekeeping except by the Clerk or designee.

THIRD PARTY CUSTODIAL AGREEMENTS

Repurchase agreements shall only be entered into with primary securities dealers and financial institutions that are state-qualified public depositories.

The Clerk shall only purchase securities from financial institutions that are qualified as public depositories by the Treasurer of the State of Florida, or securities dealers that are members of the National Association of Securities Dealers (NASD) and the Securities Investor Protection Corporation (SIPC) with a physical presence in Florida and having minimum net capital as required by Rule 15c3-1 of the Securities and Exchange Commission (SEC) of \$10 million (\$10,000,000), or primary securities dealers as designated by the Federal Reserve Bank of New York.

AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

The investment portfolio goal shall be to diversify or minimize the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which these instruments are bought and sold. The appropriate management staff shall review and revise periodically as necessary the diversification strategies within the established guidelines.

RISK AND DIVERSIFICATION

business day repurchase agreements and overnight sweep repurchase agreements will not be bid, but may be placed with the depository bank relating to the demand account for which the repurchase agreement was purchased. This bid policy shall not apply to investments authorized in Section VI-A.

XI.

1.

- D. Other internal controls such as :
    - C. The actual obligations or securities, whether in book-entry or physical form, on which trust receipts or confirmations are issued may be held by a third-party custodial bank and/or institution or designated correspondent bank with a correspondent relationship to the County's third-party custodian.
  - B. Trust receipts or confirmations shall fully describe the various obligations or securities held. The receipt or confirmation shall state that the investment is held in the name of Nassau County, Florida.
  - A. The Clerk is authorized to accept on behalf of and in the name of Nassau County, bank trust receipts or confirmation as evidence of actual delivery of the obligations or securities in return for investment of funds. All securities purchased or sold will be transferred only under the "deliver versus payment" (D.V.P.) method to insure that funds or securities are not released until all criteria relating to the specific transaction are met.
- The Clerk shall establish and monitor a system of internal controls designed to protect the County's funds and ensure proper accounting and reporting of the securities transactions.

INTERNAL CONTROLS

XIII.

The Clerk will require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions will adhere to requirements of the Master Repurchase Agreement.

MASTER REPURCHASE AGREEMENT

XII.

The Third-Party Custodial Safekeeping Agreement shall include letters of authority from the County, detail of each party's responsibilities, notification of security purchases, sales, delivery, repurchase agreements, wire transfers, safe-keeping and transactions costs, procedures in case of wire failure, or other unforeseen mishaps including liability of each party.

Treasury Bills

Treasury Securities--State and Local Government Series (SLGS)

Cash Management Bills

1. The Clerk may invest in negotiable direct obligation or obligations, the principal and interest of which are unconditionally guaranteed by the United States Government. Such securities will include, but not be limited to, the following:

B. United States Securities

2. Portfolio Composition - A maximum of 100% of the portfolio may be invested in the SBA

1. Investment Authorization - The Clerk may invest in the SBA

A. Florida Local Government Surplus Trust Fund (SBA)

The guidelines for investments and limits on security issues, issuers, and maturities as established by the County are addressed herein. Purchases of investments based on bond covenant requirements shall not be included in the portfolio's composition calculations.

PORTFOLIO COMPOSITION

XIV.

E. The Clerk will coordinate all daily investment activity. The Clerk has designated the positions of Chief Administrator Assistant and Assistant to the Clerk/Finance as those with the authority to initiate all investment activities; other positions may be designated as Clerk deems necessary.

5. Performance evaluations and interim reporting

4. Supervisory control of employee actions and operations review

3. Custodial safekeeping

2. Adequate separation of duties

1. Written documentation of telephone transactions

Treasury Notes  
 Treasury Bonds  
 Treasury Strips

2. Maturity Limitations - The maximum length to maturity of any direct investment in governmental securities is three (3) years, except for the underlying securities of repurchase agreements and bond funds. The later investments shall conform to the pertinent bond resolution.

C. United States Federal Agencies (full faith and credit of the United States Government)

1. Purchase Authorization - The Clerk or designee may invest in United States Federal Agency securities that include obligations of the:
  - United States Export-Import Bank Direct obligations or fully guaranteed certificates of beneficial ownership
  - Farmers Home Administration Certificates of beneficial ownership
  - Federal Financing Bank Discount notes, notes, and bonds
  - Federal Housing Administration Debentures
  - General Services Administration Participation Certificates
  - Government National Mortgage Association (GNMA)
  - GNMA - Guaranteed mortgage-backed bonds
  - GNMA - guaranteed pass-through obligations
  - United States Maritime Administration
  - New Communities Debentures
  - United States government guaranteed debentures
  - United States Public Housing Notes and Bonds
  - United States Government guaranteed public housing notes and bonds

United States Department of Housing and Urban Development Project notes and local authority bonds

2. Maturity Limitations - Limited to the maturity requirements of the United States Government Securities.

D. Federal Instrumentalities (United States Government Agencies that are non-full faith and credit)

1. Purchase Authorization - The Clerk may invest in Federal Instrumentalities that include obligations of the:

Federal Farm Credit Bank (FFCB)

Federal Home Loan Bank or its district banks (FHLB)

Federal National Mortgage Association (FNMA)

Federal Home Loan Mortgage Corporation (Freddie-Macs) including Federal Home Loan Mortgage Corporation participation certificates

Student Loan Marketing Association (Sallie-Mae)

2. Maturity Limitations - The maximum length to maturity for an investment in any Federal Instrumentality is three (3) years.

E. Non-negotiable Interest-Bearing Time Certificates of Deposit

1. Purchase Authorization - The Clerk may invest in non-negotiable interest-bearing time certificates of deposit or savings account in banks or savings associations organized under the laws of this state and/or in national banks organized under the laws of the United States and doing business and situated in this state, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes, and provided that the bank or savings association is not listed with any recognized credit watch information service.

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment programs, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Clerk any material financial interests in financial institutions that conduct business with the County and shall further disclose any large personal financial or investment positions that could be related to the performance of the County's portfolio. Employees and investment officers shall subordinate their personal investment transactions to those of this jurisdiction, particularly with regard to the timing of purchases and sales.

STANDARD OF ETHICS

XVI.

The Clerk may contract with an outside money manager for investment of County funds.

MONEY MANAGERS

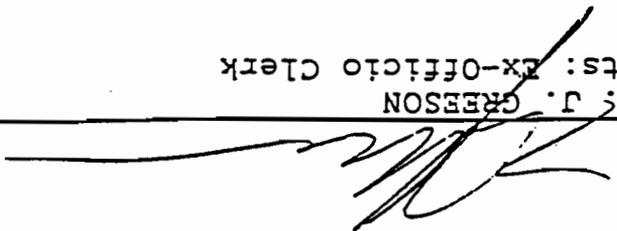
XV.

4. The County will not sell its investments under repurchase agreements or otherwise use its investments as collateral for borrowings other than required by outstanding bond issues.
3. The securities to be purchased will be wired to a designated Federal Reserve Bank and held in a custody account for the County by a national bank.
2. Maturity limitations - The original maturity of the repurchase agreement must be 180 days or less.
1. Purchase Authorization - The Clerk may invest in repurchase agreements based on the requirements set forth by the Master Repurchase Agreement. All firms with which the County enters into a repurchase agreement will have in place an executed Master Repurchase Agreement with the Clerk.

F. Repurchase Agreements

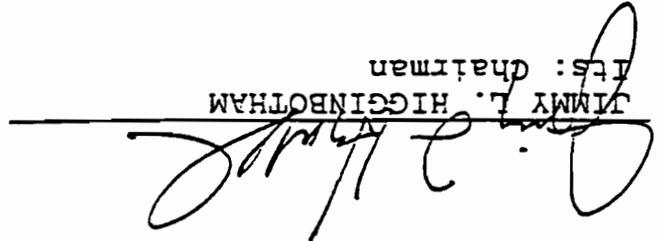
2. Maturity limitations - The maximum maturity of any certificate shall be no greater than one (1) year from the time of purchase.

Ts. J. GREESON  
Its: Ex-Officio Clerk



ATTEST:

JIMMY L. HIGGINBOTHAM  
Its: chairman



BOARD OF COUNTY COMMISSIONERS  
OF NASSAU COUNTY, FLORIDA

The Clerk and designees authorized to invest County funds shall be personally indemnified in the event of investment loss provided investments are made in full compliance with these policies.

INDEMNITY

XIX.

The annual audit of the County's financial records will include a review of all investment activity for the year for compliance with these investment procedures.

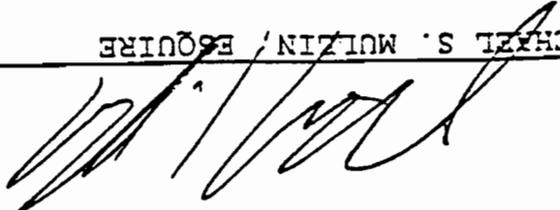
AUDITING

XVIII.

The Clerk shall submit annually to the County Commission an investment report outlining the County's investment transactions for the preceding year and describing the County's investment position as of the date of the report. Earnings on investments shall be compared to the Florida Local Government Surplus Trust Fund (SBA) or its predecessor relative to portfolio performance. Quarterly reports, in addition to the required annual report, will also be provided. Such quarterly reports will show a breakdown of the portfolio as well as performance during the month.

REPORTING

XVII.

  
MICHAEL S. MULZOIN, ESQUIRE

Approved as to form by the  
Nassau County Attorney:



**T. J. "JERRY" GREESON**  
CLERK OF THE CIRCUIT AND COUNTY COURT • NASSAU COUNTY, FLORIDA

P.O. BOX 456  
FERNANDINA BEACH, FLORIDA 32035-0456  
PHONE: (904) 321-5700

CLERK OF THE COUNTY COURT  
RECORDER OF DEEDS  
CLERK OF BOARD OF COUNTY COMMISSIONERS  
CHIEF FINANCE OFFICER FOR NASSAU COUNTY  
COUNTY AUDITOR

Date: 08/01/96

To: NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS

From: T. J. GREESON, CLERK OF COURTS *TJG*

Subject: BANKING REQUEST FOR PROPOSAL SELECTION

On July 1st, 1996, proposals were submitted per bid specifications for banking services from four local banks. Joanna Cason and Cathy Lewis of my staff along with A. B. Farmand of Farmand, Farmand, and Farmand, P.A. reviewed the proposals to determine the best one for Nassau County. A RFP proposal summary is attached. Based upon their review, I recommend that Nassau County Board of County Commissioners award the banking services bid to First Union National Bank, accepting their option A "Public Fund NOW Account." The deciding factors in this recommendation are:

1. Lowest banking services cost, and thus lowest compensating balance requirement.
2. Branch on west side of Nassau County.
3. Earnings rate on deposits/investment best at average effective federal funds rate less 19 basis points.

Request Board award the Banking Services bid to First Union for their "Public Funds NOW Account" proposal, and the Board approve the Chairman to sign contract and other necessary forms once reviewed by my office and the County Attorney.

Enc. RFP Banking Proposal Summary

RFP BANKING PROPOSAL SUMMARY  
 NASSAU COUNTY

CRITERIA	BARNETT REPMONMKT	BARNETT NOW A/C	1ST COAST REPO	1ST UNION NOW A/C	1ST UNION B MONEY MGR	SOUTHTRUS REPO	SOUTHTRUS MONEY MKT
a. Complete response to all required items on standard form.	yes	yes	yes	yes	yes	yes	yes
b. Aggregate banking services cost	7369.29	6652.04	6563.1	5489.52	8909.52	1048.66	10490.66
Balance required for \$1 svc	228.18	228.18	239.75	236.6	236.6	315	315
Compensating Balance required	140127.62	126489.3	1311.26	108235.04	175666.04	181281.09	181281.09
c. Ability to meet current and projected service requirements over the term of this banking agreement	pc access branches in FB&Callahan direct deposit lockbox svcs reconciliation svc available	pc access branches in FB&Callahan direct deposit lockbox svcs reconciliation svc available	no pc access branches in FB & Chester direct deposit can do	pc access branches in FB & Callah direct deposit lockbox svcs reconciliation svc available	pc access branches in FB & Callah direct deposit lockbox svcs reconciliation svc available	pc access branches in FB only direct deposit lockbox svcs reconciliation svc available	pc access branches in FB only direct deposit lockbox svcs reconciliation svc available
d. Capability to handle on-line wire transfer request by the County to the bank or holding company bank.	yes	yes	yes	yes	yes	yes	yes
e. Lowest minimum balances on repurchase agreements	repo 100000 ETS 50000	n/a	25000 w/ 5000 incr	n/a	5000 w/ 1000 incr	100000 w/ 10000 incr	n/a
f. Best availability schedule for deposit items	1day Jax 100% 1-2day other%	1 day Jax 100% 1-2day other%	1day Jax 2 day other	1day Jax 1-2 day other	1day Jax 1-2 day other	1day Jax 100% 1-2other 95%	1day Jax 100% 1-2other 95%
g. Proposed earnings rate on repurchase agreements	repo effr-.25bp ETS fund perf	avg ffr-.25bp	avg ffr-.20bp	avg effr-.19bp	fund perform	effr-.35bp <1 mill effr-.25bp 1-5mil effr-.15bp 5-10m effr-.5bp 10-15m	LIBOR rate less 15 bp
h. Ability to provide adequate collateralization for deposits and investments	QPD REPO- margin@110% city's name @ Barnett Trust ETS- money market mutual fund in city's name	QPD pledge collateral per F. S. 280 presently @ 50%	QPD blocks of securities for all repos not just city's	QPD pledge collate city owns securities	QPD city owns securities	QPD pledge collateral per proposal ratios, not in county's name	QPD pledge collateral per proposal ratios, not in county's name
i. Ability to meet credit worthiness test	see form	see form	see form	see form	see form	see form	see form

July 1, 1996

Mr T. J. Greson  
Clerk of the Circuit Court  
Nassau County Courthouse  
416 Centre Street  
Fernandina Beach, FL 32034

Dear Mr. Greson:

First Union National Bank of Florida is most pleased to submit this banking services proposal to continue to serve the banking and financial needs of Nassau County. We believe you will find our response to your request for proposals to be complete, comprehensive and competitive. First Union recognizes that to be successful, not only must we offer the most competitive products, but also quality customer service. Our total commitment to quality service and progressive technology has enabled First Union to offer more banking services to government units than any other bank in Florida. We have been, and will continue to be, a leader in the advancement of new technology.

The State Treasurer has certified First Union National Bank of Florida as a Qualified Public Depository pursuant to Section 280, Florida Statutes. If successful, First Union would service this account relationship from our Centre Street office, at 402 Centre Street, Fernandina Beach, Florida, 32034.

We look forward to your examination of our presentation and review of our credentials. Should you have any questions resulting from the review of our proposal, we would be pleased to answer them or arrange for an interview as you best decide.

Thank you for the opportunity to bid on this relationship. We look forward to hearing from you at your convenience.

Very truly yours,

FIRST UNION NATIONAL BANK OF FLORIDA



Kelly B. Madden  
Vice President

JUNE 1996

REQUEST FOR PROPOSAL

BANKING SERVICES

NASSAU COUNTY

**REQUEST FOR PROPOSAL**

**NASSAU COUNTY BANKING SERVICES**

**I. Introduction**

**A. Objective**

The objective of this Request for Proposal is to identify the banking institution that can offer the highest quality service at the lowest cost to the taxpayers. This objective is similar to all other goods and services placed on competitive approach by Nassau County.

**B. Instructions**

**1. Sealed Proposals:** Responses to this Request shall be submitted in a sealed envelope, clearly identified as:

**PROPOSAL  
BANKING SERVICES**

and mailed to:

Mr. T. J. Greeson  
Clerk of the Circuit Court  
Nassau County  
Post Office Box 456  
Fernandina Beach, FL 32035-0456

or delivered to:

Mr. T. J. Greeson  
Clerk of the Circuit Court  
Nassau County Courthouse  
416 Centre Street  
Fernandina Beach, FL 32034

**2. Responses:** Each proposer shall submit only one proposal. This proposal shall be on the standard forms provided. Supporting material may be submitted; however, the decision in selecting the most responsive proposer will be based on the standard proposal form provided, and in response to the specific information requested. The County shall not be liable for any cost incurred in the preparation or delivery of the proposal.

3. **Questions and Additional Information:** Telephone questions to individuals within the County Government are not encouraged, but will be permitted with explicit proviso that any responses thus obtained, are not binding on the bidding process or upon the award of the contract. Request for clarification or additional information should be made to:
- Mr. T. J. Greeson  
 Clerk of the Circuit Court  
 Nassau County  
 Post Office Box 456  
 Fernandina Beach, FL 32035-0456  
 (904) 321-5722
4. **Schedule:** The following schedule will be adhered to:
- June 10, 1996* Distribution of Request for Proposals
- July 1, 1996* Proposals must be in the possession of the Clerk of Courts by 2:00 P.M. on this date
- July 22, 1996* Ex-Officio Clerk submits recommendation to County Commission-for award
- September 1, 1996* Implementation date for this banking contract
5. **Selection Criteria:** The following criteria will be used to evaluate the response and to select the winning bank:
- a. Complete response to all required response items on the standard form;
- b. Aggregate banking services cost, per identified activity and corresponding compensating balances;
- c. Ability to meet current and projected service requirements over the term of this banking agreement (any past experience with the bank will be taken into consideration);
- d. Capability to handle on-line wire transfer requests by the County to the bank or the holding company bank;
- e. Lowest minimum balances on repurchase agreements;
- f. Best availability schedule for deposit items;

In the event that the proposer to whom the services are awarded does not execute a contract within thirty (30) calendar days after the award of the bid, the County may give notice to such proposer of intent to award the contract to the next most qualified proposer or to call for new proposals and may proceed to act accordingly. The County assumes no cost by the proposers in preparation of this proposal.

- b. In the event that the proposer to whom the services are awarded does not execute a contract within thirty (30) calendar days after the award of the bid, the County may give notice to such proposer of intent to award the contract to the next most qualified proposer or to call for new proposals and may proceed to act accordingly. The County assumes no cost by the proposers in preparation of this proposal.
- a. The County reserves the right to reject any or all proposals, to waive any irregularities or informalities in any proposal or in the proposal procedures, and to accept or reject any item or combination of items. The award will be to the proposer whose proposal complies with all aspects of proposer's response, including the total net cost to the County. Exceptions to any specification must be placed on EXHIBIT B and will be costed in the final analysis of the proposal. Failure to include an exception on EXHIBIT B will render the exception as invalid and the proposer will be treated as being in compliance with the specification, regardless of intent.

**6. Terms and Conditions:**

When the County has tentatively selected the successful proposer, a conference may be requested to formulate plans in greater detail, to clarify any unclear items, and to otherwise complete negotiations prior to the formal award. At any time during the conference(s), the County may choose to modify its choice of a selected proposer, if the County in its discretion, determines that such a change is in the best interest of the County. In evaluating the proposals received, the County may make use of outside independent banking services consultants.

- i. Ability to meet credit worthiness test.
- h. Ability to provide adequate collateralization for deposits and investments; and
- g. The proposed earnings rate on repurchase agreements;
- f. Best availability schedule for deposit items;
- e. Lowest minimum balances on repurchase agreements;

- c. The standard proposal form indicates an estimate of the number of transactions for the year. This number is the County's best estimate of the average volume and the County in no way guarantees the numbers as minimum or maximum volumes.
- d. By submitting a proposal, the proposer certifies that he/she has fully read and understands this RFP and has full knowledge of the scope, nature, quantity and quality of work to be performed, the detailed requirements of the services to be provided and the conditions under which the services are to be performed.
- e. Recapitulations of the work proposed on, or any other *modification from the service requirements*, can result in the rejection of the proposal as not being responsive to this RFP, unless the exceptions are properly noted on EXHIBIT B.
- f. The contract may be terminated by either party by giving written notice to the other party no later than ninety (90) calendar days before the proposed termination date. This provision may be exercised only after the contract has been in effect for three (3) calendar months. The bank shall be entitled to just and equitable compensation for any satisfactory work completed to the termination date. Under no circumstances will any damages be paid as a result of the termination of this contract.
- g. Qualified proposing banks must meet the following *minimum criteria*:
  - i. Maintain its home office or a *full service* branch bank within Nassau County;
  - ii. Certification as a "Qualified Public Depository" under the Florida Security for Public Deposits Act (Chapter 280 of Florida Statutes); and
  - iii. Submit financial statements for the past two fiscal years (must include an auditor's unqualified opinion and appropriate notes to financial statements);
- h. Proposers must guarantee the numbers in their bids for a minimum of sixty (60) days.
- i. Failure to comply with any of the terms and conditions of this RFP by the awarded bank will be cause for termination of the "Banking Contract" to be entered into.

**II. SCOPE OF BANKING SERVICES**

**A. General**

The banking services detailed in this section will be performed for the County on a contractual basis for *three years*, with county option to renew for an additional *two year* period. It is the intent of the County that a single bank provide all banking service specified in this proposal.

**B. Accounts Included**

The following bank accounts and entities are included in this RFP:

- Concentration Account
- Payroll Account
- Disbursements Account
- Workmen's Compensation Account

This RFP does *not* include bank accounts associated with:

- Nassau County Tax Collector
- Nassau County Property Appraiser
- Nassau County Clerk of the Court
- Nassau County Sheriff

The estimated volume of transactions included in this RFP does not contain transactions from the above excluded accounts.

**C. Account Structure**

The County desires to maximize its cash availability through the use of concentration and zero-balance accounts. This account structure will be comprised of a Concentration Account, and three zero-balance accounts (Payroll, Disbursements and Worker's Compensation). On an operational basis, all disbursements will flow through the zero-balance accounts. All available balances will be maintained in the Concentration Account. The Disbursements, Payroll and Worker's Compensation Zero-Balance Accounts will be reimbursed at the close of the business day or at the opening of the business day following the day the checks are presented for payment, depending on the bank's policy. These zero-balance accounts will always have a zero ledger balance at the beginning of each business day.

If the bank wishes to submit an alternative to the above account structure, an exception should be noted on Exhibit B and detailed information attached.

The County reserves the right to open additional zero-balance accounts during the contract period at the price proposed in this proposal provided the awarded bank is furnished notification at least thirty (30) calendar days prior to the proposed implementation date.

1. Concentration Account

The purpose of this account is to concentrate the cash balances on a daily basis. This account will contain the only cash balance within the entire account structure. This account will serve as the principal account for all deposits into the overall account structure. Deposit items will not be encoded or sorted by the County. Bank encoding errors are to be corrected within 72 hours after notification by the County at no cost to the County. It is the County's intent to maintain a single compensating balance in a zero-interest rate time deposit to support activity costs for all accounts. Accordingly, this time deposit will not be considered part of the account. Incoming and outgoing wire transfers will be made to and from this account principally for investment purchases and sales.

The Payroll Account, Disbursements Account and Worker's Compensation Account will not have any deposit transactions.

Appropriate balances will be transferred from the Concentration Account to the Payroll Account, Disbursement Account and Worker's Compensation Account (and, if any, other zero-balance accounts) at the end of the business day, or at the beginning of the next business day to cover the amount of checks presented the previous day in each of the three zero balance accounts. It is not expected that the Concentration Account will have any disbursements (checks) transactions.

On a daily basis, the County will obtain information of balance available for investment via use of an in-house PC and modem connected to bank's computer.

Any balances remaining in the Concentration Account at 2:00 P.M., along with all incoming wire transfers received prior to 5:00 P.M., will be automatically invested in an overnight repurchase agreement by the bank in accordance with provisions in Section II, F, Automatic Daily Repurchase Agreement.

Deposits will be made periodically during the business day (9:00 A.M. to 2:00 P.M. or later depending on the bank) to a designated cashier or location mutually agreed on by the County and awarded bank. If your bank has adopted an earlier cutoff time than 2:00 P.M., then please note this exception on EXHIBIT B.

**D. Availability of Funds**

Transfers between the accounts will be charged to the County only as transfers and not also as items deposited and checks paid.  
At the end of the business day, the zero-balance accounts will be debited for all checks presented during the day. At the close of the business day, the total amount debited will be transferred from the Concentration Account and credited to the zero-balance account.  
The zero-balance accounts will operate on the following basis:

Other accounts may be established over the contract term by the County. These accounts will function essentially the same as the three zero-balance accounts indicated above.

**5. Other Zero-Balance Accounts**

This account will be used solely to process worker's compensation disbursements. There will not be any direct deposits into this account, except for the bank transfer to cover checks presented for payment.

**4. Worker's Compensation Account (Zero-Balance Account)**

This account will be used solely to process disbursements for accounts payable. There will not be any direct deposits into this account, except for the bank transfer to cover checks presented for payment.

**3. Disbursements Account (Zero-Balance Account)**

This account will be used solely to process payroll disbursements to employees. There will not be any direct deposits into this account, except for the bank transfers to cover checks presented for payment.

**2. Payroll Account (Zero-Balance Account)**

At any time this service is performed, the interest rate on the repurchase agreement will be tied to the effective Federal Funds rate. An interest rate method is to be included in the proposal (EXHIBIT A).

The awarded bank agrees to automatically invest the *available* balance in the Concentration Account on the bank's books at 2:00 P.M. in an open repurchase agreement. The balance on the books at 2:00 p.m. is interpreted to include wire transfers from the previous business days' s repurchase agreement. The County acknowledges that the bank may have certain minimum amounts for repurchase agreement.

**F. Automatic Daily Repurchase Agreement**

The awarded bank shall include the total proceeds (including interest) returned to the bank from any bank-initiated repurchase agreement from the previous business day.

The awarded bank will be required to notify the County's Finance Department via personal computers modem hookup, no later than 9:30 a.m. of the available balance for investment in the Concentration Account.

**E. Daily Balance Report**

All other checks will be based on the awarded bank's "availability schedule". Proposing banks required to attach a copy of their current "availability schedule" to the proposal. Awarded bank agrees to notify the County, in writing, of any changes to the schedule. County reserves the right to periodically audit the awarded bank's compliance with the existing "availability schedule".

Incoming transfers comprised of principal and interest from bank-initiated repurchase agreements shall be credited to the County's Concentration Account by 9:00 a.m.

- a. Incoming Wire Transfers - same day credit regardless of time of receipt when properly notified by the County before 2:00 p.m. when the County has not notified the bank will be given same day credit.
- b. Incoming transfers comprised of principal and interest from bank-initiated repurchase agreements shall be credited to the County's Concentration Account by 9:00 a.m.

Awarded bank agrees to credit the County's Concentration Account for selected items according to the following schedule:

On the next business day, the bank agrees to transfer to the Concentration Account sufficient funds to cover transfers to the zero-balance accounts on each business day, plus interest earned, no later than 9:00 A.M.

It is the intent of the County to actively manage its investments in accordance with adopted County investment policy. The Automatic Daily Repurchase Agreement service is requested principally as a back-up to the County's investment program.

Repurchase agreements will be made only for investments as authorized in Resolution 95-144 Section VI, F., and will be evidenced by a written Master Repurchase Agreement similar to EXHIBIT D. Actual terms contained in Annex I will be subject to negotiation, however no changes will be allowed to the basic agreement itself.

It will be necessary for the awarded bank to *fully* describe the underlying security, along with a safekeeping receipt number, as appropriate. Safekeeping will be performed along the general guidelines as specified in the Master Repurchase Agreement. It is the County's intention to negotiate a separate Safekeeping/Repo Agreement with the Awarded bank that will specify safekeeping at the Federal Reserve Bank. In all cases a separate custodial agreement in the name of Nassau County will be established as a sub-account of the awarded bank's safekeeping account at the Federal Reserve Bank. Additionally, the release of any securities pledged in safekeeping, must be predicated on the approval and written release of Nassau County, consistent with the operating policies of the Federal Reserve Bank and the terms of the Safekeeping Agreement. Please provide safekeeping charges, based on the above description, as part of your proposal. Any exceptions should be noted on EXHIBIT B.

In the event that a satisfactory safekeeping agreement can not be negotiated with the awarded bank, the County reserves the right to negotiate a safekeeping agreement with a third party bank.

G. Wire Transfers

Incoming

The awarded bank agrees to make timely execution of any orders for outgoing wire transfers. The County agrees to notify a designated person at the bank prior to any outgoing wire transfers. Wire transfers ordered by noon and not received by the designation party by 2:00 P.M. will be traced by the bank from origin to destination to ascertain the party responsible for delaying the transfer. If necessary, adjustments will be made for any lost interest, or charges resulting from

If your reconciliation service includes features not mentioned above, then please describe along with any incremental costs involved.

- a. Return of all canceled checks, sorted by check number on a monthly basis.
- b. Return of all other items, such as debit and credit memos in date order on a monthly basis.

The awarded bank will provide partial reconciliation service for all accounts specified in this RFP. Reconciliation services include at least the following requirements:

**H. Account Reconciliation**

The County desires to enter into a "Wire Transfer Agreement" with the awarded bank for all wire transfers incoming and outgoing. Please provide a copy of your bank's Wire Transfer Agreement, if available.

Bank agrees to provide wire transfer number and date and time for problem wire transfers, at the request of the County.

The County desires to use a bank that has on-line capabilities with the "Fed Wire" either locally, or at another location within the bank (such as the holding company). Please indicate your bank's capabilities in providing this service.

**Other**

The awarded bank agrees to make timely execution of any orders for outgoing wire transfers. The County agrees to notify a designated person at the bank prior to noon of any outgoing wire transfers. Wire transfers ordered by noon and not received by the destination party by 2:00 P.M. will be traced by the bank from origin to destination to ascertain the party responsible for delaying the transfer. If necessary, adjustments will be made for any lost interest, or charges resulting from a "fail" to consummate an investment transaction.

**Outgoing**

The County intends to carefully monitor the time of receipt for all wire transfers. Continued delay in receipt of wire transfers for which the bank is at fault may constitute sufficient cause for termination of the banking service contract, as specified in Section I.6.F.

a "fail" to consummate an investment transaction, or charges resulting from a failure to maintain the target balance.

- 1. All returned checks due to insufficient funds will be automatically redeposited a second time. If a check is returned a second time, the bank will return the check to the County in its normal manner.
- 2. Although the County intends to pay for all services specified within this RFP, there are services and documents which the banks customarily provide at no cost. These include, but are not limited to: pre-printed deposit slips, stop payments, coin wrappers, deposit bags with keys, and investment advisory services.
- 3. All debit and credit memos required to adjust errors caused by the bank will not be charged to the County.
- 4. The bank agrees to provide MICR check specifications to the check printer.
- 5. If the County determines that additional services are required after the contract is in effect, additional services may be added for amounts mutually agreeable to the bank and the county.
- 6. The county requests that the proposer specify any other services it may offer to the county as part of its proposal, by attaching information and associated costs to Exhibit A.

**K. Other Banking Services**

The County requests that the proposing banks provide the names of designated account executive, as well as an alternate. The designated account executives *must* have the authority to make timely decisions in the normal course of business without having to refer to other people within the bank.

**J. Designated Account Executive**

Monthly bank statements will be for the full calendar month and will be delivered to the County's Finance Department within ten (10) days after the end of the month.  
The Monthly Service Charge Report for a particular month will be completed and delivered to the Finance Department within ten (10) days after the end of the month. See EXHIBIT D for example.

**I. Statement and Advice Frequency**

III PROPOSALS

A. *Explanation of Proposal Form*

Use of the Proposal Form (EXHIBIT A) or a copy thereof is required of all proposers. No proposal will be considered without amounts being placed on this form. If the bank is unable to meet or exceed the requirements specified, then the phrase "No Proposal" should be entered for that particular item.

The proposal will be on a variable cost basis. Under the variable cost method, actual monthly services will be counted and the volume of transactions will be computed to determine the compensating balance required to support the activity. The County reserves the right to eliminate any individual service contained in the bid, if based on analysis, the fees for providing the service are excessive, or if the service proposed can be administratively performed in an alternative manner.

B.

*Completion of Proposal Form*

Each bank should review the proposal form and price each service specified. Per item charges should be extended to the "Annual Charges" column. The total of this column will be entered on the line "Total Proposed".

The "Total Proposed" is then divided by twelve (12) to arrive at an average monthly amount. This amount is then multiplied by the amount of "Balance Required to Support \$1.00 of Services". The following is specified to calculate the "Balance Required to Support \$1.00 of Services":

$$\frac{365}{\# \text{ of days in current month}} \cdot (\text{Reserve Requirement}) \cdot \text{Earnings Allowance}$$

This formula provides for the individual bank's reserve requirements and uniform earnings allowance in the proposal calculations. Proposing banks should enter their individual reserve requirements, as of May 1, 1996. The banks should use a zero (0) percent interest rate certificate of deposit (CD) for the monthly compensating balance to reduce the reserve requirement to three (3) percent from twelve (12) percent. This CD will change monthly as the compensating balance changes. The earnings allowance will be based on the average bond equivalent yield (BEY) or coupon for a given month. Generally, this information is available in the Tuesday Wall Street Journal. Banks will use the auction results for the month of May 1996 (coupon equivalent yield only) in calculating the compensating balance for this RFP.

In summary, the banks are to provide an annualized total for all service charges. This total is to be divided by twelve (12) to arrive at an average monthly amount for service charges. A calculation is required by the bank to determine "Balance Required to Support \$1.00 of Services". Banks will calculate this reserve requirement as of May 1, 1996 and the average coupon equivalent yield for the four weekly three (3) month Treasury Bill auctions during May 1996. A second calculation multiplying the average monthly balance by "Balance Required to Support \$1.00 of Services" is necessary to determine an average "Required Monthly Compensating Balance". Banks are required to show all computations on EXHIBIT A-1.

The county prefers the above approach in lieu of an annual compensating balance requirement since it allows for variation in transaction cost and activities, average yields and any changes in the reserve requirement. The cost per item, can be adjusted in accordance with the provisions in Section III.C. The Proposal Form requires all banks to calculate a monthly compensating balance amount to acquaint them with the calculations necessary. The county is primarily interested in the "Total Proposed", the reserve requirement and an overall understanding of the calculations necessary. *Improper calculation of the "Required Monthly Compensating Balance" may render the proposal invalid.* The selection criteria identified in I.B.5 remains as the overall criteria to be used. If the bank uses an alternative calculation, please note and explain on Exhibit B.

*Monthly Service Charge Calculations*

The awarded bank will prepare on a monthly basis a billing for services rendered. The billing will be prepared in a format similar to the proposal form. See EXHIBIT D.

Total service charges will be calculated based on the actual number of transactions for a month multiplied by the fixed charge per item. The total service charge for a month will be converted to a "Required Monthly Compensating Balance" by multiplying the total service charge by the amount of the "Balance Required to Support \$1.00 of Services".

The "Balance Required to Support \$1.00 of Services" will be calculated according to the formula used in Section III.B Completion of Proposal Form. The variables in the formula will change monthly during the contractual period, but remain fixed during a given month. The monthly variables are identified as follows:

THE COUNTY PREFERS THE ABOVE APPROACH IN LIEU OF AN ANNUAL COMPENSATING BALANCE REQUIREMENT SINCE IT ALLOWS FOR VARIATION IN TRANSACTION COST AND ACTIVITIES, AVERAGE YIELDS AND ANY CHANGES IN THE RESERVE REQUIREMENT. THE COST PER ITEM, CAN BE ADJUSTED IN ACCORDANCE WITH THE PROVISIONS IN SECTION III.C. THE PROPOSAL FORM REQUIRES ALL BANKS TO CALCULATE A MONTHLY COMPENSATING BALANCE AMOUNT TO ACQUAINT THEM WITH THE CALCULATIONS NECESSARY. THE COUNTY IS PRIMARILY INTERESTED IN THE "TOTAL PROPOSED", THE RESERVE REQUIREMENT AND AN OVERALL UNDERSTANDING OF THE CALCULATIONS NECESSARY. *IMPROPER CALCULATION OF THE "REQUIRED MONTHLY COMPENSATING BALANCE" MAY RENDER THE PROPOSAL INVALID.* THE SELECTION CRITERIA IDENTIFIED IN I.B.5 REMAINS AS THE OVERALL CRITERIA TO BE USED. IF THE BANK USES AN ALTERNATIVE CALCULATION, PLEASE NOTE AND EXPLAIN ON EXHIBIT B.

contract.

The number of days will be based on the actual days in the last month of the

Average Daily Balance	\$150,000
Required Compensating Balance	\$140,000
Difference	\$ 10,000
Times Treasury Bill Rate	.0132
Payment or Account Debit	<u>\$ 131.92</u>

If at the end of the contractual period, the compensating balance is less than the "Required Monthly Compensating Balance" and the bank is not awarded a renewal contract, then the parties will settle the differences with the bank by payment or account debit. Payment will be determined by multiplying the differences in the balances by the average moving coupon yield on three (3) month Treasury bill auction of the previous 6-month period. For example:

For example, during October the required monthly compensating balance was \$100,000. However, based on calculations for October, it was determined that the required compensating balance should have been \$103,000 for October. Consequently, the required compensating balance for the month of November will be \$103,000. Once calculations are performed for November, any revisions to the required compensating balance will be made for December, and so on.

**EXHIBIT A of your proposal.**

Due to the time lag in determining actual transactions and in calculating the formula, there will be a one-month lag between the calculations and the implementation of the "Required Monthly Compensating Balances". For example, the required compensating balance for the month of September will be calculated during the month of October and implemented during the month of November. This process will allow the County an opportunity to review the service charges, earnings allowance and required reserves during the calculation month before they are implemented. Consequently, there will also be a lag at the end of the contract that will require special treatment as detailed later in this section. The initial compensating balance for the month of July will be the amount submitted on

The resulting compensating balance will be established as a zero-interest rate time deposit and will not be part of the Concentration Account.

- actual number of days in a month (28-31 days)
- actual reserve requirement (periodically)
- actual yields from the weekly three month Treasury Bill auctions (coupon equivalent yield only)

All banks are requested to complete the form "Proposal for Banking Services", attach the requested forms, reports and Exhibits and return the package to the County in accordance with the instruction in Section I.B.

The County intends to enter into a formal Banking Services Contract with the awarded bank which will incorporate all provisions of the Request for Proposal. Additional terms and conditions will not be included in the contract unless mutually agreed to by both parties.

#### IV. SUMMARY

- The per-item charge (or portion thereof) will change only for corresponding adjustments in the Federal Reserve System's Fee Schedules, on or after the effective date of the adjustments.
  - Changes in the Federal Reserve Fee Schedules must be final, and not proposed.
  - Awarded bank will provide the County a copy of the Federal Reserve System's notification supporting the adjustment, with the "Monthly Service Charge Report".
- If the "Average Daily Balance" exceeds the "Required compensating Balance" then there will be a corresponding adjustment by the awarded bank to the County. It is the intention of the county that all per item charges remain fixed over the life of the initial three year contract. However, the County recognizes that an adjustment in a per item charge may be necessary based on price changes by the Federal Reserve System. Adjustments in per item charges will *only* be allowed by complying with the following conditions:

**PROPOSAL FOR BANKING SERVICES**

**NASSAU COUNTY**

*PROPOSAL SUBMITTED BY:*

**BANK**  
 \_\_\_\_\_  
**ADDRESS**  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
**TELEPHONE**  
 \_\_\_\_\_

This proposal contains all the information requested in the Request for Proposal, including the following exhibits:

1. Exhibit A: Consolidated Proposal Form
2. Exhibit A-1: Calculation Supporting Balance Required to Support \$1.00 of Services
3. Exhibit B: Exceptions to this Proposal
4. Bank's Availability Schedule(s)
5. Bank's Audited Financial Statements for the previous two (2) years
6. Wire Transfer Agreement
7. Master Repurchase Agreement
8. Annex II : Name and Addresses for Communications
9. Credit Evaluation Form
10. Resolution 95-144 Nassau County Investment Policy

\_\_\_\_\_  
**Signature**

\_\_\_\_\_  
**Typed Name**

\_\_\_\_\_  
**Title**

\_\_\_\_\_  
**Date**

NASSAU COUNTY BANKING SERVICES  
PROPOSAL FORM

BANK

A. BANKING DEPOSITORY SERVICES

ANNUAL SERVICE CHARGES	CHARGE PER ITEM	ESTIMATED ANNUAL VOLUME
------------------------	-----------------	-------------------------

Account Maintenance	48	
Checks Paid:		
Accounts Payable	7,500	
Payroll	5,800	
Worker's Comp	300	
Items Deposited	4,056	
Returned Checks	50	
Stop Payments	15	
Wire Transfers:		
Incoming	200	
Outgoing	48	
Bank Transfers Between		
Accounts	756	
Telephone Calls	48	
P. C. Modern Access	252	
Monthly Service Charge		12
Report		
Checks Sorted by		17,656
Number		
Other Services		
Daily Repurchase	252	
Agreement		
Safekeeping Fees	252	

Total Proposed (Total /12)

Average Monthly Amount	\$	
Balance Required to Support \$1.00 of	\$	
Services (Exhibit A-1)	\$	
Required Monthly Compensating Balance	\$	
Minimum Amounts Required for Open Repurchase Agreement:	\$	
Initial Amount	\$	
Increment	\$	

G. Provide description of on-line "fed-wire" capabilities.

F. Bank contact for contract.

E. Describe any other services and related costs not specifically requested, but which are offered by the proposer.

D. Describe investment services offered.

C. Latest time transactions will be posted and be included as current day business.

B. Rate quotation on repurchase agreement.

NASSAU COUNTY BANKING SERVICES PROPOSAL FORM  
PROPOSAL FORM

EXHIBIT A  
(continued)

1. Do not use the discount rate for the Treasury Bill auction. Only the *Coupon Equivalent Yield* will be accepted.
2. If the bank uses another method, please note on Exhibit B and attach supporting documentation.

**INFORMATION REGARDING THE EXHIBIT**

---

	Average
	May 6, 1996
	May 13, 1996
	May 20, 1996
	May 28, 1996
	Average

COUPON EQUIVALENT
3-MONTH TREASURY BILL AUCTION

1. Banks should use required reserve rate as of May 1, 1996.
2. Complete the following for Earnings Allowance:

NOTES:

**CALCULATION SUPPORTING**  
**"BALANCE REQUIRED TO SUPPORT \$1.00 OF SERVICES"**

$$\frac{365}{\# \text{ of days in current month}} \cdot (1 - \text{Reserve Requirement}) = \text{Earnings Allowance}$$

PAGE

ITEM

*The Bank wishes to take exceptions to the following items:*

**NASSAU COUNTY BANKING SERVICES  
PROPOSAL EXCEPTION FORM**

**EXHIBIT B**

EXHIBIT C

NASSAU COUNTY BANKING SERVICES  
REQUEST FOR PROPOSAL

MONTHLY SERVICE CHARGE REPORT

199

MONTHLY CHARGES	TRANSACTION	VOLUME	PER ITEM CHARGE	BANK DEPOSITORY SERVICES
-----------------	-------------	--------	-----------------	--------------------------

Account Maintenance

Checks Paid:

Accounts Payable

Payroll

Worker's Compensation

Items Deposited:

Other (non-lock box)

Returned Checks

Stop Payments

Wire Transfers:

Incoming

Outgoing

Bank Transfers Between

Accounts

Daily Report on

Concentration Account

Monthly Service Charge

Report

Account Reconciliation

Checks Sorted

OTHER SERVICES

Daily Repurchase

Agreements

Safekeeping Fees

Total Monthly Service Charges (a) \$

Balance Required to Support \$1.00 of Services (b) \$

Existing Compensating Balance \$

Difference - overage or (deficiency) \$

Month to Implement \_\_\_\_\_ -199

Please attach copies of notification from Federal Reserve System regarding changes in their fee schedule to support changes in your per item price.

If Reserve Requirement is changed by Federal Reserve Board, please attach Press Release to evidence change. (Use only time deposit reserve requirement)

Note:

DATE	COUPON EQUIVALENT	AVERAGE
	%	%
	%	
	%	
	%	
	%	

Results of Three (3) Month Treasury Bill Auction for the Month:

$$\frac{\text{(earnings allowance) (1)}}{\text{=}} = \$$$

$$\frac{365}{\text{# of days}} \div (1 - \text{required reserves})$$

Calculation to Support \$1.00 of Services:

**ATTACHMENT**  
**NASSAU COUNTY BANKING SERVICES**  
**MONTHLY SERVICE CHARGE REPORT**

(a) "Act of Insolvency", with respect to any party, (i) the commencement by such party as debtor of any case or proceeding under any bankruptcy, insolvency, reorganization, liquidation, dissolution or similar law, or such part seeking the appointment of a receiver, trustee, custodian or similar official for such party or any substantial part of its property, or (ii) the commencement of any such case of proceeding against such party, or another seeking such an appointment, or the filing against a party of an application for a protective decree under the provisions of the Securities Investor Protection Act of 1970, which (A) is contested to or not timely contested by such party, (B) results in the entry of an order for relief, such an appointment, the issuance of such a protective decree or the entry of an order having a similar effect, or (C) is not dismissed within 15 days, (iii) the making by a party of a general assignment for the benefit of creditors, or (iv) the admission in writing by a party of such party's inability to pay such party's debts as they become due.

**2. DEFINITIONS**

From time to time the parties hereto may enter into transactions in which one party ("Seller") agrees to transfer to the other ("Buyer") securities or financial instruments ("Securities") against the transfer of funds by Buyer, with a simultaneous agreement by Buyer to transfer to Seller such Securities at a date certain or on demand, against the transfer of funds by Seller. Each such transaction shall be referred to herein as a "Transaction" and shall be governed by this Agreement, including any supplemental terms or conditions contained in Annex I hereto, unless otherwise agreed in writing.

**1. APPLICABILITY**

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

AND:

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

BETWEEN:

DATED AS OF:

**MASTER REPURCHASE AGREEMENT (EXAMPLE)**

- (b) "Additional Purchased Securities", securities provided by Seller to Buyer pursuant to Paragraph 4(a) hereof;
- (c) "Buyer's Margin Amount", with respect to any Transaction as of any date, the amount obtained by application of a percentage (which may be equal to the percentage that is agreed to as the Seller's Margin Amount under subparagraph (q) of this Paragraph), agreed to by Buyer and Seller prior to entering into the Transaction, to the Repurchase Price for such Transaction as of such date;
- (d) "Confirmation", the meaning specified in Paragraph 3(b) hereof;
- (e) "Income", with respect to any Security at any time, any principal thereof then payable and all interest, dividends or other distributions thereon;
- (f) "Margin Deficit", the meaning specified in Paragraph 4(a) hereof;
- (g) "Margin Excess", the meaning specified in Paragraph 4(b) hereof;
- (h) "Market Value", with respect to any Securities as of any date, the price for such Securities on such date obtained from a generally recognized source agreed to by the parties or the most recent closing bid quotation form such a source, plus accrued income to the extent not included therein (other than any Income credited or transferred to, or applied to the obligations of, Seller pursuant to Paragraph 5 hereof) as of such date (unless contrary to market practice for such Securities);
- (i) "Price Differential", with respect to any Transaction hereunder as of any date, the aggregate amount obtained by daily application of the Pricing Rate for such Transaction to the Purchase Price for such Transaction on a 360 day per year basis for the actual number of days during the period commencing on (and including) the Purchase Date for such Transaction and ending on (but excluding) the date of determination (reduced by any amount of such Price Differential previously paid by Seller to Buyer with respect to such Transaction);
- (j) "Pricing Rate", the per annum percentage rate for determination of the Price Differential;
- (k) "Prime Rate", the prime rate of U. S. money center commercial banks as published in The Wall Street Journal;
- (l) "Purchase Date", the date on which Purchased Securities are transferred by Seller to Buyer;
- (m) "Purchase Price", (i) on the Purchase Date, the price at which Purchased Securities are transferred by Seller to Buyer, and (ii) thereafter, such price increased by the amount of any cash transferred by Buyer to Seller pursuant to Paragraph (4) b hereof and

decreased by the amount of any cash transferred by Seller to Buyer pursuant to Paragraph 4(a) hereof or applied to reduced Seller's obligations under clause (ii) of Paragraph 5 hereof;

(n) "Purchased Securities", the Securities transferred by Seller to Buyer in a Transaction hereunder, and any Securities substituted therefor in accordance with Paragraph 9 hereof. The term "Purchased Securities" with respect to any Transaction at any time also shall include Additional Purchased Securities delivered pursuant to Paragraph 4(a) and shall exclude Securities returned pursuant to Paragraph 4(b);

(o) "Repurchase Date", the date on which Seller is to repurchase the Purchased Securities from Buyer, including any date determined by application of the provisions of Paragraph 3(c) or 11 hereof;

(p) "Repurchase Price", the price at which Purchased Securities are to be transferred from Buyer to Seller on termination of a Transaction, which will be determined in each case (including transaction terminable on demand) as the sum of the Purchase Price and the Price Differential as of the Date of such determination, increased by an amount determined by the application of the provisions of Paragraph 11 hereof;

(q) "Seller's Margin Amount", with respect to any Transaction as of any date, the amount obtained by application of a percentage (which may be equal to the percentage that is agreed to as the Buyer's Margin Amount under subparagraph (c) of this Paragraph), agreed to by Buyer and Seller prior to entering into the Transaction, to the Repurchase Price for such Transaction as of such date.

**3. INITIATION; CONFIRMATION; TERMINATION**

(a) An Agreement to enter into a Transaction may be made orally or in writing at the initiation of either Buyer or Seller. On the Purchase Date for the Transaction, the Purchased Securities shall be transferred to Buyer or its agent against the transfer of the Purchase Price to an account of Seller.

(b) On agreeing to enter into a Transaction hereunder, Buyer or Seller (or both), as shall be agreed, shall promptly deliver to the other party a written confirmation of each Transaction (a "Confirmation"). The Confirmation shall describe the Purchased Securities (including CUSIP number, if any) identify Buyer and Seller and set forth (i) the Purchase Date, (ii) the Purchase Price, (iii) the Repurchase Date, unless the Transaction is to terminable on demand, (iv) the Pricing Range or Repurchase Price applicable to the Transaction, and (v) any additional terms or conditions of the Transaction not inconsistent with this Agreement. The Confirmation, together with this Agreement, shall constitute conclusive evidence of the terms agreed between Buyer and Seller with respect to the Transaction to which the Confirmation relates, unless with respect to the Confirmation specific objection is made promptly after receipt thereof. In the event of any conflict between the terms of such Confirmation and this Agreement, this Agreement shall prevail.

- (c) In the case of Transaction terminable on demand, such demand shall be made by Buyer or Seller, no later than such time as is customary in accordance with market practice, by telephone or otherwise on or prior to the business day on which such termination will be effective. On the date specified in such demand, or on the date fixed for termination in the case of Transactions having a fixed term, termination of the Transaction will be affected by transfer to Seller or its agent of the Purchased Securities and any income in respect thereof received by Buyer (and not previously credited or transferred to, or applied to the obligations of, Seller pursuant to Paragraph 5 hereof) against the transfer of the Repurchase Price to an account of Buyer.
- MARGIN MAINTENANCE**
- (a) If at any time the aggregate Market Value of all Purchase Securities subject to all Transactions in which a particular party hereto is acting as Buyer is less than an aggregate Buyer's Margin Amount for all such Transactions (a "Margin Deficit"), then Buyer may by notice to Seller require Seller in such Transactions, at Seller's option, to transfer to Buyer cash or additional Securities reasonably acceptable to Buyer ("Additional Purchased Securities"), so that the cash and aggregate Market Value of the Purchased Securities, including any such Additional Purchased Securities, will thereon equal or exceed such aggregate Buyer's Margin Amount (decreased by the amount of any Margin Deficit as of such date arising from any Transactions in which Buyer is acting as Seller).
- (b) If at any time the aggregate Market Value of all Purchased Securities subject to all Transactions in which a particular party hereto is acting as Seller exceeds the aggregate Seller's Margin Amount for all such Transactions at such time (a "Margin Excess"), then Seller may by notice to Buyer require Buyer in such Transactions, at Buyer's option, to transfer cash or Purchased Securities to Seller, so that the aggregate Market Value of the Purchased Securities, after deduction of any cash or any Purchased Securities so transferred, will thereon not exceed such aggregate Seller's Margin Amount (increased by the amount of any Margin Excess as of such date arising from any Transactions in which such seller is acting as Buyer).
- (c) Any cash transferred pursuant to this Paragraph shall be attributed to such Transactions as shall be agreed on by Buyer and Seller.
- (d) Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer or Seller (or both) under subparagraphs (a) and (b) or this Paragraph may be exercised only where a Margin Deficit or Margin Excess exceeds a specified dollar amount or a specified percentage of the Repurchase Price for such Transactions (which amount or percentage shall be agreed to by Buyer and Seller prior to entering into any such Transactions).
- (e) Seller and Buyer may agree, with respect to any or all Transactions hereunder, that the respective rights of Buyer and Seller under Subparagraphs (a) and (b) of this Paragraph to require the elimination of a Margin Deficit or a Margin Excess, as the case may be, may be exercised whenever such a Margin Deficit or Margin Excess exists with

All Purchased Securities in the possession of Seller shall be segregated from other securities in its possession and shall be identified as subject to this Agreement. Segregation may be accomplished by appropriate identification on the books and records of the holder, including a financial intermediary or a clearing corporation. Title to all Purchased Securities shall pass to Buyer and, unless otherwise agreed by Buyer and Seller, nothing in this Agreement shall preclude Buyer from engaging in repurchase transaction

## 8. SEGREGATION OF PURCHASED SECURITIES

Unless otherwise mutually agreed, all transfers of funds hereunder shall be in immediately available funds. All Securities transferred by one party hereto to the other party (i) shall be in suitable form for transfer or shall be accompanied by duly executed instruments of transfer or assignment in blank and such other documentation as the party receiving possession any reasonably request, (ii) shall be transferred on the book-entry system of a Federal Reserve Bank, or (iii) shall be transferred by any other method mutually acceptable to Seller and Buyer. As used herein with respect to Securities, "transfer" is intended to have the same meaning as when used in Section 8-313 of the New York Uniform Commercial Code.

## 7. PAYMENT AND TRANSFER

Although the parties intend that all Transactions hereunder be sales and purchases and not loans, in the event any such Transactions are deemed to be loans, Seller shall be deemed to have pledged to Buyer as security for the performance by Seller of its obligations under each such Transaction, and shall be deemed to have granted to Buyer a security interest in, all of the Purchased Securities with respect to all Transactions hereunder and all proceeds thereof.

## 6. SECURITY INTEREST

Where a particular Transaction's term extends over an Income payment date on the Securities subject to that Transaction (or, in the absence of any agreement, as Buyer shall reasonably determine in its discretion), on the date such Income is payable either (i) transfer to or credit to the account of Seller an amount equal to such Income payment or payments with respect to any Purchased Securities subject to such Transactions or (ii) apply the Income payment or payments to reduce the amount to be transferred to Buyer by Seller on termination of the Transaction. Buyer shall not be obligated to take any action pursuant to the preceding sentence to the extent that such action would result in the creation of a Margin Deficit, unless prior thereto or simultaneously therewith Seller transfers to Buyer cash or Additional Purchased Securities sufficient to eliminate such Margin Deficit.

## 5. INCOME PAYMENTS

respect to any single Transaction hereunder (calculated without regard to any other Transaction outstanding under this Agreement).

(a) At the option of the nondefaulting party, exercised by written notice to the defaulting party (which option shall be deemed to have been exercised, even if no notice is given, immediately on the occurrence of an Act of Insolvency), the Repurchase Date for each Transaction hereunder shall be deemed immediately to occur.

In the event that (i) Seller fails to repurchase or Buyer fails to transfer Purchased Securities on the applicable Repurchase Date, (ii) Seller or Buyer fails, after on business day's notice, to comply with Paragraph 4 hereof, (iii) Buyer fails to comply with Paragraph 5 hereof, (iv) an Act of Insolvency occurs with respect to Seller or Buyer, (v) any representation made by Seller or Buyer shall have been incorrect or untrue in any material respect when made or repeated or deemed to have been made or repeated, or (vi) Seller or Buyer shall admit to the other its inability to, or its intention not to, perform any of its obligations hereunder (each and "Event of Default"):

**11. EVENTS OF DEFAULT**

Each of Buyer and Seller represents and warrants to the other that (i) it is duly authorized to execute and deliver this Agreement, to enter into the Transactions contemplated hereunder and to perform its obligations hereunder and has taken all necessary action to authorize such execution, delivery and performance, (ii) it will engage in such Transactions as principal (or, if agreed in writing in advance of any Transaction by the other party hereto, as agent for a disclosed principal), (iii) the person signing this Agreement on its behalf is duly authorized to do so on its behalf (or on behalf of any such disclosed principal), (iv) it has obtained all authorizations of any governmental body required in connection with this Agreement and the Transactions hereunder and such authorizations are in full force and effect and (v) the execution, delivery and performance of this Agreement and the Transactions hereunder will not violate any law, ordinance, charter, by-law or rule applicable to it or any agreement by which it is bound or by which any of its assets are affected. On the Purchase Date for any Transaction Buyer and Seller shall each be deemed to repeat all the foregoing representations made by it.

**10. REPRESENTATIONS**

Seller may, subject to agreement with and acceptance by Buyer, substitute other Securities for any Purchased Securities. Such substitution shall be made by transfer to the Buyer of such other Securities against simultaneous transfer to the Seller of such Purchased Securities. After substitution, the substituted Securities shall be deemed to be Purchased Securities.

**9. SUBSTITUTION**

with the Purchased Securities or otherwise pledging or hypothecating the Purchases Securities, but no such transaction shall relieve Buyer or its obligations to transfer Purchased Securities to Seller pursuant to Paragraph 3, 4 or 11 hereof, or of Buyer's obligation to credit or pay income to, or apply income to the obligations of, Seller pursuant to Paragraph 5 hereof.

(b) In all Transactions in which the defaulting party is acting as Seller, if the nondefaulting party exercises or is deemed to have exercised the option referred to in subparagraph (a) of this paragraph, (i) the defaulting party's obligations hereunder to repurchase all Purchased Securities in such Transactions shall thereon become immediately due and payable, (ii) to the extent permitted by applicable law, the Repurchase Price with respect to each such Transaction shall be increased by the aggregate amount obtained by daily application of (x) the greater of the Pricing Rate for such Transaction of the Prime Rate to (y) the Repurchase Price for such Transaction as of the Repurchase Date as determined pursuant to subparagraph (a) of the Paragraph (decreased as of any day by (A) any amounts retained by the nondefaulting party with respect to such Repurchase Price pursuant to clause (iii) of the subparagraph, (B) any proceeds from the sale of Purchased Securities pursuant to subparagraph (d)(i) of this paragraph and (C) any amounts credited to the account of the defaulting party pursuant to subparagraph (e) of this paragraph on a 360 day per year basis for the actual number of days during the period from the date of the Event of Default giving rise to such option to the date of payment of the Repurchase Price as so increased, (iii) all Income paid after such exercise or deemed exercise shall be retained by the nondefaulting party and applied to the aggregate unpaid Repurchase Prices owed by the defaulting party, and (iv) the defaulting party shall immediately deliver to the nondefaulting party any Purchased Securities subject to such Transactions then in the defaulting party's possession.

(c) In all Transactions in which the defaulting party is acting as Buyer, on tender by the nondefaulting Party of Payment of the aggregate Repurchase Prices for all such Transactions, the defaulting party's right, title, and interest in all Purchased Securities subject to such Transaction shall be deemed transferred to the nondefaulting party, and the defaulting party shall deliver all such Purchased Securities to the nondefaulting party.

(d) After one business day's notice to the defaulting party (which notice need not be given if any Act of Insolvency shall have occurred, and which may be the notice given under subparagraph (a) of this Paragraph or the notice referred to in clause (ii) of the first sentence of this Paragraph), the nondefaulting party may:

(i) as to Transaction in which the defaulting party is acting as Seller, (A) immediately sell, in a recognized market at such price or prices as the nondefaulting party may reasonable deem satisfactory, any or all Purchased Securities subject to such Transactions and apply the proceeds thereof to the aggregate unpaid Repurchase Prices and any other amounts owing by the defaulting party hereunder or (B) in its sole discretion elect, in lieu of selling all or a portion of such Purchased Securities, to give the defaulting party credit for such Purchased Securities in an amount equal to the price therefor on such date, obtained from a generally recognized source or the most recent closing bid quotation from such a source, against the aggregate unpaid Repurchase Price and any other amounts owing by the defaulting party hereunder; and

(ii) as to Transaction in which the defaulting party is acting as Buyer, (A) purchase Securities ("Replacement Securities") of the same class and amount as any Purchased Securities that are not delivered by the defaulting party to the nondefaulting party as

required hereunder or (B) in its sole discretion elect, in lieu of purchasing Replacement Securities, to be deemed to have purchased Replacement Securities at the price therefor on such date, obtained from a generally recognized source or the most recent closing bid quotation from such a source.

(e) As to Transactions in which the defaulting party is acting as Buyer, the defaulting party shall be liable to the nondefaulting party (i) with respect to Purchased Securities (other than Additional Purchased Securities), for any excess of the price paid (or deemed paid) by the nondefaulting party for Replacement Securities and (ii) with respect to Additional Purchased Securities, for the price paid (or deemed paid) by the nondefaulting party for the Replacement Securities therefor. In addition, the defaulting party shall be liable to the nondefaulting party for interest on such remaining liability with respect to each such purchase (or deemed purchase) of Replacement Securities from the date of such purchase (or deemed purchase) until paid in fully by Buyer. Such interest shall be at a rate equal to the greater of the Pricing Rate for such Transaction or the Prime Rate.

(f) For purposes of this Paragraph 11, the Repurchase Price for each Transaction hereunder in respect of which the defaulting party is acting as Buyer shall not increase above the amount of such Repurchase Price for such Transaction determined as of the date of the exercise or deemed exercise by the nondefaulting party of its option under subparagraph (a) of this paragraph.

(g) The defaulting party shall be liable to the nondefaulting party for the amount of all reasonable legal or other expenses incurred by the nondefaulting party in connection with or as a consequence of an Event of Default, together with interest thereon at a rate equal to the greater of the Pricing Rate for the relevant Transaction of the Prime Rate.

(h) The nondefaulting party shall have, in addition to its rights hereunder, any rights otherwise available to it under any other agreement or applicable law.

## 12. SINGLE AGREEMENT

Buyer and Seller acknowledge that, and have entered hereto and will enter into each Transaction hereunder in consideration of and in reliance on the fact that, all Transactions hereunder constitute a single business and contractual relationship and have been made in consideration of each other. Accordingly, each of Buyer and Seller agrees (i) to perform all of its obligations in respect of each Transaction hereunder, and that at default in the performance of any such obligation in respect of all Transactions hereunder, (ii) that each of them shall be entitled to set off claims and supply property held by them in respect of any Transactions against obligations owing to them in respect of any other Transactions hereunder and (iii) that payments, deliveries and other transfers made by either of them in respect of any Transactions shall be deemed to have been made in consideration of the payments, deliveries and other transfers and other Transactions hereunder, and the obligations to make any such payments, deliveries and other transfers any be applied against each other and netted.

**13. NOTICES AND OTHER COMMUNICATIONS**

Unless another address is specified in writing by the respective party to whom any notices or other communications is to be given hereunder, all such notices or communications shall be in writing or confirmed in writing and delivered at the respective addresses set forth in Annex II attached hereto.

**14. ENTIRE AGREEMENT; SEVERABILITY**

This Agreement shall supersede any existing agreements between the parties containing general terms and conditions for repurchase transactions. Each provision and agreement herein and shall be enforceable notwithstanding the unenforceability of any such other provision or agreement.

**15. NON-ASSIGNABILITY; TERMINATION**

The rights and obligations of the parties under this Agreement and under any Transaction shall not be assigned by either party without prior written consent of the other party. Subject to the foregoing, this Agreement and any Transactions shall be binding on and shall inure to the benefit of the parties and their respective successors and assigns. This Agreement may be canceled by either party on giving written notice to the other, except that this Agreement shall, notwithstanding such notice, remain applicable to any Transaction then outstanding.

**16. GOVERNING LAW**

This Agreement shall be governed by the laws of the State of Florida without giving effect to the conflict of law principles thereof.

**17. NO WAIVERS, ETC.**

No express or implied waiver of any Event of Default by either party shall constitute a waiver of any other Event of Default and no exercise of any remedy hereunder by any party shall constitute a waiver of its right to exercise any other remedy hereunder. No modification or waiver of any provision of this Agreement and no consent by any party to a departure herefrom shall be effective unless and until such shall be in writing and duly executed by both of the parties hereto. Without limitation on any of the foregoing, the failure to give a notice pursuant to paragraphs 4(a) or 4(b) hereof will not constitute a waiver of any right to do so at a later date.

**18. INTENT**

(a) The parties recognize that each Transaction is a "Repurchase Agreement" as that term is defined in Section 101(39) of Title 11 of the United States Code, as amended (except insofar as the type of Securities subject to such Transaction or the term of such Transaction would render such definition inapplicable), and a "securities contract" as that term is defined in Section 741(7) of Title 11 of the United States Code, as amended.

Faint, illegible text at the top of the page, possibly a header or title.

_____	DATE	_____	DATE
_____	TITLE	_____	TITLE
_____	BY	_____	BY

(b) It is understood that either party's right to liquidate securities delivered to it in connection with Transactions hereunder or to exercise any other remedies pursuant to Paragraph 11 hereof, is a contractual right to liquidate such Transaction as described in Sections 555 and 559 of Title II of the United States Code, as amended.

ANNEX I

SUPPLEMENTAL TERMS AND CONDITIONS

A. Section 1:

**Buy and Sell Interpretation.** Because the Buyer is a governmental entity, both parties agree that all transactions conducted pursuant to this Agreement must be interpreted as purchases and sales of securities.

B. Section 4:

**Repurchase Investments.** Comprised of only those investments as authorized in Resolution 95-144 Section VI. F.

**Margin Ratios.** For purposes of calculating the margin amount, the following ratios shall be applied to the market value of Purchased Securities, depending on their maturity:

Maturity of Purchased Securities	U. S. Treasury Securities	U.S. Agency Discount Securities*	Mortgage-Backed Or Other Securities
Under 1 year	101%	102%	103%
1 to 5 years	102%	103%	104%
Over 5 years	103%	104%	105%

\* Securities issued by FNMA, FFCB, FHLB; quoted daily in the Wall Street Journal

**Market Value.** In determining market value, dealers' bid prices shall be used, as quoted daily in the Wall Street Journal and accrued interest shall be included. The Bank shall provide County with market value of repurchase securities as of September 30 each year.

**Margin Maintenance.** For terms of repurchase agreements, a custodian or the Seller shall automatically maintain the required margin ratios which shall be increased as mutually agreed to compensate for possible market prices losses.

C. Section 2, 3 and 4:

**Purchased Securities.** Unless the parties shall agree to the use of a third-party custodian responsible for margin maintenance, all purchased securities must be marketable instruments for which price information is available on regular business days in the Wall

Street Journal. In the event that such price information is not available, Buyer may require

to determine the fair market value of the securities.

the Seller to deliver different securities, or may increase the margin ratio to 105%, at the Buyer's option.

D. Section 5:

**Income Payments.** Should the Buyer agree to transfer any Income payments received on Purchased Securities such a transfer will take place on the next business day following notification by the third party custodian of receipt of the income payment.

Income payments received after the Repurchase Date will be transferred to the Seller at the Seller's expense, unless mutually agreed to otherwise.

E. Section 7:

**Delivery.** Notwithstanding the provisions of Section 7 (Payment and Transfer), all transactions shall be accomplished through "delivery vs. payment", unless the parties otherwise agree prior to the transfer of funds.

F. Section 9:

**Substitution.** In the event that Seller proposes to substitute Securities for any Purchased Securities, Seller shall absorb wire transfer fees incurred by the Buyer. Buyer acknowledges that the Seller does not formally seek written confirmation from the Buyer prior to the substitution. The duration (maturity) of Securities offered as substitutes may not exceed the duration (maturity) of the original Purchased Securities.

G. **Seller's Obligation to Inform Buyer.**

a) Seller shall maintain continuous compliance with applicable federal regulatory standards and guidelines regarding capital adequacy and net capitalization.

b) Any Transaction undertaken pursuant to this agreement shall proceed only if Seller furnishes or has furnished to Buyer its most recent available audited statement of financial condition and its most recent unaudited statements of financial condition.

c) By entering into a transaction pursuant to this agreement, Seller shall be deemed to represent to Buyer that since the date of Seller's latest financial statements, there has been no material adverse change in Seller's financial condition which Seller has not discussed in writing to Buyer, and Seller further agrees to provide Buyer with future audited and unaudited statements of financial condition as they are issued.

H. Section 16:

**Governing Law.** The laws of the State of Florida shall govern the transactions pursuant to this agreement. All Purchased Securities shall be lawful for purposes of

governmental investments in the State of Florida. Buyer agrees to notify Seller of the investments so permitted.

In case of conflicts between the Agreement and Annex I, Annex I will govern.

I Authorized Personnel. Only those persons identified below may execute transactions pursuant to this agreement:

Seller

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

Buyer

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

Names and Addresses for Communications Between Parties

**ANNEX II**

\* If 1995 data is not available, present most recent three (3) years.

RATIOS		1993	1994	1995
1.	Bank loans to deposits	_____ %	_____ %	_____ %
2.	Cash & securities to deposits	_____ %	_____ %	_____ %
3.	Current loan losses to total loans	_____ %	_____ %	_____ %
4.	Capital to deposits	_____ %	_____ %	_____ %
5.	Capital to total loans	_____ %	_____ %	_____ %
6.	Capital to total assets	_____ %	_____ %	_____ %
7.	Net charge off to loans	_____ %	_____ %	_____ %
8.	Total deposits in amounts over \$100,000 to total deposits	_____ %	_____ %	_____ %

**CREDIT EVALUATION FORM**

Name \_\_\_\_\_

A RESOLUTION ADOPTING AN INVESTMENT POLICY FOR NASSAU COUNTY, FLORIDA

WHEREAS, the Board of County Commissioners of Nassau County, Florida, is required, pursuant to Chapter 218.415, Florida Statutes, to adopt an investment policy for county funds.

NOW, THEREFORE BE IT RESOLVED, this 25th day of September, 1995, by the Board of County Commissioners of Nassau County, Florida, that the investment policy for county funds shall be as follows:

I. SCOPE

This investment policy applies to all funds (excluding pension funds) held by or for the benefit of Nassau County, Florida (the County)

II. INVESTMENT OBJECTIVES

The following investment objectives will be applied in the management of the County's funds.

A. The primary objective of the investment activities is the protection of County funds.

B. The investment strategy will provide sufficient liquidity to meet the County's operating, payroll, and capital requirements.

C. When investing public funds, the Clerk of Circuit Court (Clerk) will strive to maximize the return on the portfolio, while minimizing investment risk.

D. The Clerk will set procedures to properly diversify the investment portfolio and minimize the inherent risk associated with investment portfolios.

III. PRUDENCE AND ETHICAL STANDARDS

The County staff shall use the "prudent person" standard in the management of the overall investment portfolio. The Clerk, or designee, acting as a "prudent person" in accordance with these written policies and procedures and

1. Cash Management Bills

- B. Negotiable direct obligation or obligations, the principal and interest of which are unconditionally guaranteed by the United States government. Such securities will include, but not be limited to, the following:
- A. The Florida Local Government Surplus Funds Trust Funds (SBA)

The Clerk or designee, shall purchase or sell investment securities at prevailing market rates. Authorized instruments are as follows:

AUTHORIZED INSTRUMENTS

VI.

Responsibility for the administration of the investment program pursuant to Florida Statutes Section 28.33 and 125.31 is hereby delegated to the Clerk who shall establish investment procedures based on these policies. The Clerk shall be responsible for the implementation of internal controls and monitoring the activities of subordinate staff.

DELEGATION OF AUTHORITY

V.

A portfolio report shall be provided quarterly to the County Commission. The reports shall include a breakdown of the portfolio as well as its overall performance during that period.

INVESTMENT PERFORMANCE AND REPORTING

IV.

Investments shall be made with judgment and care, under circumstances then prevailing, that persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived.

The "prudent person" standard is herewith understood to mean:

exercising due diligence, shall not be responsible for a security's credit risk or market price changes provided that appropriate monitoring efforts are performed.

- 1. United States Export-Import Bank Direct obligations or fully guaranteed certificates of beneficial ownership
- 2. Farmers Home Administration Certificates of beneficial ownership
- 3. Federal Financing Bank Discount notes, notes, and bonds
- 4. Federal Housing Administration Debentures
- 5. General Services Administration Participation Certificates
- 6. Government National Mortgage Association (GNMA) GNMA-guaranteed mortgage-back bonds GNMA-guaranteed pass-through obligations
- 7. United States Maritime Administration Guaranteed Title XI Financing
- 8. New Communities Debentures United States government guaranteed debentures
- 9. United States Public Housing Notes and Bonds United States Government guaranteed public housing notes and bonds
- 10. United States Department of Housing and Urban Development-Project notes and local authority bonds

C. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by United States agencies provided such obligations are back by the full faith and credit of the United States Government. Such securities will include, but not be limited to, the following:

- 2. Treasury Securities-State and Local Government Series (SLGS)
- 3. Treasury Bills
- 4. Treasury Notes
- 5. Treasury Bonds
- 6. Treasury Strips

D. Bonds, debentures, notes, or other evidence of indebtedness issued or guaranteed by United States Government agencies (Federal instrumentalities) which are non-full faith credit agencies limited to the following:

1. Federal Farm Credit Bank (FFCB)
2. Federal Home Loan Bank or its district banks (FHLB)
3. Federal National Mortgage Association (FNMA) - guaranteed pass-through obligations
4. Federal Home Loan Mortgage Corporation (Freddie-Macs) including Federal Home Loan Mortgage Corporation participation certificates  
FHLMC - guaranteed pass through obligations
5. Student Loan Marketing Association (Sallie-Mae)
6. Tennessee Valley Authority (TVA)

E. Non-negotiable interest-bearing time certificates of deposit or savings accounts in banks or savings associations organized under the laws of this state and/or in national banks or savings associations organized under the laws of the United States and doing business and situated in this state, provided that any such deposits are secured pursuant to the Florida Security of Public Deposits Act, Chapter 280, Florida Statutes, and provided that the bank or savings association is not listed with any recognized credit watch information service. The Money Manager shall have the responsibility for reviewing credit watch status.

F. Repurchase agreements comprised of only those investments as authorized in Sections B, C, and D. Derivative securities, defined as a financial instrument the value of which depends on or is derived from the value of one or more underlying assets or index of asset values. Securities of this type which are prohibited investments include:

1. Reverse repurchase agreements.
2. Floating rate securities whose coupon floats inversely to an index or whose coupon is

After the Clerk or designee, has determined the approximate maturity date based on cash flow needs and market conditions, a minimum of three (3) banks and or dealers must be contacted and asked to provide bids. To the extent permitted by law, bids will be held in confidence until the highest bid is determined and awarded. If the maturing investment is a certificate of deposit, then one of the contracts shall be the present holder of the funds. Due to the cost of safekeeping, one

BID POLICY

VIII.

To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of no longer than (12) months. Investments of bond reserves, construction funds, and other non-operating funds shall have a term appropriate to the need for funds and in accordance with debt covenants. The maturities of the underlying securities of a repurchase agreement will follow the requirements of Master Repurchase Agreement in the form approved by the Public Securities Association.

INVESTMENT MATURITY AND LIQUIDITY

VII.

H. Any investment authorized or permitted by Florida Statutes or any other law of the State of Florida controlling the investment of a public funds of a County. The County will not use leverage in its investment portfolio.

Investment in these securities shall be limited to those types previously authorized herein and only be utilized if recommended by the Money Manager.

4. Securities whose future coupon may be suspended because of the movement of interest rates or an index.

3. Tranches of Collateralized Mortgage Obligations (CMOs) with the following characteristics: receives only the interest or principal from the underlying mortgage securities, commonly referred to as "IO's" and "PO's".

determined based upon more than one index.

The Clerk may execute a Third-Party Custodial Safekeeping Agreement with a commercial bank having trust company chartered by the United States Government or the State of Florida. All securities purchased and/or collateral obtained by the County shall be properly designated as an asset of the County and held in safekeeping by the trust department or trust company and no withdrawal of such securities, in whole or in part, shall be made from safekeeping except by the Clerk or designee.

THIRD PARTY CUSTODIAL AGREEMENTS

XI.

Repurchase agreements shall only be entered into with primary securities dealers and financial institutions that are state-qualified public depositories.

The Clerk shall only purchase securities from financial institutions that are qualified as public depositories by the Treasurer of the State of Florida, or securities dealers that are members of the National Association of Securities Dealers (NASD) and the Securities Investors Protection Corporation (SIPC) with a physical presence in Florida and having minimum net capital as required by Rule 15c3-1 of the Securities and Exchange Commission (SEC) of \$10 million (\$10,000,000), or primary securities dealers as designated by the Federal Reserve Bank of New York.

AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

X.

The investment portfolio goal shall be to diversify or minimize the risk of loss resulting from over-concentration of assets in a specific maturity, issuer, instrument, dealer, or bank through which these instruments are bought and sold. The appropriate management staff shall review and revise periodically as necessary the diversification strategies within the established guidelines.

RISK AND DIVERSIFICATION

IX.

business day repurchase agreements and overnight sweep repurchase agreements will not be bid, but may be placed with the depository bank relating to the demand account for which the repurchase agreement was purchased. This bid policy shall not apply to investments authorized in Section VI-A.

D. Other internal controls such as:

C. The actual obligations or securities, whether in book-entry or physical form, on which trust receipts or confirmations are issued may be held by a third-party custodial bank and/or institution or designated correspondent bank with a correspondent relationship to the County's third-party custodian.

B. Trust receipts or confirmations shall fully describe the various obligations or securities held. The receipt or confirmation shall state that the investment is held in the name of Nassau County, Florida.

A. The Clerk is authorized to accept on behalf of and in the name of Nassau County, bank trust receipts or confirmation as evidence of actual delivery of the obligations or securities in return for investment of funds. All securities purchased or sold will be transferred only under the "deliver versus payment" (D.V.P.) method to insure that funds or securities are not released until all criteria relating to the specific transaction are met.

The Clerk shall establish and monitor a system of internal controls designed to protect the County's funds and ensure proper accounting and reporting of the securities transactions.

INTERNAL CONTROLS

XIII.

The Clerk will require all approved institutions and dealers transacting repurchase agreements to execute and perform as stated in the Master Repurchase Agreement. All repurchase agreement transactions will adhere to requirements of the Master Repurchase Agreement.

MASTER REPURCHASE AGREEMENT

XII.

The Third-party Custodial Safekeeping Agreement shall include letters of authority from the County, detail of each party's responsibilities, notification of security purchases, sales, delivery, repurchase agreements, wire transfers, safe-keeping and transactions costs, procedures in case of wire failure, or other unforeseen mishaps including liability of each party.

Treasury Bills

Treasury Securities-State and Local Government Series (SLGS)

Cash Management Bills

1. The Clerk may invest in negotiable direct obligation or obligations, the principal and interest of which are unconditionally guaranteed by the United States Government. Such securities will include, but not be limited to, the following:

B. United States Securities

2. Portfolio Composition - A maximum of 100% of the portfolio may be invested in the SBA

1. Investment Authorization - The Clerk may invest in the SBA

A. Florida Local Government Surplus Trust Fund (SBA)

The guidelines for investments and limits on security issues, issuers, and maturities as established by the County are addressed herein. Purchases of investments based on bond covenant requirements shall not be included in the portfolio's composition calculations.

PORTFOLIO COMPOSITION

XIV.

E. The Clerk will coordinate all daily investment activity. The Clerk has designated the positions of Chief Administrator Assistant and Assistant to the Clerk/Finance as those with the authority to initiate all investment activities; other positions may be designated as Clerk deems necessary.

5. Performance evaluations and interim reporting

4. Supervisory control of employee actions and operations review

3. Custodial safekeeping

2. Adequate separation of duties

1. Written documentation of transactions of telephone

United States Public Housing Notes and Bonds  
United States Government guaranteed public  
housing notes and bonds

New Communities Debentures  
United States government guaranteed  
debentures

United States Maritime Administration  
GNMA - Guaranteed mortgage-backed bonds  
GNMA - guaranteed pass-through obligations

Government National Mortgage Association  
(GNMA)

General Services Administration Participation  
Certificates

Federal Housing Administration Debentures

Federal Financing Bank Discount notes, notes,  
and bonds

Farmers Home Administration Certificates of  
beneficial ownership

United States Export-Import Bank Direct  
obligations or fully guaranteed certificates  
of beneficial ownership

1. Purchase Authorization - The Clerk or designee  
may invest in United States Federal Agency  
securities that include obligations of the:

C. United States Federal Agencies (full faith and  
credit of the United States Government)

2. Maturity Limitations - The maximum length to  
maturity of any direct investment in  
governmental securities is three (3) years,  
except for the underlying securities of  
repurchase agreements and bond funds. The  
later investments shall conform to the  
pertinent bond resolution.

Treasury Strips

Treasury Bonds

Treasury Notes

United States Department of Housing and Urban Development Project notes and local authority bonds

2. Maturity Limitations - Limited to the maturity requirements of the United States Government Securities:

D. Federal Instrumentalities (United States Government Agencies that are non-full faith and credit)

1. Purchase Authorization - The Clerk may invest in Federal Instrumentalities that include obligations of the:

- Federal Farm Credit Bank (FFCB)
- Federal Home Loan Bank or its district banks (FHLB)
- Federal National Mortgage Association (FNMA)

Federal Home Loan Mortgage Corporation (Freddie-Macs) including Federal Home Loan Mortgage Corporation participation certificates

Student Loan Marketing Association (Sallie-Mae)

2. Maturity Limitations - The maximum length to maturity for an investment in any Federal instrumentality is three (3) years.

E. Non-negotiable Interest-Bearing Time Certificates of Deposit

1. Purchase Authorization - The Clerk may invest in non-negotiable interest-bearing time certificates of deposit or savings account in banks or savings associations organized under the laws of this state and/or in national banks organized under the laws of the United States and doing business and situated in this state, provided that any such deposits are secured by the Florida Security for Public Deposits Act, Chapter 280, Florida Statutes, and provided that the bank or savings association is not listed with any recognized credit watch information service.

Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment programs, or that could impair their ability to make impartial investment decisions. Employees and investment officials shall disclose to the Clerk any material financial interests in financial institutions that conduct business with the County and shall further disclose any large personal financial or investment positions that could be related to the performance of the County's portfolio. Employees and investment officers shall subordinate their personal investment transactions to those of this jurisdiction, particularly with regard to the timing of purchases and sales.

STANDARD OF ETHICS

XVI.

The Clerk may contract with an outside money manager for investment of County funds.

MONEY MANAGERS

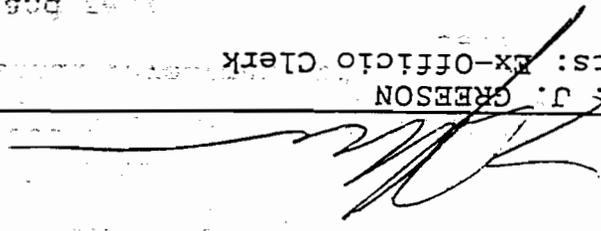
XV.

1. Purchase Authorization - The Clerk may invest in repurchase agreements based on the requirements set forth by the Master Repurchase Agreement. All firms with which the County enters into a repurchase agreement will have in place an executed Master Repurchase Agreement with the Clerk.
2. Maturity Limitations - The original maturity of the repurchase agreement must be 180 days or less.
3. The securities to be purchased will be wired to a designated Federal Reserve Bank and held in a custody account for the County by a national bank.
4. The County will not sell its investments under repurchase agreements or otherwise use its investments as collateral for borrowings other than required by outstanding bond issues.

F. Repurchase Agreements

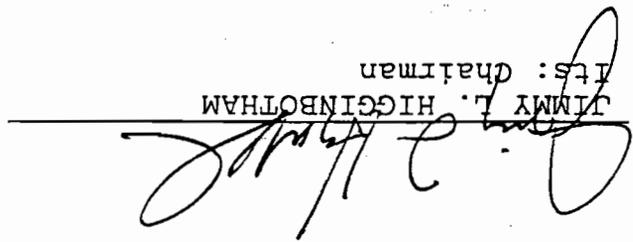
2. Maturity Limitations - The maximum maturity of any certificate shall be no greater than one (1) year from the time of purchase.

T. J. GREENSON  
Its: Ex-Officio Clerk



ATTEST:

JIMMY L. HIGGINBOTHAM  
Its: Chairman



BOARD OF COUNTY COMMISSIONERS  
OF NASSAU COUNTY, FLORIDA

The Clerk and designees authorized to invest County funds shall be personally indemnified in the event of investment loss provided investments are made in full compliance with these policies.

INDEMNITY

XIX.

The annual audit of the County's financial records will include a review of all investment activity for the year for compliance with these investment procedures.

AUDITING

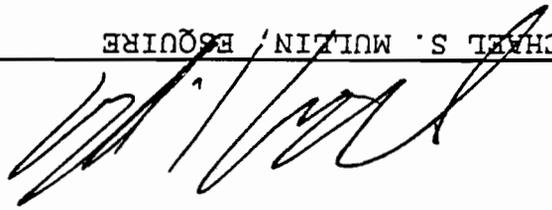
XVIII.

The Clerk shall submit annually to the County Commission an investment report outlining the County's investment transactions for the preceding year and describing the County's investment position as of the date of the report. Earnings on investments shall be compared to the Florida Local Government Surplus Trust Fund (SBA) or its predecessor relative to portfolio performance. Quarterly reports, in addition to the required annual report, will also be provided. Such quarterly reports will show a breakdown of the portfolio as well as performance during the month.

REPORTING

XVII.

MICHAEL S. MULLIN, ESQUIRE



Approved as to form by the  
Nassau County Attorney:

NASSAU COUNTY  
BANKING SERVICE  
PROPOSAL ADDENDUM

Nassau County has expanded the scope of the investment criteria of section II.F. to include not only overnight repurchase agreements but any other investment alternatives such as interest-bearing depository accounts and other investment opportunities available.

The following information should be submitted:

1. Detailed investment information including collateral, minimum investment, incremental investment, etc.
2. Schedules as included in the original proposal such as exhibits A, A-1, and B.
3. Any other information deemed pertinent to evaluating the investment alternative.

Return expanded proposal information to T. J. Greeson, Clerk of Courts, Nassau County Courthouse, 416 Centre Street, Room 3, Fernandina Beach, FL by 12 noon Friday July 19, 1996.