

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

Dist. No. 1 Fernandina Beach Dist. No. 2 Fernandina Beach Dist. No. 3 Yulee

Chris Kirkland Dist. No. 3 Yulee
Chris Kirkland Dist. No. 4 Hilliard
Jimmy L. Higginbotham Dist. No. 5 Callahan

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

MICHAEL S. MULLIN County Attorney

WALTER D. GOSSETT County Coordinator

August 14, 1996

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. //. "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.

NASSAU COUNTY BOARD OF COUNTY COMMISSIONERS, FLORIDA

J.J. Greeson

Clerk of the Circuit Court

Attest

Talla D Maddan

FIRST-UNION NATIONAL BANK





This Master Agreement is made the Commissioners, Nassau Cou		, 1995 by and between <u>Roa</u> herein called "Company",	
	elow which are subsidiaries of Firs Agreement shall mean any one or mo	it Union Corporation, a bank	holding company. The
nay 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-Rersonal 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. <u>Documentation</u>. 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.
- 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. <u>Termination</u>. 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. <u>Notices.</u> 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. <u>Governing Law.</u> 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 wilful 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 wilful 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. <u>Waiver.</u> Any delay or fallure 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. <u>Invalidity of Contract Provisions.</u> 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. <u>Force Majeure.</u> 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. <u>Disbursement Fraud Detection Services</u>. 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 uitimately be paid out of its account.
- 13. <u>Subsidiaries</u>, 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.

Authorized Individuals. By its acceptance and use of the Service(s) provided hereunder, the Company parrants, 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 violete 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 authorize representatives, to be effective the date first written above.

ATTEST:		COMPANY NAME
By: Title:		By: Experience Clerk
	(Corporation Seal)	Date: October 26, 1995
		ADDRESS OF COMPANY
	•	P. O. Box 1010  Fernandina Beach, F1 32035
		FIRST UNION NATIONAL BANK OF FLORIDA
		By:
		Title:
		Date:





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

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
(Kelly Madden)
Signature
Kelly B. Madden
Typed Name
Vice President
Title
July 1, 1991c
Date 0

# NASSAU COUNTY BANKING SERVICES PROPOSAL FORM

BANK: FIRST UNION NATIONAL BANK

BANKING DEPOSITORY SERVICES	ESTIMATED ANNUAL VOLUME	CHARGE PER ITEM	ANNUAL SERVICE CHARGES
	48	\$15.00	\$720.00
Account Maintenance	40	•	4.20.00
Checks Paid:	7,500	\$0.07	\$525.00
Account Payable	5,800	\$0.07	\$406.00
Payroll	300	\$0.07	\$21.00
Worker's Comp	4,056	\$0.08	
Items Deposited	50		\$125.00
Returned Checks	15	\$10.00	,00
Stop Payments - Manual	15		1 - 2 0,00
Wire Transfers:	200	\$5.00	\$1,000.00
Incoming	48	\$9.00	
Outgoing	756	** **	
Bank Transfers Between Accounts (via ZBA)	48	N/C	\$0.00
Telephone Calls	12	\$50.00	
PC Modem Access (PC InVision)*	12	N/C	\$0.00
Monthly Service Charge Reports	17,656		
Checks Sorted by Number	17,000		
Other Services			
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		4400.00
ZBA Master Account Maintenance	12		42 10.00
ZBA Sub Account Maintenance	36	\$5.00	\$180.00
	T	otal Proposed	\$5.400.50
	10	ont (Total/12)	\$5,489.52
A	verage Monthly Amou	ши (1012) (Evhihit A-1)	\$457.46
Balance Required to Supp	ort \$1.00 of Services	oting Ralance	\$236.60
Required Monthly Compensating Balance \$108,235.04			

Minimum amounts required for open repurchase agreement: Initial Amount: N/A Increment: N/A

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.

<sup>\*</sup>PC InVision includes:

<sup>5</sup> Accounts

### NASSAU COUNTY BANKING SERVICES PROPOSAL FORM

BANK: FIRST UNION NATIONAL BANK

BANKING DEPOSITORY SERVICES	ESTIMATED ANNUAL VOLUME	CHARGE PER ITEM	ANNUAL SERVICE CHARGES
SERVICES	THITTOTHE VOLUME	LKIIL	CIZINGES
Account Maintenance	48	\$15.00	<b>\$72</b> 0.00
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
Other Services			
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
	To	otal Proposed	\$8,909.52
A	verage Monthly Amou	-	\$742.46
Balance Required to Supp			\$236.60
			\$175,666.04

Minimum amounts required for open repurchase agreement:

Initial Amount: N/A

Increment: N/A

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

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

<sup>\*</sup>PC InVision includes:

<sup>5</sup> Accounts

<sup>20</sup> Internal Transfers

## 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 Reconcilement 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 reconcilement 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 Reconcilement 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"

<u> 365</u>	• (1-Reserve	Requirement)
# of days in cu	rrent month	
Earnin	gs Allowance	

$\mathcal{N}$	0	$\tau$	F	?	
		Z			

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

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

#### INFORMATION REGARDING THE EXHIBIT

- 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.
	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.
<b>Pg</b> . 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

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

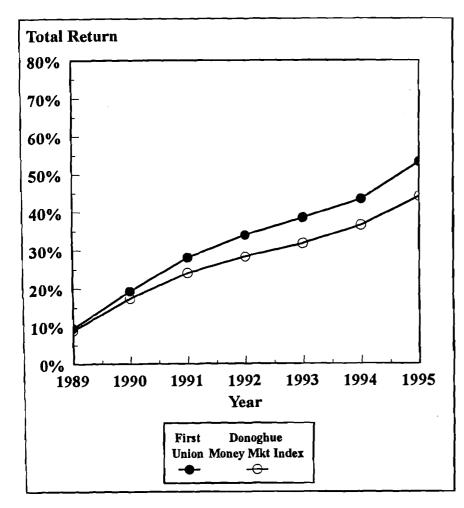
- Maximum Maturity 1 Year
- Average Maturity 4.5 Months
- U.S. Treasury Obligations
- U.S. Government Agency Obligations
- Money Market Instruments

### 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

	Money Manager	Donoghue
Year	Composite	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	6.29%	5.36%
(compounded an	d annualized)	
Since 1989	53.27%	44.10%
(compounded)		

## 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 Massau County's relationship manager and primary contact for all of the County's banking needs. Ms. Madden has been the relationship manager for Massau 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 E, 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 is also First Vincent received his Bachelor's degree from the University of North Florida. Mr. Vincent is also First Union's Government Banking Relationship Manager for North Florida.

Trip 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, Mc, 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.

Lori 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 with First Union 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, MC, 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.

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- Credit Products . . . loans, leases, and letters of credit

  Public Finance . . . note and bond underwriting and distribution, as
- well as financial advisory services

  O 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.

# NON

## 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 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

- 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:
- The cks deposite 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 deposite made in North Carolina or South Carolina (effective Feb. 1996)

  Checks deposited in and drawn on accounts residing at First Union as "Controlled Disbursement"

  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 sasessments 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, couner 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) FEFECTIVE, IANIIARY 1 1995

# EFFECTIVE JANUARY 1, 1995, MONDAY - FRIDAY

## MONDAY - FRIDAY ENHANCED (LEDGER DAY)

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

FRI	ЯUHT - NOM	RAT NUMBER	SENDPOINT NAME
L	Ĺ	XXXX-0000	J.S. TREASURY
Ĺ	Ĺ	XXXX-0000	U.S. MONEY ORDERS
	[ [	XXXX-0110	BOSTON CITY
'	ι	XXXX-1110	MINDROK FOCKS KCPC
1	z	0112-XXXX	LEWISTON RCPC
'		0113-XXXX	BOSTON RCPC
	i i	XXXX-4110	BOSTON RCPC
l l		XXXX-3110	MINDSOB I OCKS BCBC
L	2	XXXX-9110	MINDEOB FOCKE BCBC
L	2	XXXX-7110	MINDZOB I OCKZ BCBC MINDZOB FOCKZ BCBC
		XXXX-8110	MINDROE FOCKS BCPC MINDROE FOCKS BCPC
		XXXX-e110	JAJA SAJOJ AUSUNIW
ı	l l	0210-XXXX	NEW YORK CITY
ı	ı	O211-XXXX	МИИДВОВ ГОСКВ ВСЬС
l	ı	0212-XXXX	СКАИГОЯД КСРС
ı	ı	0213-XXXX	POS ROPC
1	ı	O214-XXXX	лекисно всьс
2	2	0215-XXXX	NEW YORK CUTRY
2	7	XXXX-91Z0	NEW YORK CUTRY
1	ı	XXXX-6120	ЛЕВІСНО ВСРС
ı	ı	0220-XXXX	BUFFALO CITY
l i	7	0223-XXXX	BUFFALO RCPC
i	ı	XXXX-09Z0	NEW YORK CITY
	ı	XXXX-08Z0	NEW YORK CITY
ı	l l	0310-XXXX	YTIO AIHADELPHIA CITY
ı	L	0311-XXXX	PHILADELPHIA RCPC
ı	L	0312-XXXX	DADELPHIA RCPC
L	ı	0313-XXXX	PHILADELPHIA RCPC
ı	l l	0319-XXXX	PHILADELPHIA RCPC
ı	ı	XXXX-09E0	YTIO AIH9JEGAJIH9
L	L	XXXX-0140	CLEVELAND CITY
1	2	0412-XXXX	CLEVELAND RCPC
l l	) L	0420-XXXX	CINCINNATI CITY
l l	l l	0421-XXXX	CINCINNATI RCPC
ı	l l	0422-XXXX	CINCINNATI RCPC
ı	l	0423-XXXX	CINCINNATI RCPC
L	ı	0430-XXXX	YTIO HORURGITIA
l l	7	0432-XXXX	PITTSBURGH RCPC
ļ ,	7	XXXX-6640	· SPS HEALTH

# CORPORATE AVAILABILITY SCHEDULE FLORIDA (NORTH)

# FFFECTIVE JANUARY 1, 1995 MONDAY - FRIDAY ENHANCED (LEDGER DAY)

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

		0651-XXXX	NEW ORLEANS RCPC
			NEW ORLEANS OF T
		XXXX-0990	NEW ORLEANS CITY
	1	0642-XXXX	NASHVILLE RCPC
	1	XXXX-1490	NASHVILLE RCPC
<b>,</b>		XXXX-0†90	NASHVILLE CITY
0	0	XXXX-ZE90	FIRST UNION FLORIDA
ŀ	1	0632-1012	FIRST UNION FLORIDA
ŀ	ı	0632-XXXX	1ACKSONVILLE RCPC
0	0	XXXX-1690	FIRST UNION FLORIDA
l l	l l	8170-1690	FIRST UNION FLORIDA
į į	ı	Z990-1£90	FIRST UNION FLORIDA
ı	ı	XXXX-1E90	1ACKSONVILLE RCPC
0	0	XXXX-0E90	FIRST UNION FLORIDA
ı	l l	XXXX-0E90	1ACKSONVILLE CITY
l l	l.	0622-XXXX	ВІРМІИ В КСРС
<b> </b>	1	0621-XXXX	ВІКМІИСНАМ КСРС
L	l l	XXXX-0Z90	ВІРМІИ СНТУ
l l	L	XXXX-£190	D4DA ATMAJTA
l l	1	0612-XXXX	D4DA ATNAJTA
l i	ı	XXXX-1190	ЭЧЭЯ АТИАЛТА
ı	ı	XXXX-0190	YTIO ATNAJTA
			}
ı	l l	XXXX-0720	ВАГТІМОЯЕ ЯСРС
ı	L	0290-XXXX	BALTIMORE RCPC
ı	ı	0220-XXXX	BALTIMORE RCPC
L	L	0240-XXXX	BALTIMORE RCPC
L	L	0236-XXXX	COLUMBIA CITY
ı	ı	023Z-XXXX	COLUMBIA RCPC
ı	ı	0531-XXXX	СНАВГОТТЕ RCPC
ı	ı	0230-XXXX	CHARLOTTE CITY
ı	L	0255-XXXX	BALTIMORE RCPC
ı	L	0221-XXXX	BALTIMORE RCPC
L	L	0250-XXXX	BALTIMORE CITY
ı	L	XXXX-6130	CHARLESTON CITY
ı	7	OS15-XXXX	СНАВГЕЅТОИ ВСРС
ı	L	0214-XXXX	ВІСНМОИД ВСРС
ı	ı	OS10-XXXX	RICHMOND CITY
l	7	0442-XXXX	COLUMBUS RCPC
l.	7	O441-XXXX	COLUMBUS RCPC
L	l l	XXXX-0440	COLUMBUS CITY
ı	7	0434-XXXX	рттзвивст ксрс
FRI	яинт - иом	R/T NUMBER	SENDPOINT NAME
	,		•

# FIRST UNION NATIONAL BANK CORPORATE AVAILABILITY SCHEDULE FLORIDA (NORTH) EFFECTIVE JANUARY 1, 1995

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

**MONDAY - FRIDAY** 

SENDPOINT NAME

R/T NUMBER MON - THUR

FRI

2	2	XXXX-£160	MINNEAPOLIS CNTRY
7	7	0912-XXXX	YATINGEAPOLIS CNTRY
7	7	XXXX-1160	MINNEAPOLIS CNTRY
l L	l l	XXXX-0160	MINUEAPOLIS CITY
1			] .
7	7	0865-XXXX	ST LOUIS COUNTRY
ı	7	XXXX-£980	FONISAILLE RCPC
L	7	0843-XXXX	MEMPHIS RCPC
L	7	0842-XXXX	MEMPHIS RCPC
L	٠ 5.	XXXX-1480	MEMPHIS RCPC
ı	l	XXXX-0480	MEMPHIS CITY
ı	7	XXXX-6£80	LOUISVILLE RCPC
L	l l	XXXX-0E80	LOUISVILLE CITY
ı	7	XXXX-6Z80	LITE ROCK RCPC
ı	l l	XXXX-0Z80	LITLE ROCK CITY
l l	7	XXXX-6180	2T. LOUIS RCPC
7	7	0815-XXXX	іггійоів КсРС
ı	7	0813-XXXX	FONISAIFFE BCPC
7	7	XXXX-S180	ІГГІИОІВ ВСЬС
ı	l	XXXX-0180	ST. LOUIS CITY
l	7	XXXX-6940	MILWAUKEE RCPC
l l	l	XXXX-0940	MILWAUKEE CITY
ı	7	XXXX-61/10	эдэя гроги
L	L	XXXX-0470	YTIO SIJOGANAIDII
l l	5	XXXX-6570	DES MOINES RCPC
l L	l l	XXXX-0570	DES MOINES CITY
ı	l l	0724-XXXX	MICHIGAN RCPC
l L	l l	0720-XXXX	УТІО ТІОЯТЭП
l l	l l	XXXX-6170	CHICAGO RCPC
l l	l l	0712-XXXX	CHICAGO RCPC
ı	l l	XXXX-1170	CHICAGO RCPC
l l	l	XXXX-0170	YTIO OĐADIHO
0	0	XXXX-0290	FIRST UNION FLORIDA
l L	l l	XXXX-0760	MAMI RCPC
0	0	XXXX-0990	FIRST UNION FLORIDA
L	l l	XXXX-0990	, YTIO IMAIM
L	L	XXXX-9990	NEW ORLEANS RCPC
L	l.	XXXX-7990	NEM ORLEANS RCPC
L	ı	XXXX-£590	NEW ORLEANS RCPC
l L	l	XXXX-Z990	NEW ORLEANS RCPC



# CORPORATE AVAILABILITY SCHEDULE FLORIDA (NORTH) FEFEFECTIVE JAMILABY 1 1995

## EFFECTIVE JANUARY 1, 1995 YADIAT - YADIAY

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

		XXXX 7700	VOTINO 31 IOUVAININI
	7	XXXX-4160	MINNEAPOLIS CNTRY
7	2	XXXX-3160	MINNEAPOLIS CNTRY
ı	2	XXXX-8160	MINNEAPOLIS RCPC
ı	5	XXXX-6160	МИИЛЕАРОГІЯ ЯСРС
ı	2	XXXX-0260	HELENA CITY
7	2	XXXX-1260	HELENA CNTRY
ı	2	XXXX-6Z60	HELENA RCPC
ı	L	XXXX-0960	MINNEAPOLIS CITY
		AAAA OPOP	YTIO YTIO SVSINVA
1	1	XXXX-0101	KANSAS CITY COLINTRY
2	7	XXXX-1101	KANSAS CITY COUNTRY
2 2	7 7	1012-XXXX	KANSAS CITY COUNTRY
	7	XXXX-0501	DENVER CITY
i		1020-XXXX	DENVER COUNTRY
2	2	1021-XXXX	DENVER COUNTRY
2 2	7	1023-XXXX	DENVER COUNTRY
	1 7	1030-XXXX	OKLAHOMA CITY
2	2	1031-XXXX	OKLAHOMA CITY CNTRY
	2	1039-XXXX	OKLAHOMA CITY RCPC
1	1 1	1040-XXXX	VTID AHAMO
2	2	XXXX-1401	YATUOO AHAMO
1	2	XXXX-6401	ОМАНА ЯСРС
	2	XXXX-0701	<b>DENVER RCPC</b>
ı		XXXX-0111	DALLAS CITY
L	2	XXXXX-1111	DALLAS RCPC
2	z	1112-XXXX	DALLAS COUNTRY
2	2	1113-XXXX	DALLAS COUNTRY
1	z	XXXX-eiii	DALLAS RCPC
1	1	1120-XXXX	EL PASO CITY
	z	1122-XXXX	EL PASO RCPC
	z	1123-XXXX	EL PASO RCPC
1	,	1130-XXXX	HOUSTON CITY
	2	XXXX-0411	POUSTON NOTSUDH YTIO OINOTNA NAS
1	2	XXXX-1411	SASS OINOTHA MAS
1	7	XXXX-6411	SHOW OWN THE SHOW THE
}	2	1163-XXXX	EL PASO RCPC
	1	1210-XXXX	SAN FRANCISCO CITY
	z	IS11-XXXX	SAN FRANCISCO RCPC

#### FIRST UNION NATIONAL BANK CORPORATE AVAILABILITY SCHEDULE FLORIDA (NORTH) EFFECTIVE JANUARY 1, 1995 MONDAY - FRIDAY

ENHANCED (LEDGER DAY) sit Deadline: 2:00 PM at Branches. 6:00 PM at Procession

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

1		XXXX-0008	/\EFEBS CHECKS
١.	Z	1Z6Z-XXXX	TTLE RCPC
	7	1251-XXXX	TTLE RCPC
	7	1520-XXXX	TILE CITY
!	1		
1	5	1243-XXXX	T LAKE RCPC
1	7	1242-XXXX	T LAKE RCPC
ı	7	1241-XXXX	TLAKE RCPC
l l	7	1240-XXXX	T LAKE CITY
l l	7	1233-XXXX	ЭЧЭЯ ДИАЛТ:
l l	7	1232-XXXX	TLAND RCPC
l l	7	1231-XXXX	TLAND RCPC
l l	7	1230-XXXX	YTIO GITY
ı	7	1224-XXXX	ANGELES RCPC
l i	L	1223-XXXX	YNGELES CITY
L	7	1222-XXXX	ANGELES RCPC
l L	7	1221-XXXX	ANGELES RCPC
l L	) L	1220-XXXX	ANGELES CITY
z	7	1214-XXXX	FRANCISCO CUTRY
L	7	1213-XXXX	FRANCISCO RCPC
L	7	1212-XXXX	FRANCISCO RCPC
FRI	ЯИНТ - ИОМ	R/T NUMBER	SENDPOINT NAME

authorization. However, such a designation is solely for your convenience and internal concepurposes. In the absence of our specific written agreement to the contains at least one authorized check or other item drawn against your account as long as it contains at least one authorization.

7. FACSIMILE SIGNATURES. If any checks, drafts, notes, or other negotiable instruments a signed and endorsed in writing, by rubber stamp or otherwise, with or without a designation the party making such signature or endorsement, we may pay and charge your account payments, checks, drafts, notes or other orders for payment bearing or purporting to bear takesimile signature of any person or persons required to sign when the signatures resemble takesimile signature of any person or persons required to sign when the signature and have been affixed. We are not liable for any use of a facsimile signature arguments and cancel over your facsimile signature devices are of the signature devices. Therefore, your should maintain close control over your facsimile signature devices are of the signature devices. Therefore, your statements and canceled checks to detect unauthorized use of the promptly review your statements and canceled checks to detect unauthorized use of the

8. OVERDRAFTS. We may determine whether or not your account contains sufficient funds pay a check or other item at any time between the time we receive the check or other item as our return deadline, and only one determination of the account balance is required. If the pays a service charge, and we are not required to honor the check or other item and may return by a service charge, and we are not required to honor the check or other item and may return. Alternatively, we may honor the check or other item, you agree charge for paying the overdraft. You agree to deposit sufficient funds to cover the overdraft and impose a service charge upon notice of the overdraft and to reimburse us for any costs of the overdraft and impose a service charge upon notice of the overdraft and to reimburse us to rany costs of the overdraft and you shound not rely on a sud the costs of litigation to the extent permitted by law. However, the honoring of one or mo overdrafts does not obligate us to honor any future overdrafts, and you should not rely on us honor an overdraft even if we have done so in the past. Moreover, we are not required to service overdraft even if we have done so in the past. Moreover, we are not required to service that the costs of the overdraft even to thecks returned for insufficient funds.

9. OVERDRAFT CHECKING PROTECTION. If overdraft checking protection is available, any overdraft and service charge, to your primary checking account from any other eligit secondary deposit account (checking, asavings, money market) you selected. Funds will surface that object that object the lobilst amount. One transfer will be made at the end of transferred in the next largest full dollst amount. One transfer will be made at the end of transfer of each daily transfer, as provided in the Bank's Schedule of Fees, and that charge be deducted from your primary account. This is not an extension of credit and no transfer will be deducted from your primary account. This is not an extension of credit and no transfer will made if sufficient funds are not available in your secondary account to cover the overdraft. You seen the overdraft of the overdraft will be exclusive and is not available in your account, transfer tom such accounts as the surface that the overdraft in the surface of the overdraft. This is not an available the overdraft are secondary account is a savings or money market account, transfers from such accounts as the surface of the overdraft. This is not available in your are not permitted to make more the surface of the sarsfers and, under federal regulation, you are not permitted to make more the surface of the sarsfers and, including telephone transfers) each statement period. If a check as the arms and conditions of that agreement apply.

10. SERVICE FEES. You agree to pay any service fees that apply to your account. Serv fees may include but are not limited to charges for checks, overdrafts, Automated Clearing Hoc. (ACH) entries, wire transfers, insufficient funds checks, and Csah Management Services. A fees may be deducted from your account without prior notice to you. We will not be liable dishonoring checks or other withdrawal orders because of insufficient funds resulting from procise may be deducted from your account without prior notice to you. We will not be liable is available at any of our branch offices. Service fees are subject to change from time to ut discretion. Notice of any changes will be sent to you at the address shown on our record and a reasonable period of time will be given before any changes become effective. You furth agree to reimburse us for any actual expenses we incur to execute, cancel or amend any w transfer payment order, or perform any related act at your request.

psyment procedures so that we can process the greatest volume of items at the lowest possitions to call customers. These automated procedures involve high-speed automated che processing machines that read information encoded onto each item in magnetic ink processing machines that read information encoded onto each item for collection, we must be a fact, you agree that in paying or taking an item for collection, we make the amount of the item, and any other information encoded onto the item in magnetic ink and the there is amount of a check as encoded into the check to exceed the maximum amount for which the check is valid as attained in a lege of the check or exceeds the maximum amount for which the check is valid as attained in a lege of the check or exceeds the maximum amount or expense (including, without limitable of the check or exceeds the maximum amount or expense (including, without limitable of the check or exceeds the maximum amount or expense (including, without limitable or the check or exceeds the maximum smount or expense (including, without limitable or the check or exceeds the maximum smount or expense (including, without limitable or the check or exceeds the maximum smount or expense (including, without limitable or the check or exceeds the maximum smount or expense (including, without limitable or the check or exceeds the maximum smount or expense (including, without limitable or the check or exceeds the maximum smount or expense (including, without limitable or the check or exceeds the maximum smount or expense or expense (including, without limitable or the check or exceeds the maximum and the check or exceeds the maximum and the check or exceeds the maximum and the check or expense or expense or deposit its maximum and the check or exceeds the maximum and the check or expense or expense or deposit its process or expense in paying an item solely because our procedures do not provide for the sixtens or or expense or expense or deposit its maximum and the check or exceeds the check or exceeds

12. STATEMENTS. We will send account statements for Commercial Checking, Mon-Profit Checking, Commercial Money Matri-Checking, Commercial Money Matri-Checking, Commercial Money Market Investment, Client Fund Manager and Commercial Money Market Investment, Client Fund Manager and Commercial Money Market Investment, client Fund Manager and Commercial Savings accounts. Your statement will be mailed monthly, quarterly or annually, depending the types of accounts and services you have with us, and will include the interest payment(s) included in that statement. We will mailly estatements to the address we have tor you in our records, unless you have requested anothat attended in writing. If any statement is refurmed to us because of an incorrect address, arrangement in writing. If any statement is refurmed to us because of an incorrect address, arrangement in writing. If any statement is refurmed to us because of an incorrect address, arrangement in writing. If any statement is refurmed to us because of an incorrect address, arrangement in writing. If any statement is refurmed to us because of an incorrect address, arrangement in writing. If any statement is refurmed to us because of an incorrect address, arrangement in writing.

examination of items with a face amount below an amount we specify from time to lime.

# For Mon-Personal Accounts



ou" and "yours" as used in this Agreement mean the person, partnership, association who has agreed to the terms of this Agreement. The words "we" and First Union bank of the state where your account is opened.

FFECT OF THIS AGREEMENT. When you open a deposit account with us by same Card, providing a Resolution and receiving a copy of this Agreement, the a legally binding contract. Please note that the other terms of this Agreement, it is a legally binding contract. Please note that the discountwelf as provided in this Agreement, in establishing an account with us, a schrowledge that our relationship is that of debtor and creditor and that we are a schrowledge that our relationship is that of debtor and READ and RETAIN this schrowledge that our relationship is that of debtor and creditor and that we are a schrowledge that our relationship is that our least our relationship is that you can relet to it whenever you have a question about your account. If you arise after reading this Agreement, we would be happy to try to answer or clarity

reasonable time to act upon that notice. salt until we actually receive written notice that the authority has been terminated and to follow the directions of a person designated as having authority to act on the en instructions from the corporate secretary or an assistant secretary. We are in telling us who is authorized to act on its behalf. For corporations, we may rely une a partnership, corporation or other legal entity to give us a separate written st to notify us promptly in writing of any change in authority. We also reserve the in all transactions involving the account. The partnership, corporation or other legal the Signature Card is duly authorized and has complete authority to bind the is duly authorized to transact business and that each person whose name is written account, each person who signs the Signature Card represents to us that the se and all other partners or owners in all transactions involving the account. In a ten or typed on the Signature Card has complete authority to bind the partnership or or owners agree with each other and with us that any one partner or owner whose on the Signature Card. In a partnership or other unincorporated business account, siness. The classification and form of ownership of a business account are as enmental unit, and an individual who intends to use the account for carrying on a ed on a for-profit basis; a corporation or an association operated on a not-for-profit those accounts established by a partnership, corporation, association or other DF AGREEMENT. This Agreement only applies to business accounts. Business

5115. You may make deposits by mail or in person at our branch offices by using kets. We have the right to endorse any non-cash items submitted for deposit to your account. We also have the right to limit, retuse or return at to deposit them into your account. We also have the right to limit, retuse or return at to vou agree to reimburse us for any loss or expense (including, without limitation; a situmeys' fees and the costs of litigation) we incur because you tail to endorse an it we receive an item on a weekend, holiday or after our cut-off hour are day, the item is deemed to have been received on our next business day. Our days and cut-off hours are posted at our offices (except for certain Automated Teller which may be unique) and are subject to change from time to time at our discretion.

LECTION OF ITEMS. In receiving items for deposit or collection, we act as your agent and assume no responsibility beyond the exercise of due care. Special no fuestion and items of the sale of the serion of the same of the serion. We will not be liable for default or negligence of our correspondents or for in question. We will not be liable for default or negligence of our correspondents and their ansatz and each correspondent will only be liable for its own negligence. Items and their is may be handled in accordance with applicable Federal Reserve and Clearing House it liems are credited autiect to final payment and our receipt of proceeds. Without pror not we may charge back any item at any time before final payment, whether returned it liems are credited autiect to final payment and we may also charge back any item drawn on us if, within the normal handling period have ment also charge back any item drawn on us if, within the normal handling period when the may also charge back any item drawn on us if, within the normal handling period items, the item cannot be honored signing the dirawer's account. We are authorized to collection of previously dishonored items, and in so doing we may permit the payor bank in the mental provided in the midnight deadline.

:cKS AND OTHER WITHDRAWALS. We may refuse to pay or may impose a special any check or other item drawn against your account or used to withdraw funds from your account or a form we have approved. We also reserve the right to refuse to pay or a special see for any check or other item drawn against your account or used to withdraw rom your account if the transaction is made in a manner not specifically permitted tor your account. We may pay checks or other items drawn upon your account ing those payable to us) in any order we determine, even it paying a particular check or lied to your account. We may pay checks or other items drawn upon your account ing those payable to us) in any order we determine, even it paying a particular check or set in an insufficient balance in your account.

UHORIZED SIGNATURES. The signatures appearing on the Signature Card are the integrative of the payment of funds and for other purposes is de signatures for your account. For the payment of funds and for other principle is any account you have with us, we are authorized to recognize an authorized use, but we will not be liable to you for refusing to honor your checks or clions if we believe in good faith that the signature appearing on such checks or clions if we believe in good faith that it is established, you may indicate your desire that clions is not genuine. When your account is established, you may indicate your desire that the account is not genuine.

endorser signs, stamps or statutes are intocrement to a check, that material cultures can statute the training adapted a check, that material could also intaminate and cause delays in returning the check. Therefore, you agree indemnity and hold us harmless from any and all claims, loss, costs and expenses (including indemnity and hold us harmless from any and all claims, loss, costs and expenses (including indemnity and hold us harmless thom any since is indemnity and hold us harmless to carbon band, printing, endorsements or contract in the late return of a check caused by a carbon band, printing, endorsements or contract in the late return of a check caused by a carbon band, printing, endorsements or contract holds.

20. STALE, POST-DATED AND TIME-DATED ITEMS. We maintain the option either to perform the continuous states are the continuous states of the contin

21. NIGHT DEPOSITORY SERVICES. If you wish to use our night depository services acceptance by us of an authorized night deposit bag and its contents, and your selection are of such a bag, are subject to the following terms and conditions:

A. You shall indicate by signing a Night Deposit Agreement that you will use hold bags signed the Bank will not process the deposit(s) until one of your authorized agent has signed the hag(s). The bag(s) will only be released to an authorized agent that has signed the high beposit Agreement. It bags other than hold bags are used, a Night Deposit Agreement not be required.

B. You may deliver and pick up the bag by armored courier, or by courier designee, or any other agent or employee. All such couriers or courier designees shall be deemed to

C. The bag at time of delivery to us shall contain a deposit ticket accurately describing cash, checks and/or other items contained in the bag and containing your name and number of the account to which we are to make the deposit, and it shall be securely sea:

We reserve the right, in our sole discretion, to retuse to accept the bag or process of deposit if the bag appears form or tampered with in any way. We will give you notice of the bag at the bag. We shall not be deemed to have possession of the bag or or returned to process the bag. We shall not be deemed to have preceding sentence. Expensely the process the bag.

D. You may deliver the bag into our night depository iscility at any hour of the day or nigwhether or not we are open for business. You will have received and acknowledged recipients or not we are such night depository tacility, which key belongs to us and shall returned to us upon termination of your right to use the night depository facility or upon termination of your right to use any key enturated to you channed to use you not nearly to use any key enturated to you allow any other person or entity to make use of our night depository facility with any surface. We shall remove bags from the night depository facilities at least once a day on estangly we are open for business. The Bank employee removing the bag or other East once a facility is not an expectation of the page and process the contents in accordance with paragraph East withdraw any night depository facility from use at any time without notice.

E. You hereby direct us to open the bag and deposit the contents to your designated accoming us. We shall process the contents of the bag in accordance with our normal process when will notify you upon discovery of any discrepancy or missing documental: Our count of the coins and currency contents of the bag shall be conclusive as to the amount of the contained in the bag shall be conclusive as to the bag shall be conclusive as to the bag shown on the deposit ticket subject to later verification and final settlement. Notwithstanc shown on the deposit ticket subject to later verification and final settlement. Notwithstance the foreagoing, we shall not be liable for opening or not opening the bag.

F. You agree that nothing will be placed in the bags except money, checks and other negotiable items ("Property") and no Property will be placed in the chule to the to he chaile items ("Property") and no Property sealed or locked bag. The use of the net depository facility shall be at your sole risk. You agree that neither we not any of our age shall be responsible for any loss or damage sustained by you in the use of the manned depository facility, from an act of C depository facility which results from a mechanical defect of the facility, from an act of C depository facility of the user to properly operate the facility, or from acts of vandalism from the inability of the user to properly operate the facility, or from acts of vandalism from the inability of the user to properly operate the facility, or from acts of vandalism from the inability of the user to properly operate by our gross negligence or intentic

**G.** Prior to the receipt and acceptance of the contents of the bag by us as a deposit, relationship between you and us as to all Property placed in the night depository facility is that of bailor and bailee of auch Property, and we shall be liable to you, not as an insurersted be that of bailor and bailee of auch Property, and we shall be liable to you, not be a contained in the bag axist between us contained the contents of the bag as a deposit, credited the amount of your account, and accepted the contents of the bag as a deposit, credited the amount of your account. In the case of non-cash items, when we have finally collected the check or item. We set not be liable to you except for our own lack of good faith or failure to exercise ordinary of the liable to you except for our own lack of good faith or failure to exercise ordinary of the liable to you except for our own lack of good faith or failure to exercise ordinary of gross negligence and willtul misconduct with regard to any other matters. We shall not gross negligence and willtul misconduct with regard to any other matters. We shall not gross negligence and willtul misconduct with regard to any other matters. We shall not gross negligence and willtul misconduct with regard to any other matters. We shall not liable for any act is performed by us, not any claims, expenses, damages or losses are thereform, if such act is performed by us pursuant to instructions, written or oral, which reasonably and in good faith believe to be yours. In no event shall we be liable for indirect consequential or exemplary damages, even if we have been advised of such possibility.

on you receive them. If you feel there is an error on the stalement, or that some jar person has withdrawn funds from the account, notify us immediately. The is considered correct unless you notify us promptly after any error is discovered. Decause you are in the best position to discover an unauthorized signature, as dendorsement or a material alteration, you agree that we will not be liable for paying each endorsement or a material alteration, you agree that we will not be liable to paying efficients to us within 60 days of the mailing date of the earliest statement and describing each not to reported an unauthorized signature, an unauthorized use of a gration to use not insolve the machine or otherwise) that an unauthorized signature, as unauthorized signature, an an original photocopy machine or otherwise) that an unauthorized signature, as an endorsement or material alteration could not be detected by a reasonable person. These items were torged or aftered so cleaverly (as by unauthorized signature, an elected not to receive copies of canceled checks with your statements, the canceled elected not to receive copies of canceled checks with your statements, the canceled because will be provided to you written at unauthorized use of canceled checks with your statements, the canceled because will be provided to you written at unauthorized copies of canceled checks with your statements, the canceled because of a canceled checks with your statements, the canceled statistics and copies of canceled checks with your statements, the canceled because of canceled checks.

the length of the stop payment order. You may extend a stop payment order by ill be effective (not applicable to Florida customers). The fee for stopping payment We will send you a written confirmation of your stop payment order, noting the period of we valid for the length of time you request, but in all events, for a minimum of six surfied checks or money orders are not permitted. Stop payment orders (both oral and to is suthorized to draw checks against the account. Stop payment orders on cashier's on later on. A release or cancellation of a stop payment order may be given by a payee or other holder of the check, and to assist us in any legal action taken against er a valid and timely stop payment order, you agree to transfer to us all of your rights s after you give us a stop payment order. If we re-credit your account after paying a nent. We are entitled to a reasonable period of time within which to notify our n requested about the check, we will not be responsible if we are not able to effect the eldsnoasen revie us evig ton ob uoy it octrect or it you do not give us other reasonable e and the full account number on which it is drawn for us to be able to enter a stop accounts. You must tell us the exact amount of the check number, date of al Money Market Checking, Commercial Money Market Investment, and Client Fund al Checking, Business Checking, Non-Profit Checking, Commercial Interest Checking, pping PAYMENT. You may ask us to stop payment of checks drawn on your

TOFF AND SECURITY INTEREST. Any pledge or assignment of CDs and other s for security purposes remains subject to our right of selotif and security interest. If you is used to a financial institution acquired by us, and it becomes due, we have the right any owed to a financial institution acquired by us, and it becomes due, we have the right is law (called "selotf") and under this agreement (by which you grant us a security in your certificates of deposit and other deposit accounts) to use the morey from your to pay the debt. We may use the money to pay the debt even if the withdrawal results in the pay the debt. We may use the money to pay the debt even if the withdrawal results in or joint owner agrees that we may use the money if (a) you are a joint owner to take the may use the money if (a) you are a joint owner of the safeth beligations. We may use the money if (a) you are a joint owner of the the individual obligations in the joint account. The security interest to satisfy obligations in the joint account. The security interest to satisfy obligations in the joint account or partnership account. The security interest to call the individual and it is in addition to our right of setoff.

rwiting us prior to the expiration of the existing stop payment order. An additional fee

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OTICES. Any notice we send you will be considered effective when it is deposited in the all to the most recent address reflected in our records. Notice from you will be considered to the most receive it at our designated address.

Cosing Youn Account. If you close your Commercial Interest Checking, Commercial Money Market Checking, Commercial Money Market Investment, Client Fund Manager or encial Savings Account during the calendar month, you may lose the interest that has later account. Before you close your that has a sufficient any balances remaining in your Client accounts to the Master of account, you must transfer any balances remaining in your Client accounts to the Master of Commercial Liberting, you must transfer any balances remaining in your Commercial Checking, nor account, your Commercial Money as a checking, then the safe with the close your Commercial Money of second commercial Money was account, whether by a second commercial Money was account (whether by a count account in the process of closing out your account, or for your liability on the those you incur in the process of closing out your account, or for your liability on and items.

4ΕΡΟΗΤΙΝG ΙΝΕΟΡΙΑΤΙΟΝ. We have the right to report information about your account y credit reporting agency or to anyone to whom you give us as a reference. Also, unless νοίται το προτήτης το the contrary, we will share information about your banking relationship yetrat Union affiliates.

ABANDONED ACCOUNTS. If you fail to notify us in writing of your current mailing address, be presumed abandoned atter a certain period of time. Dormant accounts may be subject to be presumed abandoned atter a certain period of time. Dormant accounts, and these service charges similar to those imposed on active accounts, which are presumed to be abandoned. Accounts which are timed to be abandoned will be subject to escheat in accordance with the laws of the state way be imposed on accounts to escheat in accordance with the laws of the state way be imposed on accounts to escheat in accordance with the laws of the state.

ENDORSEMENTS AND THE BACK OF CHECKS. If you issue a check that contains a on band, printing, endorsements or other material on the back of the check outside of the check, that material could also interfere endorsements and cause delays in returning the check. Similarly, if you or a prior endorsements by banks and cause delays in returning the check. Similarly, if you or a prior endorsements by banks and cause delays in returning the check. Similarly, if you or a prior endorsements by banks and cause delays in returning the check.

your interest is credited to your account monthly. deposits with terms shorter than three months. If you elect to have your interest remyhaving interest paid at maturity. Interest payments can be made only at maturity is of the time deposit. For terms from three months to one year, we also offer the opic payments can be made monthly, quarterly, semi-annually, or annually depending on the First Union checking, savings, or money market account or paid to you by check. Ins Receiving interest. You may choose to have interest automatically reinvested, paid

your account opening documents, the following terms apply: Automatically Renewable Time Deposits. If "Automatically Renewable" is indicate:

This time period is known as a grace period. accounts, you have 7 days after the maturity date to withdraw funds without per calendar day after the maturity date to withdraw funds without penalty. For all  $\varepsilon$ Grace Period. For accounts with a maturity of 7 through 31 days, you have

currently offered rate in effect on the maturity date for the term just ended. at each renewal term will be asch renewal term will be extended for a time period equal to the initial term beginning at the initial maturity car maturity date or within the grace period, this time deposit account will automatica. Automatic Renewal. Unless your account is closed on the initial or any subsec-

and not reinvested at First Union. interest will not be paid for the days in the grace period if any of the principal is witto: the amount withdrawn at the interest rate in effect for the term just ended. Howe reinvested in any First Union account, interest will be paid through the grace peno: Withdrawal of Principal. If any principal is withdrawn within the grace period and

when earned. withdrawn without penalty on the matunity date or within the grace period after the Withdrawal of Interest. Interest earned during the initial or subsequent form man

Interest Added to Principal. If the interest earned during the initial or subsequent SCCOUNT Additional Deposits. Additional deposits are not permitted during the term ci

earned, it will be added to and made part of the principal amount. is not withdrawn on the matunity date or within the grace period after the term  $\kappa$ 

Early Withdrawal Penaltiles. If you make withdrawals from or close your time dec partial withdrawal will be subject to early withdrawal penalties and fees. minimum amount required to open an account of that type remains on deposit. during the initial or any subsequent renewal term of your account, as long 25 Partial Withdrawals. You are permitted to make partial withdrawals, \$500 miring

1. If any of the deposit is withdrawn before the initial or any subsequent maturity car penalty as outlined below: account before the maturity date, you will be subject to an early withdrawal fee, a-

Early Withdrawal Penalty sa shown below will be imposed on the amount withdrawn:

Greater of: 7 days simple interest, all earned interes

withdrawn have remained on deposit .' ent emit to ritignel ent to assistages, imme the equal to one-half the maturity period, on the arr all interest that would have been earned duning a re-

Amount equal to 1 month's simple interest.

GA, SC, NC, VA, MD, DC and TN. DE, NJ, NY, and PA, or (2) 1 month's simple interes 크 ni teenetini elqmis 'srtinom & (1) ot laupe truomA

Amount equal to 3 months' simple interest

the account owner is determined to be legally incompetent by a court or : (i) where requested, upon the death of any account owner; or (ii) where requested. \*interest penalty as outlined in the previous paragraph 1 in the following circumsta-2 Withdrawals from time deposit accounts will be permitted before maturity withc. More than 1 year Amount equal to 6 months' simple interest

6 months through 1 year

91 days up to 6 months

32 days up to 91 days

7 days up to 32 days

Maturity Term

25. INTEREST INFORMATION. Interest on Commercial Money Market Investment, Comme time deposit accounts, for a period of 1 year after the date of the merger. or more federally insured banks in which the depositor previously maintained set: account on which federal deposit insurance has been lost as the result of a merger c. administrative body of competent jurisdiction; or (iii) where a bank pays that portion c

the effective annual percentage yield earned for that statement period. rates are available in our branch offices. Your statement will also include the interest rate methods. Interest rates for the above accounts vary from time to time, and the current into the Commercial Accounts Schedule of Fees for details on interest compounding and pay" Savings accounts will be compounded and credited as determined by the Bank. Please re: Money Market Checking, Commercial Interest Checking, Client Fund Manager and Comme

Jealances for earning higher rates of interest. amount. Please refer to your Commercial Accounts Schedule of Fees to confirm three Money Market Investment interest rate if you maintain a daily collected balance of the min: 26. COMMERCIAL MONEY MARKET INVESTMENT. You will earn our current Comme

Commercial Interest Checking in all states; also called Non-Profit Checking and Commercia:

consists of two sub-accounts: a commercial checking with interest account (referred .

27. COMMERCIAL INTEREST CHECKING. The commercial money management acc

of Fees available at any branch office. will be in keeping with Bank policy and disclosed on the Commercial Accounts le reserve the right to assess a fee for the use of Bank's Night Depository Services. ou or your agents, or by written notice mailed to your last address shown on our nevige entre the bag may be terminated by us on seventy-two (ST) out-theorem on the

ing, delivering and/or taking custody of any Bag. e to your third party agent or any person or entity purporting to be your third party at any time asserted that Bank may incur or suffer or that may arise out of, result d reasonable attorneys' tees and costs, whether direct, indirect, consequential, inabilities, losses, damages, recoveries, and deficiencies, including interest, law) from and against any and all claims, demands, lawsuits, costs, expenses, fees, es, directors, officers, employees, attorneys, and agents (to the fullest extent ment or etsewhere, you shall indemnify, defend, and hold harmless Bank and each be your agent. You agree that notwithstanding anything to the contrary contained as your third party agent. Bank shall not be authority of the person(s) or entity , the many wind party when you have authorized to do so under the entire  $\epsilon$ RAG RETRIEVAL AND DELIVERY. If you elect to have any Bag retrieved and

perational procedures without amending this Agreement, upon notice to you. the terms and conditions of the Service Description(s) shall govern. We may any terms and conditions of the Service Description(s) conflict with the terms of this Service Description(s) provided by us, both initially and at any time hereafter. You sere more fully described in the Automated Clearing House Terms and Conditions our provisions of these Services are subject to the following terms and conditions: LANAGEMENT. If you wish to use our Cash Management Services, your selection

sice is received by us in sufficient time for us to act thereon. be liable for any actions taken by us in reliance upon such new documentation until promptly execute and deliver new documentation as may be required by us. We ent in writing of any actual changes underlying or represented in the documentation, a documents and instruments. You will promptly notify our Cash Management unents and may delay the implementation of the Services prior to the receipt of matton. We, in our sole discretion, will determine the adequacy of the documents

immediately due and payable. the event of termination for whatever reason, all sums and fees owed by you to us unable to pay their debts or should any action in bankruptcy be filed by or against to us when due, or (2) you should seek protection under any law for the protection entitled to any remedy available to us at law or equity if (1) you fail to make any s prior written notice. However, we may terminate all services immediately and we tion. Either party may terminate the services by giving the other party at least thirty

of warranty, negligence or other tort, and shall survive the termination of this ns of every kind, nature and description whether arising from breach of contract, ity of such damages. The limitations and exclusions in this paragraph shall apply to ent to besivbs need even uoy to ew it neve trameeted sirts tehnu tot bebivorg a sa arising out of or in connection with the furnishing, performance or use of the it shall we or you be liable, to one another, for special, consequential or punitive sion or communication facility. Even if liability is established for actual damages, in ontrol) acts or omissions, including, without limitation, any Federal Reserve Bank or structions from you. We shall not be responsible for any other entity's (not under our is of any kind arising out of actions taken or omitted in good faith by us in reliance ly and hold us harmless, our officers, employees and agents from any and all losses egligence or wilful misconduct of the Bank or its employees. You further agree to ion with the Services provided under this Agreement, except losses or claims arising employees and agents from any and all losses or claims of any kind arising in ification; Limitation of Liability. You agree to indemnify and hold us harmless, our

buzed or altered check or other item will ultimately be paid out of your account. 28 those Services could substantially increase the likelihood that a traudulent, onzed or attered check or other item will be paid. You also acknowledge that failure tyailable to you several Services designed to reduce the likelihood that a fraudulent, sement Fraud Detection Services. You acknowledge that we have developed and

esued) at any branch office and you will be paid the amount due. thicates were issued), your passbook, or sign a receipt form (for accounts with no il maturity date, you may present your property endorsed Certificate (for accounts assbook, or a time deposit for which no certificate is issued. On the initial or any DEPOSITS. Time deposits may be issued either in the form of a Certificate of

19 the redemption proceeds against such obligations. and may accelerate maturity if you default in the payment of money owed to us, aption. We may redeem the Time Deposit on the initial or any subsequent maturity

Pawal of interest will reduce earnings. The daily rate is 1/365 (or 1/366 in a leap year) of A Juncoos ent to miet ent tot fiscoeb no nismer will remeat interest will remain on deposit for the second. A The maturity date, and begins to accrue on the business day you deposit non-cash ed, from the opening date. Interest is paid from the date of deposit through the day tate interest is compounded at the frequency indicated on the Rate Disclosure The The sing interest you've earned that has not been credited to your account. The This method applies a daily periodic rate to the ledger balance in your account st Calculation. We use the daily balance method to calculate interest on your

all and the term you select, and is fixed for the term of the account.

to find amount of the interest tate for your deposit is established based upon the amount of

Carolina Article 4A definitions and governing law. your account or relationship is maintained, except South Carolina accounts will apply h

Representatives, agree that we, in our sole discretion, may record telephone conversa or callback of the payment order made by us. You, for yourself and each of your Author of the initial communication of the payment order as well as the accuracy of any documents deemed authentic and we shall be entitled to rely thereon. You are responsible for the accu. request) is received by us in accordance with your Security Procedure, it shall be conclus telephone number indicated in the Authorization Schedule. If a payment order (or rehave been learned by an unauthorized person, you agree to notify the Bank immediately a any of your Authorized Representatives have reason to believe that a Security Procedure authorized to make transfer requests on your behalf ("Authorized Representatives"). If yo and not to disclose the Security Procedures to anyone except the persons whom you payment orders you will request. You also agree to keep the Security Procedures confide commercially reasonable in light of your circumstances and the type, value and frequency c this Agreement upon your execution thereof. You agree that those Security Procedures utilized by you as described on Schedule B, which is incorporated by reference and made p: will use to process payment orders initiated by you. Additional call back procedures me The Authorization Schedule contains the procedures ("Security Procedures") which both o "Authorization Schedule"), which is incorporated by reference and made part of this Agreen requirement for you to sign a Funds Transfer Security and Authorization-Schedule A for you to initiate and receive funds transfers to or from your account(s) which inclu-Authorization and Security Procedure. We have established rules and security proced

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

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

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

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

error. We will rely on the identifying number as proper identification of a beneficiary. payment order and that your obligation to pay the payment order shall not be excused t identifying number identifies a person or entity different from the named person or entity i made by the intermediary or beneficiary bank on the basis of the identifying number, ever as an account number, S.W.I.F.T. address or universal identification number, payment n beneficiary's bank or intermediary bank inconsistently by name and an identifying numbe Use of Identitying Numbers. When a payment or payment order identifies a bene-

credit to your account with us. pay interest compensation as follows: (1) by lump sum payment of cash, or (2) by prov average Federal Funds rate for the period involved. You agree that we may, at our sole under this Agreement or by applicable law, interest shall be calculated on the basis Interest Compensation. In the event that we shall be liable to you for interest comper

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

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

> to be transferred in the commercial checking with interest account shall be transferred to al account have not occurred during the monthly statement cycle, the amount in excess of befined in the Bank's Schedule of Fees, and six (6) transfers from the commercial money balance in the commercial checking with interest account exceeds the Threshold Balance,

wish the commercial checking with interest account to the Threshold Balance. be made to pay all checks and debits/withdrawals presented that business day and to mercial money market account. The transfer from the commercial money market account nov ni eldslisva era stonut ent it insterest shall be made if the tunds are available in your account exceed the available balance, a transfer from the commercial money market psygregate checks and debits/withdrawals presented against the commercial checking with commercial money market account on a daily basis.

in the commercial money market account shall be transferred to the commercial commercial checking with interest account during a monthly statement cycle, the entire why statement cycle. Upon the sorth transfer from the commercial money market account to

year account above which the excess funds will be transferred to the commercial money Threshold Balance is the designated amount of the balance in the commercial checking with a short and the events are a special about the short and the special are special are special and the special are with interest account for the remainder of the statement cycle.

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

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

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

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

utmitted resolutions. with privileges. Withdrawals can only be made by those persons authorized by previously required to close your account and to open another account that permits unlimited check Momatic transfers) and drafts per month. If this limitation is exceeded on a regular basis, we bus stelears an enondelet gnibuloni) stelears besitoriused as present besitoriused with the permitted for the permitted person from your Commercial Savings Account, however, under federal regulations you are E COMMERCIAL SAVINGS ACCOUNT LIMITATIONS. You may make unlimited withdrawals

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

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

#### WIRE TRANSFER TERMS AND CONDITIONS

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

"Security Procedures", which we will each use to verify that Entire are correct and vaile are those of Company. You agree that such Security Procedures are Commerce. Reasonable in light of your circumstances and the type, value and frequency of the Engineer will initiate.

S. Security Procedures. For Electronic Data Transmission of ACH Entry file(s) to us you and for Electronic Data Transmission of ACH files to us from you where we are retrieved you are so utilize security procedures provided by us and you further agree to the security provided is Commercially Reasonable data security. If our transmission succepts the file(s) or it successfully retrieves the file(s) based on this security are file(s) are in ACH system readable format, you agree that acceptance shall occur and may process the file(s). If you opt for tape delivery of ACH file(s), you must comptently process the file(s). If you opt for tape delivery of ACH file(s), you must comptently process the file(s). If you opt for tape delivery which is incorporated in these Terms at Conditions by reference.

3. Confidentiality of Security Procedures. You agree to keep the Security Procedures to anyone except Authorizar Representatives. If you or any of your Authorized Representatives have reason to beliet the Security Procedures may have been learned or are known by an unauthorizar that the Security Procedures may have been learned or are known by an unauthorizar that the Security Procedures may have been learned or are known by an unauthorizary person, you agree to notify our Cash Management Technical Services area immediately.

4. Modification of Security Procedures. All modifications and additions to the Security Procedures or list of Authorized Representatives must be in writing, except if you request by oral instructions to delete a name of an Authorized Representative, in which event y; agree to send Bank immediate written confirmation of such deletion.

Returned Entries. You will use reasonable means to notify us of the receipt of a returned Entry. We will have no obligation to re-transmit a returned Entry, unless we have agreed otherwise writing. We will credit the Account(s) for any amount received by us by reason of the return any Entry transmitted by us for which we have previously received payment from you.

On-Us Entries. Except as provided in the Rules and these Terms and Conditions, in the case an On-Us Entry received by us for transmittal, we will credit the Beneficiary/Receiver's account requirements of your instructions and Security Procedures are met. If any such requirements of your instructions and Security Procedures are met. If any such requirements on met, we will use reasonable efforts to credit the Beneficiary/Receiver's account in transmount of such Entry on the next business day following such Effective Date.

Provisional Payment. Payment of an Entry by the Beneficiary/Receiver's bank to transcient/Beneficiary will be provisional until receipt by the Beneficiary/Receiver's bank of firstedly acknowledge that you have received notice of suscritiement rule and the fact that, if such settlement is to be received, the Beneficiary/Receiver bank will be entitled to a returnd from the Receiver-Beneficiary or the amount credited, and young the december of the settlement of the Entry.

#### Collected Funds.

1. Credit Entries. If you are initiating Credit Entries, you will provide good collected funds the Accounts to cover any Credit Entry initiated by us no later than 2 pm on the Effect. Date applicable thereto. For the purposes of these Terms and Conditions, "good collects funds" are defined as Federal Reserve funds subject to immediate withdrawal.

2. Debit Entries. If you are initiating Debit Entries, you will receive immediately availably funds in the Accounts for any Debit Entry initiated by you on the Effective Date applicably thereto or the next banking day after receipt of the Debit Entry information from the whichever is greater. You will promptly provide good collected funds into the affects Account to indemnify us if any Debit Entry is rejected after we have permitted you withdraw good collected funds in the amount thereof or if any adjustment memorandum this relates to any such Entry is received by us.

Authorization Warranty. With respect to each Entry submitted you warrant to us that:

1. Authorized. Where required, the employee or other person or entity to whom such En: pertains has authorized such Entry in writing prior to the submission thereof to us and such authorization is effective at the time of delivery or transmittal of such Entry and will so remainfal acceptance of the Entry by the Beneficiary/Receiver's bank;

2. Evidence. You will maintain written evidence of such authorizations in accordance will applicable taws, rules and regulations and will furnish us with a copy it requested by  $\mathbf{u}$ 

3. Accurate. The Entry is accurate, in proper form, timely and conforms to all obligation owed by you to the applicable Receiver/Beneficiary.

35. LEGAL PROCESS AGAINST ACCOUNT. If legal action such as a tax levy, attachmer garnishment, etc. is brought against your account, we may refuse to pay out any money fire subject to levy by lawful legal action, we will not be liable to you for any sums we may trequired to pay because of such attachment, garnishment or other levy, even if paying the money from your account leaves insufficient funds to pay a check you have written. If we incomy from your account leaves insufficient funds to pay a check you have written. If we incomey from your account leaves insufficient funds to pay a check you have written. If we incomey from your account leaves insufficient to a care not other leaves including to a state of the pay which are not other leaves. In the paying the state of the pay which are not other leaves are not other leaves are appeared to your account without prior notice to you. Any garnishment or other levy again expenses to your account without prior notice to you. Any garnishment or other levy again

**36. OTHER ADVERSE CLAIMS.** If we receive notice of an actual or potential adverse claim your account for a reasonable pend of time after receipt of notice of the actual or potent from your account for a reasonable pend of time after receipt of notice of the actual or potent claim. Although we reserve the right to refuse to pay out any money from your account if \( \)

your account is subject to our right of setoff and security interest.

Likiary of this possibility. We may send any message relative to this order in explicit that code or cipher. Foreign currency transfer orders are final when made to us.

Before the transfer is made. We shall incur no liability if we are unable, for any reason, to be or amend an order. Retunds of U.S. Dollar orders shall be in the amount.

It is not to the transfer is made. We shall incur no liability if we are unable, for any reason, to amend an order. Retunds of U.S. Dollar smount.

It is not the transfer is made. We shall be in the amount of U.S. Dollars that can be bought for the orders shall be in the amount.

It is not the transfer of the continuation of U.S. Dollars that can be bought for the sign currency amount at our then current rate of exchange. The originator bears all risk of the further transfer of exchange. No transfer tee shall be retunded.

#### ACH TERMS AND CONDITIONS

wish to use our ACH service, the following terms and conditions shall govern all

Accounts will act to such Entries. The ACH services to be performed by us and in accordance with the rules") as such that bulomated Cleating House Association ("MACHA") (hereinatter the "Rules") as such as amended from time to time include the transmission of electronic credit and/or debit is fiverinative. Entries" initiated by you and processed through us from your demand palory accounts with us (the "Accounts") to accounts maintained with us and at other banks in accounts with the Federal Reserve Bank (the writes), and we will act as an Originating Depository Financial Institution as defined in the writes of MACHA in conjunction with the Federal Reserve Bank (the writes), and we will act as an Originating Depository Financial Institution as defined, unless will act as an Originating Orde terms in this Service Description, unless with respect to such Entries. Capitalized terms in this Service Description, unless will act as the meaning given in the adoption of Article 4A of the Uniform precisit of the transmissined, except South and the state in which your account or relationars and governing law.

the performed. You will give us Instructions detailing the services to be performed with the initiation, acceptance, rejection and transmission of Entries; transfer of funds; transfer of tunds; to be utilized as Authorized Accounts; and the disposition of information regarding the performed. When accepted by us, your Instructions are hereby incorporated by many performed. When acceptance by us, your Instructions may be changed from time to time as though fully set forth herein. Such Instructions may be changed from time to time you notice to and acceptance by us without disturbing the validity of these Terms and

he and Verification of Entries. You agree we will transmit Entries by means of the Federal may he sake in accordance with the Rules. You agree that we are not required to verily Entry major but instead may rely that the information furnished by you is authentic, accurate and librar to the Rules.

politication. If required by the Rules, you agree to provide us with NACHA prescribed politication information for all Entries that Company intends to initiate, within the time limits probed in the Rules.

#### calation, Amendment and Rejection of Entries.

L Cancellation and Amendment. You will have no right to the amendment, cancellation or the payment of an Entry after its receipt by us. However, we will use reasonable efforts to at on such a request by you prior to transmittal to the ACH to the extent provided in Article Swen of the Rules, or, in the case of an Entry for transmittal to an account maintained with a (On-Us Entry"), prior to crediting or debiting the On-Us account, but we will have no affected, if such amendments, cancellations or stop payments are not atfected, whithstanting, timely receipt of the amendment, cancellation or stop payment request.

Litelection By Bank. We will have the right to reject any Entry and may at our option historial in excess of the collected balance in the Account(s). We will notify by telephone or electronic transmission of such rejection no later than the business day with telephone or electronic transmission of such rejection no later than the businesse day with Entry would otherwise have been transmitted by us to the ACH. We will have no being the properties of any Entry or the fact that such notice is not given also estimate time than that provided for herein.

Injection by ACH. In the event any Entry is rejected by the ACH for any reason while be your responsibility to remake such Entry; provided, however, that we entemake any Entry where the rejection by the ACH was due to a discrepancy in the Entry where the rejection by the ACH was due to a discrepancy in the Entry where the rejection by the ACH was due to a discrepancy in the Entry where the respective to the Entry.

Locathorized ACH Transactions. If you receive an unauthorized transaction posted to the account, you have until 2 o'clock PM of the banking day after the item was posted to both us to return the item as unauthorized. We will not be suble to return the item as unauthorized. We will not be suble to return the item after that the without the cooperation and agreement of the originating bank and the originating the without the cooperation and agreement of the originating that the cooperation must be conducted between you and the originator of the transaction.

witton of Information and Authorizations. You will retain and provide us, upon request, all maining in the essay to remake any Entry for three (3) days after midnight of the Effective Date of the est per poses of these Terms and Conditions, the "Effective Date" is the day the will retain an eliging Entry is to post to the Accounts, as stated in your Instructions. You will retain an eliging Entry is to post to the Accounts, as stated in your Instructions. You will retain an eliging copy of each authorization for six (6) years after the date of termination or revocation and or each authorization.

with the Entry tearmers and Account Number. You acknowledge and agree that if an Entry of the Entry transmitted by us may be made on the basis of the account number even if the Entry transmitted by us may be made on the basis of the account number even it is shiftying number identifies a person or entity different from the named Beneficiary/Receiver [18] your obligation to us for the amount of the Entry is not excused in such circumstance by a second continuation of the Entry is not excused in such circumstance by a second continuation.

Procedures.

Agreement to Security Procedures. You and we acknowledge that as part of your

Lany and all liabilities, losses, damages, costs and expenses that we might incur in the claimant has obtained an order requiring us to recognize the adverse claim from the claimant has obtained an order requiring us to recognize the adverse claim from the competent jurisdiction.

EPUTES INVOLVING THE ACCOUNT. You agree to reimburse us for any loss, costs or litigation to the correction, reasonable attorneys' lees and the costs of litigation to the permitted by law, that we incur as a result of any dispute involving your account, and the permitted by law, that we incur as a result of any dispute involving the account without prior to you. This obligation includes disputes between us involving the account and situations where you, we become involved in disputes between you and an authorized signor, another joint owner, or a third party takes action with respect to the thousand signor, another joint owner, or a third party takes action with respect to the straight that causes us, in good faith, to seek the advice of coursel, whether or not we actually that causes us, in good faith, to seek the advice of coursel, whether or not we actually that the same of the straight that causes us, in good faith, to seek the advice of coursel, whether or not we actually that the same of the same of coursel, whether or not we actually that the same of the same of coursel, whether or not we actually that the same of the same of coursel, whether or not we actually that the same of the same of coursel, whether or not we actually that the same of the same of coursel, whether or not we actually that the same of the

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

the Signature Card, you waive any notice by signing the Signature Card, you waive any notice protest regarding any items credited to or charged against your alsocount. For example, if a check which you deposited is dishonored and returned to us, all account. For example, if a check which you deposited is dishonored and returned to us,

in not required to notify you of the dishonor.

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WIVER OF RICHTS 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 player with not affect our right to enforce any of our rights with respect to other customers or player any of our rights with respect to other customers or the factor of this Agreement.

INVALIDITY OF CONTRACT PROVISIONS. In the event any one or more of the provisions is by dreement shall for any reason, including under any applicable statute or rule of law, be invalid, illegal or unenforceable, the remaining provisions of this Agreement shall ein till force and effect.

FORCE MAJEURE. You agree we shall have no responsibility or liability to you or any third is a failure or delay in our performance under this Agreement or for any losses due to se or conditions, including, without limitation, delays and/or interruptions of businessed ue to do, natural disasters, fire, acts of government authority, acts of public enemy or war, and south disauthoances, insurrections, labor difficulties, power failure, felecommunications lailure, is adverse weather conditions or other causes beyond our reasonable control. The time, if inquired for such performance under this Agreement shall be automatically extended during species of such delay or interruption.

APPLICABLE LAW. These rules and regulations will be governed by the law of the state by your account is opened. If there is any conflict between the rules and regulations and federal or state law, the rules and regulations will be considered changed to the interestary to comply with the law. If any provision of these rules and regulations is seed to be invalid, unenforceable or illegal, that part will not affect the validity of the other interests.

ARBITRATION OF DISPUTES. If either you or we have any unresolvable dispute or claim raming your account, upon demand of either of us it will be decided by binding subitration and procedures of the Commercial Financial Disputes Arbitration Rules of the United States Code. Arbitration with the city where the dispute occurred or where mutually agreed by us. A subitration will be held in the city where the dispute occurred or where mutually agreed by us. A subitrator will be appointed by the AAA and will be a retired judge or attorney with about or knowledge in banking transactions. The arbitrator will award the filling fees, costs where the prevailing party, and a judgment may be entered upon the award by auth of competent jurisdiction.

BYTHE AGREEMENT. This Agreement and the documents to which it refers constitute editeement and understanding and supersede all prior agreements and waterings. This Agreement may not be changed orally.

Wire Transfer Customer Set-up and Modification Schedule A

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Revision Date: Revision Reason: Implementation Date: Lead Time Exception: Mailed/Initiated on: Mailed/Initiated by: Customer: Implementations: Wire Room: Operator Set-up Form Repetitive Wire Transfer Instructions K USE ONLY: Signature (Customer) Signature (Bank Officer) Date Tint Name and Title (Customer) Print Name and Title (Bank Officer) ed by the Bank. ity and Authorization Form. This authorization will continue in full force and effect until an updated Wire Transfer Customer Set-up and Modification Form is aning below, you are authorizing the Wire Transfer Customer Set-up and Modification and you agree to the security procedures outlined on the Funds Transfer mer Authorization (REQUIRED): \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ \$ S \$ \$ Repetitive Bypass/Verify Account Name (maximum 35 characters) count Numbers ollar amounts at which non-modified repetitive wire transfers do not require secondary authorization m of Accounts to be Authorized for Wive Transfers and the Bypass/Verify Threshold\* for Repetitive Wive Transfers Repetitive and Non-Repetitive Wire Transfers - Maximum Dollar Amount per Day Repetitive and Non-Repetitive Wire Transfers - Maximum Number per Day Non-Repetitive Limit per Transaction \$ Non-Repetitive Limit per Transaction S Repetitive & Drawdown Limit per Transaction \$ Repetitive & Drawdown Limit per Transaction s Wire Transfer Verification e Transfer Entry n of InVision/PC InVision Backoffice Limits for Customer (not applicable for telephone initiated wire transfers): z Telephone #: y Contact: State: Sip Code: City: ddress: ompany Name: r Information: Change Delete PP∀ noisiVnI PC InVision InVision or InVision and Add, Delete or Change: Schedule A.

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Revision Date:

Implementation Date:

PC InVision Secondary Security Code Generaled

Mailed/Initiated on:

InVision Watchword Device Number PC InVision Security Disk Serial Number INEL - BIN KEE ID BYNK AZE ONEK Date Signature (Bank Officer) Date (TemotzuO) enutengi2 Print Name and Title (Bank Officer) Print Name and Title (Customer) eceived by the Bank. ecurity and Authorization Form. This authorization will continue in full force and effect until an updated Wire Transfer Operator Set-up and Modification Form is by signing below, you are authorizing the Wire Transfer Operator Set-up and Modification and you agree to the security procedures outlined on the Funds Transfer ustomer Authorization (REQUIRED): . Applies to wire transfers initiated on PC InVision or InVision only. Repetitive and Non-Repetitive Wire Transfers - Maximum Dollar Amount per Day \* Repetitive and Yon-Repetitive Wire Transfers - Maximum Jumber per Day Repetitive and Non-Repetitive Wire Transfer Maximums Non-Repetitive Limit per Transaction Non-Repetitive Limit per Transaction \* avinada X-noV. lenoisementl \* sviitisqaA-noN lenoitematnl \* ovinisqsA-noV. sussmod Pomestic Non-Repetitive \* Non-Repetitive Wire Transfer Non-Repetitive Wire Transfer Repetitive Limit per Transaction Repetitive Limit per Transaction \* svinisqaA lenomemand \* svinishal Repetitive \* Ротезіте Бтамфомп пусыс Отамаочп Pomestic Repetitive \* Pomestic Repetitive \* Repetitive Wire Transfer Repetitive Wire Transfor Wire Transfer Entry \* ylnO yiiupnl Wire Transfer Verification Change ยระโร**ต** :sqvT Issu bbA Telephone #: erator Name: somer Nume: Schedule A.

Revision Reason:

Lead Time Erception:

InVision Operator Number

Mailed Initiated by:

Date Signature (Bank Officer) Date Signature (Customer) Print Name and Title (Bank Officer) Print Name and Title (Customer) -usiomer Authorization (REQUIRED): INE ZHEEL NOWBEK (YZZIGNED BK BYNK): KFB - Reference for Beneficiary: BBI - Bank to Bank (140): OBI/Payment Detail (140): City (31):\_ Intermediary Bank ABA Number: State: Intermediary Bank (35): City (31): Beneficiary's Bank ABA Number: State: Beneficiary's Bank (35): Beneficiary's Account Number: Sip Code: Beneficiary's City (31): State: Beneficiary's Street Address (35): Beneficiary's Name (35): hVision Line Sheet Description (25): Срапве Mew Set-up Repetitive - Book (B) (S) bəH - əvititəqəA Select Repetitive (Fed) or Repetitive (Book) and New Set-up or Change: All Operators have Access or Specific Operators: Customer Account Number (to originate the wire transfer from) InVision Customer Number Customer Name TIME SHEEL MOMBEY (YSSIGNED BY BYMK): REB - Reference for Beneficiary: 881 - Bank to Bank (140): OBIPayment Detail (140): City (31): nemediary Bank ABA Number: State: Intermediary Bank (35): City (31): Beneficiary's Bank ABA Number: State: Beneficiary's Bank (35): Beneficiary's Account Number: :aboO qiS State: Beneficiary's City (31): Seneficiary's Street Address (35): Beneficiary's Name (35): hVision Line Sheet Description (25): Change Qu-352 W5N Repetitive - Book (B) Repetitive - Fed (S) Select Repetitive (Fed) or Repetitive (Book) and New Set-up or Change: All Operators have Access or Specific Operators: gustomer Account Number (to originate the wire transfer from) InVision Customer Number ustomer Name

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Schedule C.

Domestic Repetitive Line Sleet Set-up and Modification

Domestic Dravedovn Line Sheet Set-up and Modification Schedule C.

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Date	Signature (Bank Officer)	Date	Signature (Customer)
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re and Title (Customer) Print Name and Title (Bank Officer)
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Charge Beneficiary   Charge Originator   Charge Beneficiary   New Set-up
Vaype of Wire Transfer. Charges to Originator or Beneficiary and New Set-up or Charge  Type of Wire Transfer. Charges to Originator or Beneficiary and New Set-up or Charge Beneficiary  Type of Wire Transfer. County (35):  The Street Address:  The Street Address
Charge Beneficiary   Charge Originator   Charge Beneficiary   New Set-up

lowing Security Procedures are agreed upon between us in connection with the types of funds transfers and initiation of those requests; in accordance with thraster Terms and Conditions set forth in our Depositor's Agreement, which is incorporated herein by reference.

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une Initiated Requests

Union will assign security codes and forward them along with an acknowledgment form to the authorized representatives as designated by you.

thorized Representatives are required to return the acknowledgment form to us. The security codes will be activated only upon our receipt of the knowledgment Form.

ule Requests

by at our sole discretion, elect to accept payment orders by facsimile (FAX). If we agree to accept facsimile instructions, we will treat these as "verbal/telepho d" requests and will utilize additional security measures, such as call back verification.

cation (Telephone or Facsimile Request)

sevarying criteria for call backs; i.e., dollar amount, individual limits or security violations.

e will initiate a call back to verify the authenticity of each funds transfer request based on the thresholds you selected on the Wire Operator Set-up and odification form. Call backs provide dual control of a transaction. A second party at First Union calls back a second party at the customer site to confirm the menticity and accuracy of a wire transfer.

itives/Standing Transfer Order/Drawdowns
horized agent of the customer must sign the appropriate forms to establish a repetitive, standing transfer order or drawdown funds transfer payment order.

horized agent of the customer must sign the appropriate forms to establish a repetitive, standing transfer order or drawdown funds must sign the serious transfer standing transfer standing transfer orders. A copy of the serious will be forwarded to the customer. The customer is responsible for reviewing the serious and notifying Funds Transfer at (704) or orders. A copy of the serious will be forwarded to the customer. The customer is responsible for reviewing the serious and notifying Funds Transfer at (704) or orders.

gree that these Security Procedures are commercially reasonable in light of your circumstances and the type, value and frequency of the payment orders you was agree to keep the Security Procedures confidential and not disclose the Security Procedures to anyone except persons whom you have authorized to anyone behalf ("Authorized Representatives"). You understand that you have sole responsibility for providing adequate security over all sourity Devices provided to you, and that you are solely responsible for the consequences of any fraudulent or unauthorized message which employs such Cod or indirectly caused by unauthorized, frees and all suits, actions, loss, damage, expense or liability (including attorney's fees and expenses of litigati or indirectly caused by unauthorized, fraudulent or negligent use of the Codes and Security Devices, but this indemnity does not apply to the extent of any so indirectly caused by unauthorized person, you agree to notify the Bank immediately at (704) 383-3952.

Transfer Customer and Operator Set-up and Modification (Schedule A.)

Transfer Customer and Operator Set-up and Modification forms (Schedule A.) specify which of your deposit accounts with us may be subject to funds transfer Customer and Operator Set-up and Modification forms (Schedule A.) specify which of your deposit accounts with us may be subject to funds transfer manners of all persons whom you authorize to make transfer requests on your behalf ("Authorized Representatives,") including the power to substitute, add or including limitations on the authority of the Authorized Representatives. The most recent Wire Transfer Customer and Operator Set-up

sets all conflicting information on prior Wire Transfer Customer and Operator Set-up forms and must be signed by an Authorized Signer on the accounts liste

Sustine (Customer) Da	Date	Signature (Bank Officer)	Date
one Number (Customer)	-	Lyone Number (Bank Officer)	
unt Name and Title (Customer)		Print Name and Title (Bank Officer)	
18er Authorization (REQUIRED):			

# Name First Union National Bank of Florida

# CKEDIL EAVINATION FORM

% <u>08.</u> 62	% <del>9E*6</del> 7	% <u>22.</u> 62	Total deposits in amounts over \$100,000 to total deposits	.8
% <u>09°0</u>	% <u>\\ \24.0</u>	% <u>85.0</u>	Net charge of to loans	٦.
% <del>59°</del> L	% <u>∠8.</u> 7	% <del>77°L</del>	Capital to total assets	.6
<u>% 99° I</u> I	% <del>67°I</del> I	% <del>65°I</del> I	Capital to total loans	5.
% <del>07°6</del>	% <del>97°</del> 6	% <del>62.</del> 6	Capital to deposits	.4.
% <u>87.0</u>	% <del>95°</del> 0	% <u>E7.0</u>	Current loan losses to total loans	.£
% <del>11.</del> 72	% <del>90°6</del> 7	% <del>99.</del> 7ε	Cash & securities to deposits	7.
% <del>79°</del> 08	% <u>EE.</u> 28	% <del>02:0</del> 8	Bank loans to deposits	ı.
<u> 3661</u>	<del>1661</del>	<u> 1883</u>	<u>80</u>	RATI

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

#### RESOLUTION NO. 95-144

# 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 Massau 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 Wassau 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.
- G. 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

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

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

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.

#### INVESTMENT PERFORMANCE AND REPORTING

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.

#### DELEGATION OF AUTHORITY

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.

#### AUTHORIZED INSTRUMENTS

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

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

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:

Cash Management Bills

- Series (SLGS) ٠2 Treasury Securities-State and Local Government
- Treasury Bills . ε
- Treasury Notes
- Treasury Bonds
- Treasury Strips
- be limited to, the following: Government. Such securities will include, but not faith and credit of the United States ILul agencies provided such obligations are back by the indebtedness issued or guaranteed by United States Bonds, debentures, notes, or other evidence of
- certificates of beneficial ownership gnaranteed Direct obligations or fully United States Export-Import Bank
- Certificates of beneficial ownership Farmers Home Administration ٠ ٧
- Discount notes, and bonds . ε Federal Financing Bank
- Federal Housing Administration Debentures Ť
- Certificates General Services Administration Participation . 2
- GMMA-guaranteed mortgage-back bonds ٠9 Government National Mortgage Association (GNMA)
- GNMA-guaranteed pass-through obligations
- Guaranteed Title XI Financing United States Maritime Administration
- United States government guaranteed debentures . 8 New Communities Debentures
- . 6 United States Public Housing Notes and Bonds
- housing notes and bonds United States Government guaranteed public
- pouga Development-Project notes and local authority United States Department of Housing and Urban

- 1. Federal Farm Credit Bank (FFCB)
- Yederal Home Loan Bank or its district banks (FHLB)
- 3. Federal National Mortgage Association (FUMA) FUMA - guaranteed pass-through obligations
- 4. Federal Home Loan Mortgage Corporation (Freddie-Macs) including Federal Home Loan Mortgage Corporation participation
- Mortgage Corporation participation certificates

  FHLMC guaranteed pass through obligations
- . Student Loan Marketing Association (Sallie-
- 5. Student Loan Marketing Association (Sallie-Mae)
- 6. Tennessee Valley Authority (TVA)
- Non-negotiable interest-bearing time certificates of deposit or savings accounts in banks or savings associations organized under the laws of this state and 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 Florida Security of Public Deposits Act, Chapter or savings association is not listed with any recognized credit watch information service. The recognized credit watch status.

  Teviewing 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.

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2. Floating rate securities whose coupon floats inversely to an index or whose coupon is

determined based upon more than one index.

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

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

The County will not use leverage in its investment portfolio.

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.

#### INVESTMENT MATURITY AND LIQUIDITY

To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities 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 accordance with debt covenants. The maturities of the accordance with debt covenants. The maturities of the follow the requirements of a repurchase Agreement in follow the requirements of Master Repurchase Agreement in follow the requirements of Master Repurchase Agreement in follow the requirements of Master Repurchase Agreement in the form approved by the Public Securities Association.

#### VIII. BID POLICY

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 awarded. If the maturing investment is a certificate of and deposit, then one of the contracts shall be the present holder of the funds. Due to the cost of safekeeping, one

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.

#### RISK AND DIVERSIFICATION

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 mecessary the diversification strategies within the established guidelines.

#### AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

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 Gealers as designated by the Federal Reserve Bank of New York.

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

#### THIRD PARTY CUSTODIAL AGREEMENTS

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 securities, in whole or in part, shall be made from safekeeping except by the Clerk or designee.

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.

# XII: MASTER REPURCHASE AGREEMENT

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.

#### XIII. <u>INTERNAL CONTROLS</u>

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.

The Clerk is authorized to accept on behalf of and in the name of Nassau County, bank trust receipies 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 criteria relating to the specific transaction are criteria relating to the specific transaction are criteria relating to the specific transaction are

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.

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.

D. Other internal controls such as:

- 1. Written documentation of telephone transactions
- 2. Adequate separation of duties
- 3. Custodial safekeeping
- 4. Supervisory control of employee actions and operations review
- 5. Performance evaluations and interim reporting
- 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 asy be designated as Clerk deems necessary.

#### PORTFOLIO COMPOSITION

.VIX

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.

- A. Florida Local Government Surplus Trust Fund (SBA)
- 1. Investment Authorization The Clerk may invest in the SBA
- 2. Portfolio Composition A maximum of 100% of the portfolio may be invested in the SBA
- B. United States Securities
- The Clerk may invest in negotiable direct obligation or obligations, the principal and interest of which are unconditionally quaranteed by the United States Government. Such securities will include, but not be limited to, the following:

Cash Management Bills

Series (SLGS)
Treasury Securities-State and Local Government

Treasury Bills

Treasury Notes

Treasury Bonds

Treasury Strips

pertinent bond resolution. ұре conform to latter investments shall The repurchase agreements and bond funds. cye nugerlying securities of IOI except governmental securities is three (3) years, Investment of any direct maturity Maturity Limitations - The maximum length to

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

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

Purchase Authorization - The Clerk or designee

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 Wational Mortgage Association (GMMA)

GИМА - Guaranteed mortgage-backed bonds GИМА - guaranteed pass-through obligations

United States Maritime Administration

New Communities Debentures
United States government guaranteed

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

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

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)

(FHLB) Federal Home Loan Bank or its district banks

Federal Wational Mortgage Association (FWMA)

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

Student Loan Marketing. Association (Sallie-Mae)

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

Mon-negotiable Interest-Bearing Time Certificates of Deposit

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

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

F. Repurchase Agreements

Purchase Authorization — The Clerk may invest in repurchase agreements based on the requirements set forth by the Masier Repurchase Agreement. All firms with which the County enters into a repurchase agreement will have in place an executed Masier will have in place an executed Masier will have agreement with the Clerk.

And waturity Limitations - The original maturity of the repurchase agreement must be 180 days or less.

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.

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.

XV. MONEY MANAGERS

.IVX

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

STANDARD OF ETHICS

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

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

AUDITING .IIIVX

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

Zx-Officio Clerk

INDEWNILL .XIX.

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

OF NASSAU COUNTY, FLORIDA BOARD OF COUNTY COMMISSIONERS

dhairman

**YTTEST:** 

MICHAZL S. MULZIN, ESQUIRE

Approved as to form by the Wassau 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
CLERK OF BOARD OF COUNTY COMMISSIONERS
COUNTY AUDITOR
COUNTY AUDITOR

Date: 08/01/96

To: NASSAU COUNTY BOARD OF COUNTY

COMMISSIONERS

From: Т.J. GREESON, CLERK OF COURTS

Selection Selection Selection Banking Request For Proposal

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, 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

REPMONNMKT   NOW A/C   REPO   NOW A/C   MONEY MGR   REPO   yes	CRITERIA	BARNETT	BARNETT	1ST COAST	1ST UNION	1ST UNION B	SOUTHTRUS	SOUTHTRUS
yes         yes <th></th> <th>REPMONMKT</th> <th>NOW A/C</th> <th></th> <th></th> <th></th> <th>ŏ</th> <th>MONEY MKT</th>		REPMONMKT	NOW A/C				ŏ	MONEY MKT
Section   Sect	Complete response to all					yes		yes
7386.26   6852.04   6853.1   5486.52   8006.52   10484.66     228.16   228.18   228.75   228.6   228.6   231.5     140/127.62   126486.3   1311.26   108225.04   175686.04   181281.06     228.16   228.18   228.05   228.6   236.6   315.5     140/127.62   126486.3   1311.26   108225.04   175686.04   181281.06     228.16   228.05   228.06   228.06   231.5     228.01   228.05   228.06   231.5     228.01   228.05   228.05   228.06   231.5     228.01   228.05   228.05   228.05     228.01   228.05   228.05   228.05     228.01   228.05   228.05     228.01   228.05   228.05     228.01   228.05   228.05     228.01   228.05   228.05     228.01   228.05   228.05     228.01   228.05   228.05     228.01   228.05   228.05     228.01   228.05   228.05     228.01   228.05   228.05     228.01   228.05   228.05     228.01   228.05   228.05     228.01   228.05   228.05     228.01   228.05   228.05     228.01   228.05   228.05     228.01   228.05   228.05     228.01   228.05   228.05     228.01   228.05     228.01   228.05   228.05     228.01   228.05     228.01   228.05     228.02   228.0	required items on standard form.							
228.16   228.16   236.6   315     140127.62   126486.3   131126   106235.04   175866.04   175866.04     140127.62   126486.3   131126   106235.04   175866.04   175866.04     140127.62   126486.3   131126   106235.04   175866.04   175866.04     140127.62   126486.3   131126   106235.04   175866.04   175866.04   175866.04     140127.62   126486.3   131126   106235.04   175866	b. Aggregate banking services cost	7369.29	6652.04	<del>ර</del> ිස.1	5489.52	8909.52	10484.66	10490.66
140127.62	Balance required for \$1 svc	228.18	228.18	239.75	236.6	236.6	315	315
Dc access   Dc acces   Dc access   Dc access   Dc access   Dc access   Dc ac	Compensating Balance required	140127.62	126489.3	131126	108235.04	175666.04	8	181281.09
Dc access   Dc acces   D								
branches in B& Callah FB & Cal	c. Ability to meet current and		pc access	no pc access	pc access	pc access	pc access	pc access
FB&Callahan   FB&Chester   FB & Callah   F	projected service requirements over		branches in	branches in	branches in	branches in	branches in	branches in
direct deposit   dechors   sec analishie   sec ana	the term of this banking agreement	FB&Callahan	FB&Callahan	FB & Chester	FB & Callah	FB & Callah	FB only	FB only
			direct deposit	direct deposit	direct deposit	direct deposit	direct deposit	direct deposit
reconciliation   reco				can do	lockbox svcs	lockbox svcs	lockbox svcs	lockbox svcs
Svc available   Svc availabl		_			reconciliation	reconciliation	reconciliation	reconciliation
yes   10000   yes   100%			svc available		svc available	svc available	svc available	svc available
Tepo 100000   N/a   25000   N/a   5000   100000	d. Capability to handle on-line wire		yes	yes	yes	yes	yes	yes
Impo 100000   Inday	bank or holding company bank.							
Libration         ETS 50000         W/ 5000 incr         W/ 1000 incr         W/ 10000 incr	e. Lowest minimum balances on		n/a	25000	n/a	5000		n√a
bility schedule for     1 day Jax 100%     1 day Ja	repurchase agreements	ETS 50000		W/ 5000 incr		w/ 1000 incr	w/ 1000	
1-2day other%   1-2day other   1-2 day other	f. Best availability schedule for	1day Jax 100%	1 day Jax100%	1day Jax	1day Jax	1day Jax	1day Jax 100%	1day Jax 100%
repo effr-25bp avg ffr-25bp avg ffr-20bp avg effr-19bp fund perform effr-35bp <1mile effr-25bp 1-5mile	deposit items	1-2day other%	1-2day other%	2 day other	1-2 day other	1-2 day other	- 1 - 1	1-2other 95%
Fepo effr-25bp   avg ffr-25bp   avg ffr-20bp   avg effr-19bp   fund perform   effr-35bp <1mil								
LETS fund perf effr-25bp 1-5mi effr-25bp 1-5mi effr-25bp 1-5mi effr-25bp 1-5mi effr-25bp 1-5mi effr-15bp 5-10m effr-15bp 5-10m effr-5bp 10-15m effr-15bp 5-10m effr-5bp 10-15m effr-5bp 10-15m effr-35bp 10-15m ef	g.Proposed earnings rate on	repo effr-25bp	avg ffr-25bp	avg ffr-20bp	avg effr-19bp	fund perform	effr-35bp <1mil	LIBOR rate
QPD	repurchase agreements	ETS fund perf					effr-25bp 1-5mi	less 15 bp
QPD     QPD <td></td> <td></td> <td></td> <td></td> <td></td> <td></td> <td>effr-15bp 5-10m</td> <td></td>							effr-15bp 5-10m	
QPD     QPD     QPD     QPD     QPD     QPD       REPO-     pledge collater     blocks of margin@110% per F.S.280     securities for per F.S.280 securities     pledge collater pledge collater per F.S.280 securities     per proposal ratios, not in per proposal ratios, not in per proposal per proposal ratios, not in county's name per proposal ratios, not in count							effr-5bp 10-15n	
REPO- pledge collater blocks of pledge collate cty owns pledge collater margin@110% per F.S.280 securities for per F.S. 280 securities per proposal ctys name presently all repos not presently all repos not presently county's name ETS- money market mutual fund in ctys name see form	h. Ability to provide adequate	QPD	QPD	QPD	QPD	QPD	QPD	QPD
margin@110% per F.S.280 securities for per F.S.280 securities per proposal cty's name @ presently @ all repos not presently @ ratios, not in Barnett Trust 50% just cty's 50% county's name ETS-money market mutual fund in cty's name in cty's name see form	collateralization for deposits and	REPO-	pledge collater	blocks of	pledge collate	cty owns	pledge collater	pledge collater
cty's name @ presently @ all repos not presently @ county's name  Barnett Trust 50% just cty's 50% county's name  ETS- money market mutual fund in cty's name in cty's name see form	investments	margin@110%		securities for	per F.S. 280	securities	per proposal	per proposal
Barnett Trust 50% just ctys 50% county's name  ETS- money market mutual fund in cty's name in cty's name see form		cty's name @		all repos not	presently @		ratios, not in	ratios, not in
money market mutual fund in cty's name see form see form see form see form see form		Barnett Trust	50%	just cty's	50%		county's name	county's name
money market  mutual fund in ctys name see form see form see form see form see form		ETS-			-			
in cty's name see form see form see form see form see form		money market						
see form see form see form see form see form		in ctv's name						
see form see form see form see form see form								
	i. Ability to meet credit worthiness	see form	see form	see form	see form	see form	see form	see form

3661 ,1 ylul

Mr T. J. Greeson Clerk of the Circuit Court Massau 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

Kelly B. Madden Vice President

# NASSAU COUNTY BANKING SERVICES REQUEST FOR PROPOSAL

9661 **3N**01

#### REQUEST FOR PROPOSAL

#### NASSAU COUNTY BANKING SERVICES

#### I. Introduction

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- Objective
  The objective of this Request for request for Proposal is to 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
- Sealed Proposals: Responses to this Request shall be submitted in a sealed envelope, clearly identified as:

# BYNKING SEKAICES bbobosyt

#### 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:

٠,

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

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 t he preparation or delivery of the proposal.

for clarification or additional information should be made to: binding on the bidding process or upon the award of the contract. Request permitted with explicit proviso that any responses thus obtained, are not individuals within the County Government are not encouraged, but will be Questions and Additional Information: Telephone questions to

(604) 371-2777 Fernandina Beach, FL 32035-0456 Post Office Box 456 Nassau County Clerk of the Circuit Court Mr. T. J. Greeson

Schedule: The following schedule will be adhered to:

Distribution of Request for Proposals 9661 '01 auns

9661 'I Ans

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of Courts by 2:00 P.M. on this date Proposals must be in the possession of the Clerk

County Commission-for award Ex-Officio Clerk submits recommendation to

9661 '77 Ams

Implementation date for this banking contract 3661 ,I rodmiqo2

- response and to select the winning bank: Selection Criteria: The following criteria will be used to evaluate the .Շ
- a. Complete response to all required response items on the standard form;
- corresponding compensating balances; b. Aggregate banking services cost, per identified activity and
- into consideration); of this banking agreement (any past experience with the bank will be taken c. Ability to meet current and projected service requirements over the term
- e. Lowest minimum balances on repurchase agreements; psuk or the holding company bank; d. Capability to handle on-line wire transfer requests by the County to the
- f. Best availability schedule for deposit items;

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

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.

#### 6. Terms and Conditions:

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 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, will be treated as being in compliance with the specification, regardless of intent.

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 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.

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- 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.
- Recapitulations of the work proposed on, or any other modification of the proposal as not being responsive to this RFP, unless the exceptions are properly noted on EXHIBIT B.
- 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:
- Maintain its home office or a full service branch bank within Massau County;

  Certification as a "Qualified Public Depository" under the Florida Security for Public Deposits Act (Chapter 280 of Florida Statutes); and
- 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.
- 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.

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#### SCOPE OF BANKING SERVICES П

Accounts Included

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B

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

Payroll Account Concentration Account

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

This RFP does not include bank accounts associated with:

Workmen's Compensation Account

Disbursements Account

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

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

concentration and zero-balance accounts. This account structure will be The County desires to maximize its eash availability through the use of Account Structure

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

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

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.

#### Concentration Account

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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 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 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 accounts. Incoming and outgoing wire transfers will be made to and from account. Incoming and outgoing wire transfers will be made to and from account. Incoming and outgoing wire transfers will be made to and from account. Incoming and outgoing wire transfers 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 cover the amount of checks presented 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.

# 2. Payroll 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.

#### 3. Disburzements Account (Zero-Balance Account)

This account will be used solely to process disbursements for account, payable. 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 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.

#### 5. Other Zero-Balance Accounts

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.

The zero-balance accounts will operate on the following basis:

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.

Transfers between the accounts will be charged to the County only as transfers and not also as items deposited and checks paid.

#### D. Availability of Funds

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.

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

Incoming Wire Transfers - same day credit regardles 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.

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" changes to the schedule. County reserves the right to periodically audit the awarded bank's compliance with the existing "availability schedule".

#### E. Daily Balance Report

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.

business day.

The available balance shall include the total proceeds (including interest) returned to the bank from any bank-initiated repurchase agreement from the previous

#### F. Automatic Dally Repurchase Agreement

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.

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).

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 Reserve. Reserve. The negotiated Safekeeping Agreement will be monitored by the Federal Reserve Bank and will be monitored by 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 beledged in safekeeping, must be predicated on the approval and written release of pledged in safekeeping, must be predicated on the approval and written release of any securities and the terms of the Safekeeping Agreement. Please provide safekeeping charges, 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.

#### Wire Transfers

G.

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 necessary, adjustments will be made for any lost interest, or charges resulting from necessary, adjustments will be made for any lost interest.

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

specified in Section 1.6.t. constitute sufficient cause for termination of the banking service contract, as Continued delay in receipt of wire transfers for which the bank is at fault may The County intends to carefully monitor the time of receipt for all wire transfers.

# gniogiu()

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

#### Other

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

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

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

#### Account Reconciliation ·H

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

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

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

# L Statement and Advice Frequency

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.

#### J. Designated Account Executive

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.

# K. Other Banking Services

- I. 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.
- 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.
- 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.

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# 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, of if the service proposed can be administratively performed in an alternative manner.

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 "Balance Required to Support \$1.00 of Services":

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 requirement as of May 1, 1996 and the average coupon equivalent yield for the four weekly three (3) month Treasury Bill aucitons during May 1996. A second calculation multiplying the average monthlybalance by "Balance Required to calculation multiplying the average monthlybalance by "Balance Required to Monthly Compensating Balance". Banks arereqired to show all comutations on Monthly Compensating Balance". Banks arereqired to show all comutations on

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 them with the calculations necessary. The county is primarily interested in the calculations necessary. The county is primarily interested in the "Total Proposed", the reserve requirement and an overall understanding of the "Total Proposed", in reserve requirement and an overall understanding of the calculations necessary. Improper calculation of the "Required Monthly identified in I.B.5 remains as the overall criteria to be used. If the bank uses an 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.

# C. Monthly Service Charge Calculations

EXHIBIT A-1.

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

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 monthlyduring the contractual period, but remain fixed during a given month. The monthly variables are identified as follows:

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

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

Due to the time lag in determiningsctual transactions and in calculating the formula, there will be a one-month lagbetween 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 allowance and reqired reserves during the calculation month before they are 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 will require special treatment as detailed later in this section. The initial will require special treatment as detailed later in this section. The initial

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 required compensating balance will be made for December, and so on

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:

<u> 76.151 \$</u>		Payment or Account Debit
0135		(081x59£/5091°)
		Times Treasury Bill Rate
000'01 \$		Difference
000 0+I\$	.*	Required Compensating Balance
000'051\$		Average Daily Balance

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

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:

- 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.
- System's notification supporting the adjustment, with the "Monthly Service Charge Report".

#### IV. SUMMARY

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.

#### **LEOPOSAL FOR BANKING SERVICES**

#### NASSAU COUNTY

	Date
	əltiT
AND THE RESERVE OF THE PERSON	Typed Name
-	Signature
	10. Resolution 95-144 Nassau County Investment Policy
	8. Annex II: Name and Addresses for Communications 9. Credit Evaluation Form
	7. Master Repurchase Agreement
	6. Wire Transfer Agreement
	5. Bank's Audited Financial Statements for the previous two (2) years
	4. Bank's Availability Schedule(s)
	3. Exhibit B: Exceptions to this Proposal
	Services Support \$1.00 of Services
	2. Exhibit A-1: Calculation Supporting Balance Required to
	I. Exhibit A: Consolidated Proposal Form
gnibuloni	This proposal contains all the information requested in the Request for Proposal
	LETEPHONE
	VDDEE22BYNK
	PROPOSAL SUBMITTED BY:

#### **EXHIBIT A**

## NASSAU COUNTY BANKING SERVICES

**BYNK** 

	ent \$	depurchase Agreement:	Minimum Amounts Required for Open F
	\$ \$ \$	Total Proposed (Total /12) ee	Average Monthly Amount Balance Required to Support \$1.00 of Services (Exhibit A-1) Required Monthly Compensating Balan
		797 797	<u>Other Services</u> Daily Repurchase Agreement Safekeeping Fees
		959,71	Ohecks Sorted by
		12	Monthly Service Charge Report
		727	P. C. Modem Access
		84	Telephone Calls
		957	Accounts
•			Bank Transfers Between
		84	gniogtuO
		200	lncoming
			Wire Tansfers:
		12	Stop Payments
		90	Returned Checks
		990'7	Items Deposited
		300	Worker's Comp
		008,3	Payroll
		005,7	Accounts Payable
			Checks Paid:
		84	Account Maintenance
CHARGES CHARGES	SHARGE M <u>ATI RA</u>		A. <u>SERVICES</u> BANKING DEPOSITORY

## beologyl form nassau county banking services proposal form

Provide description of on-line "fed-wire" capabilities.	æ.
Bank contact for contract.	F.
Describe any other services and related costs not specifically requested, but which are offered by the proposer.	E.
Describe investment services offered.	.a
Latest time transactions will be posted and be included as current day business.	c.
Rate quotation on repurchase agreement.	B.

#### **EXHIBIT A-1**

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

	supporting documentation.	
n Exhibit B and attach	It the bank uses another method, please note or	.2
3ill auction. Only the	Do not use the discount rate for the Treasury E Coupon Equivalent Yield will be accepted.	ī.
LHE EXHIBIL	INLOKWYLION KECYKDINC	
	Ауегаде	
	May 28, 1996	
	May 20, 1996	
	May 13, 1996	
	May 6, 1996	
EONIAPTENI CONDON	3-MONTH TREASURY BILL AUCTION	
:əɔɪ	Complete the following for Earnings Allowan	.2
'9661 'I 1996'	Banks should use required reserve rave-as of	7
	·SZ	NOLE
	<u># of days in current month</u> Earnings Allowance	
પ્રહતારા હાયા	410000 110 2010 01 300 30 #	

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**FAGE** 

The Bank wishes to take exceptions to the following items:

**beodosyt exception form**Nessen connla benking sebaices

EXHIBIL B

#### **EXHIBIL C**

**CHARGES** 

#### REQUREST FOR PROPOSAL NASSAU COUNTY BANKING SERVICES

### MONTHLY SERVICE CHARGE REPORT

**PER ITEM** MONTHLY **TRANSACTION** 

**VOLUME** 

**ENARGE** 

#### BANK DEPOSITORY SERVICES

Report Monthly Service Charge Concentration Account Daily Report on Accounts Bank Transfers Between **Outgoing** Incoming Wire Transfers: Stop Payments Returned Checks Offier (non-lock box) Items Deposited: Worker's Compensation Payroll Accounts Payable Checks Paid: Account Maintenance

#### **OTHER SERVICES**

Checks Sorted Account Reconciliation

Safekeeping Fees Agreements Daily Repurchase

_	66 L-	Month to Implement
\$		Difference - overage or (deficiency)
\$		Existing Compensating Balance
\$ (q)	Services	Balance Required to Support \$1.00 of
\$ (a) s	egnsdD eoiv	Total Monthly Sen

## WONTHLY SERVICE CHARGE REPORT NASSAU COUNTY BANKING SERVICES

#### **VITACHMENT**

If Reserve Requirement is changed by Feder
Note:
AVERAGE
•
DATE
Results of Three (3) Month Treasury Bill A
(I) (earnings allowance).
$\frac{365}{4}$ (1 - required reserves)
(00/120003 positions 1) • 298
Calculation to Support \$1.00 of Services:

to evidence change. (Use only time deposit reserve requirement)

#### (EXVMLE) **WASTER REPURCHASE AGREEMENT**

I VAPLICABILITY	
AND:	
BELMEEN:	DATED AS OF:

# ("Seller") agrees to transfer to the other ("Buyer") securities or financial instruments From time to time the parties hereto may enter into transactions in which one party

or conditions contained in Annex 1 hereto, unless otherwise agreed in writing. "Transaction" and shall be governed by this Agreement, including any supplemental terms transfer of funds by Seller. Each such transaction shall be referred to herein as a Buyer to transfer to Seller such Securities at a date certain or on demand, against the ("Securities") against the transfer of funds by Buyer, with a simultaneous agreement by

#### DEFINITIONS .2

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

का अक्षा transferred by Buyer to Seller pursuant to Paragraph ( ) जा ल व अस

- (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 Transaction);

  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 each 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 dereof,

- (n) "Purchased Securities", the Securities transferred by Seller to Buyer in a Transaction hereunder, and any Securities substituted therefor in accordance with 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. <u>INITIATION; CONFIRMATION; TERMINATION</u>

- (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 Price, (iii) the Pericing Rage or Repurchase Price applicable to the terminable on demand, (iv) the Pricing Rage or Repurchase Price applicable to the Transaction is and (v) any additional terms or conditions of the Transaction not inconsistent with this Agreement. The Confirmation, together with this Agreement, shall constitute with this Agreement 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 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.

may be, may be exercised whenever such a Margin Deficit of Margin Excess every 44th

(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 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.

#### **WYBCIN WYINLENVICE**

- (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, at Seller's option, to transafer to 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, mill thereon equal or exceed such 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 auch date arising from any Transactions in which such 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 transferred, will thereon not exceed such aggregate Seller's Margin Amount (increased by auch 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 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 Margin Excess, as the case may be, may be exercised whenever such a Margin Deficit or Margin Excess exists with

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

#### 2 INCOME LY AMENLE

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) transaction 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 scrion pursuant to the preceding sentence to the extent that such action would result in the transfers to Buyer cash or Additional Purchased Securities sufficient to eliminate such Margin Deficit.

#### e SECURILA INLEREST

Although the parties intend that all Transactions herunder 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.

#### J BYXMENT AND TRANSFER

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 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.

#### 8 **SECRECYTION OF PURCHASED SECURITIES**

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

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.

#### NOLLALIZADS 6

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.

#### 10. **KEPRESENTATIONS**

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 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 disclosed principal), (iv) it has obtained all authorizations of any governmental body disclosed principal), (iv) it has obtained all authorizations 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, of this Agreement and the Transactions hereunder will not violate any law, ordinance, any of its assets are affected. On the Purchase Date for any Transaction Buyer and Seller any of its assets are affected. On the Purchase Date for any Transaction Buyer and Seller any of its assets are affected. On the Purchase Date for any Transaction Buyer and Seller and of deemed to repeat all the foregoing representations made by it.

#### II EAEVLS OF DEFAULT

In the event that (i) Seller fails to repurchase or Buyer fails, after on business 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 herunder (each and "Event of Default");

(a) At the option of the nondefaulting part, 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 occurrence of an Act of Insolvency).

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

#### 15. SINCLE ACREEMENT

Buyer and Seller acknowledge that, and have entered hereinto and will enter into each dereind and Seller acknowledge that, and have entered hereinto and will enter into each necessarion hereunder in consideration of and in reliance on the fact that, all Transactions consideration of each other. Accordingly, each of Buyer and Seller agrees (i) to perform all of its obligations in respect of each Transact 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 of them 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 payments, deliveries and other Transactions hereunder, and the obligations to make any payments, deliveries and other transfers any be applied against each other and netted such payments, deliveries and other transfers any be applied against each other and netted

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#### 13 NOLICES VND OLHER 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.

#### It ENLIKE VCKEEWENL: 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.

(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.

DV£E	DATE
TITLE	TITLE
ВХ	BY

#### **VUNNEX 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:

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:

Over 5 years	%E0I	% <b>≯</b> 01	% <b>5</b> 01
l to 5 years	<b>%Z</b> 01	103%	% <b>†</b> 0I
Under 1 year	%101	105%	103%
<u>Securities</u>	<u>Securities</u>	<u>securities</u>	Securities
Purchased	Treasury	And Coupon	Or Other
To yimisM	U. S.	Discount	Backed
		U.S. Agency	Mortgage-

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

<u>Market Value.</u> 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.

<u>Margin Maintenance.</u> 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 the Street Journal. In the event that such price information is not available, Buyer may require the street Journal.

the Seller to deliver different securities, or may increase the margin ratio to 105%, at the

D. Section 5:

<u>Income Payments.</u> 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:

<u>Delivery.</u> Notwithstanding the provisions of Section 7 (Payment and Transfer), all transactions shall be accomplished through "delivery  $\underline{vs}$  payment", unless the parties otherwise agree prior to the transfer of funds.

F. Section 9:

<u>Substitution.</u> In the event that Seller proposes to substitute Securities for any Purchased Securities, Seller shall absorb wire transfer fees incurred by the 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 subsequent 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

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	-		
<b>Виуег</b>		Seller	
I. Authorized Personnel. Only those persons identified below may execute transactions pursuant to this agreement:			
st 1, Annex 1 will govern.	greement and Anna	A sase of conflicts between the A	
nyer agrees to notify Seller of the	state of Florida. Br	governmental investments in the Sinvestments so permitted.	

### VANEX II

Names and Addresses for Communications Between Parties

#### CKEDIL EVALUATION FORM

%	%	%	Total deposits in amounts over \$100,000 to total deposits	.8
%	%	%	Net charge of to loans	٦.
%	%	%	Capital to total assets	.6
<b>%</b>	%	%	Capital to total loans	5.
%	%	%	Capital to deposits	4.
%	%	%	Current loan losses to total loans	3.
%	%	· %	Cash & securities to deposits	7.
%	%	%	Bank loans to deposits	ľ.
<del>\$661</del>	<del>7661</del>	<u> 2661</u>	SOLI	<u>K</u> V.

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

#### RESOLUTION NO. 95-144

## NASSAU COUNTY, FLORIDA 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 Massau 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

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

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

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.

#### INVESTMENT PERFORMANCE AND REPORTING

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.

#### DELEGATION OF AUTHORITY

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.

#### AUTHORIZED INSTRUMENTS

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

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

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:

Cash Management Bills

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- 2. Treasury Securities-State and Local Government Series (SLGS)
- 3. Treasury Bills
- 4. Treasury Notes
- S. Treasury Bonds
- 6. Treasury Strips
- 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:
- 1. United States Export-Import Bank
  Direct obligations or fully guaranteed
  certificates of beneficial ownership
- S. 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

TUASTORIO (PO BULLETURA) DO PRESENTA

(ADAM) Masa tibero masa [sreped	
the following:	
which are non-full faith credit agencies limited to	
Government agencies (Federal Instrumentalities)	
indebtedness issued or guaranteed by United States	
Bonds, debentures, notes, or other evidence of	• 0

- 1. Federal Farm Credit Bank (FFCB)
- Federal Home Loan Bank or its district banks (FHLB)
- Federal Mational Mortgage Association (FMMA) FMMA 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)
- 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 corpusite are secured pursuant to the Thorida Security of Public Deposits Act, Chapter Sao, Florida Statutes, and provided that the bank or savings association is not listed with any recognized credit watch information service. The recognized credit watch state the the bank or savings association is not listed with any recognized credit watch information service. The 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 assets or index of asset values.
- 1. Reverse repurchase agreements.

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2. Floating rate securities whose coupon is inversely to an index or whose coupon is

determined based upon more than one index.

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".

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

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

The County will not use leverage in its investment portfolio.

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.

#### INVESTMENT MATÜRITY AND LIQUIDITY

To the extent possible, an attempt will be made to match investment maturities with known cash needs and anticipated cash flow requirements. Investments of current operating funds shall have maturities of no current operating 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 naturities of the naturities of the follow the requirements of a repurchase agreement will follow the requirements of master Repurchase Agreement in form approved by the Public Securities Association.

#### VIII. BID POLICY

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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

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

#### RISK AND DIVERSIFICATION

established guidelines. necessary the diversification strategies within the management staff shall review and revise periodically as instruments are bought and sold. appropriate Тhе instrument, гухолду мутсу рвик dealer, еѕәцә JO concentration of assets in a specific maturity, issuer, minimize the risk of loss resulting from The investment portfolio goal shall be to diversify or

#### AUTHORIZED INVESTMENT INSTITUTIONS AND DEALERS

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

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

#### THIRD PARTY CUSTODIAL AGREEMENTS

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.XI

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

ে<mark>র্ট্রেটি</mark> এর বিচার্ট্রেটি একে ছিল্লেট্র

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.

#### XII: MASTER REPURCHASE AGREEMENT

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.

#### XIII: INTERNAL CONTROLS

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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.

in the name of Massau County, bank trust receipts or in the name of Massau 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 criteria relating to the specific transaction are

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.

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.

Other internal controls such as:

- PARA GTTTS

- transactions documentation of telephone Mritten
- Adequate separation of duties
- Custodial safekeeping .ε
- Supervisory control of employee actions and
- The second of th operations review
- Performance evaluations and interim reporting
- may be designated as Clerk deems necessary. initiate all investment activities; other positions the Clerk/Finance as those with the authority to of Chief Administrator Assistant and Assistant to activity. The Clerk has designated the positions The Clerk will coordinate all daily investment

#### **FORTEOLIO COMPOSITION**

.VIX

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

- Florida Local Government Surplus Trust Fund (SBA)
- invest in the SBA Investment Authorization - The Clerk May
- the portfolio may be invested in the SBA Portfolio Composition - A maximum of 100% of
- United States Securities
- The Clerk may invest in negotiable direct
- Trwifed to, the following: Such securities will include, but not be guaranteed by the United States Government. obligation or obligations, the principal and interest of which are unconditionally

Cash Management Bills

Series (SPGS) Treasury Securities-State and Local Government

Treasury Bills

Treasury Notes

Treasury Bonds

Treasury Strips

pertinent bond resolution. latter investments shall CODIOLW тре Дуб repurchase agreements and bond funds. the underlying securities of except for governmental securities is three (3) years, guX JO UŢ **Thyestment** direct maturitY Maturity Limitations - The maximum length to ٠2

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

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

sud bonds Financing Bank Discount notes, notes,

Federal Housing Administration Debentures

General Services Administration Participation Certificates

Government National Mortgage Association (GNMA)

CMMA - Guaranteed mortgage-backed bonds

United States Maritime Administration

New Communities Debentures United States government guaranteed

United States Public Housing Notes and Bonds United States Government guaranteed public

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

Asturity 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)

(FHLB) Federal Home Loan Bank or its district banks

Federal National Mortgage Association (FMMA)

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

Mae)
Student Loan Marketing Association (Sallie-

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

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 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 and provided that the savings association is not listed with any recognized credit watch information-service.

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

#### F. Repurchase Agreements

- 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 will have in place an executed Master with the Clerk.
- Asturity Limitations The original maturity of the repurchase agreement must be 180 days or less.
- 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.
- 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.

#### XV. MONEY MANAGERS

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

#### STANDARD OF ETHICS

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 shall subordinate their personal investment officers shall subordinate their personal investment conficers for those of this jurisdiction, particularly with regard to the timing of purchases and sales.

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<u>REPORTING</u> . IIVX

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

AUDITING .IIIVX

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

INDEMNILL

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

BOARD OF COUNTY COMMISSIONERS

OF MASSAU COUNTY, FLORIDA

Chairman

ATTEST:

Approved as to form by the Massau County Attorney:

2011/11/11

## PROPOSAL ADDENDUM BANKING SERVICE NASSAU COUNTY

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:

- Detailed investment information including collateral, minimum investment, incremental investment, etc.
- Schedules as included in the original proposal such as exhibits A, A-1, and B.
   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.