

VILLAGE OF HOLLAND, OHIO  
OFFICE OF THE CLERK-TREASURER  
APPLICATION / AGREEMENT FOR DEPOSIT OF PUBLIC FUNDS  
For the Term 12/1/2016 to 11/30/2021  
(Application due back to Village Clerk-Treasurer no later than 10/31/2016)

Section 1. Application for Deposit of Public Funds.

Financial Institution Name: \_\_\_\_\_

Home Office Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Branch locations, if applicable (Attach separate sheet if necessary):

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

Charter Class (select one):

- \_\_\_\_\_  Commercial bank, national (federal) charter and Fed member, supervised by the OCC
- \_\_\_\_\_  Commercial bank, state charter and Fed member, supervised by the Federal Reserve Bank
- \_\_\_\_\_  Commercial bank, state charter and Fed nonmember, supervised by the FDIC
- \_\_\_\_\_  Savings bank, state charter, supervised by the FDIC
- \_\_\_\_\_  Savings associations, state or federal charter, supervised by the OTS

FDIC Insured?  Yes  No      FDIC Certificate Number \_\_\_\_\_

Holding Company Name / Location: \_\_\_\_\_

\_\_\_\_\_

**Primary Contact:**

Contact Name: \_\_\_\_\_

Address: \_\_\_\_\_

City, State, Zip: \_\_\_\_\_

Telephone Number: \_\_\_\_\_ Fax Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

**Application Prepared By:**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Telephone Number

\_\_\_\_\_  
Email Address

**For Village of Holland Use Only**

Date Received \_\_\_\_\_

Date Approved \_\_\_\_\_

Depository Bank No. \_\_\_\_\_

Application / Agreement is hereby made by \_\_\_\_\_

("Financial Institution") for the term commencing December 1, 2016 and ending November 30, 2021 to be designated by the Village of Holland (the "Village") as a depository for: (Select one)

- \_\_\_\_\_ Interim deposits, as defined in Ohio Revised Code ("ORC") §135.01, to include programs of the Village of Holland.
- \_\_\_\_\_ Active deposits, as defined in ORC §135.01, of the Village of Holland or any account in the custody of the Treasurer of the Village of Holland ("Treasurer").
- \_\_\_\_\_ Both interim deposits and active deposits of the Village of Holland or any account in the custody of the Treasurer.

This Application / Agreement (the "Agreement") is accompanied by a financial statement of the Financial Institution, under oath of its \_\_\_\_\_ (Title of Authorized Officer), in such detail as to show the capital funds of the Financial Institution as of the date of its latest report to the Superintendent of Financial Institutions or the Comptroller of the Currency, adjusted to show any changes therein prior to the date of application, pursuant to ORC §135.10.

Total Assets of Institution (as listed on the accompanying financial statement)	\$ _____
Interim Deposits Requested	\$ _____
Active Deposits Requested	\$ _____
Total Deposits Requested	\$ _____

Financial Institution agrees to comply with ORC §135.03 which states that no financial institution "shall receive or have on deposit at any one time public moneys, including public moneys as defined in §135.31 of the Revised Code, in an aggregate amount in excess of thirty percent of its total assets, as shown in its latest report to the superintendent of financial institutions or comptroller of the currency.... or federal home loan bank board".

The Financial Institution hereby certifies that it is eligible for deposits pursuant to ORC §135 and that it is permitted by all applicable law and regulations to pledge collateral to the Treasurer of the Village of Holland ("Treasurer") pursuant to ORC §135.18. The Financial Institution, if designated as a Depository, further certifies that it will comply in all aspects with ORC §135 and all applicable federal, state and local laws and regulations. Further, Financial Institution agrees that it will execute the accompanying Resolution, the Security Agreement / Pledge of Collateral ("Security Agreement"), the Trustee Agreement, and any other agreements required by the Treasurer during the term of this designation.

This Agreement, upon execution by the Financial Institution and approval by the Board of Deposit, shall be binding upon the Financial Institution thereafter. All deposits held by the Financial Institution shall be governed by the terms and conditions of this Agreement. This Agreement shall remain in full force and in effect until either party

has received written notice of termination from the other party. Upon termination, Financial Institution shall return deposits to Treasurer.

If a successor financial institution succeeds to the interest of the Financial Institution or if the Financial Institution is adjudged bankrupt or insolvent, or a receiver, liquidator or conservator of the Financial Institution, or of its property, is appointed, or if any public officer takes charge or control of the Financial Institution, or its property, then the successor financial institution, receiver, liquidator, conservator, or public officer shall, without any further act, be bound by and vested with all rights, powers, duties and obligations of the Financial Institution, including all collateral obligations, under this Agreement.

This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio, and venue for any dispute related to this Agreement shall be in Ohio.

#### **ASSIGNMENT**

Neither this Agreement nor any portion thereof shall be assigned without prior written approval from Treasurer.

#### **AUDITOR OF STATE FINDINGS**

Financial Institution affirmatively represents and warrants to the Treasurer that it is not subject to a finding for Recovery under ORC §9.24 or that it has taken the appropriate remedial steps required under ORC §9.24 or otherwise qualifies under that section. Financial Institution agrees that if this representation and warranty is deemed to be false, the Financial Institution shall be void ad initio as between the parties to the Agreement, and any funds paid by the State hereunder shall be immediately repaid to the State, or any action for recovery of funds may be immediately commenced by the State for recovery of said funds.

#### **BUSINESS EXPENSES**

Unless expressed otherwise in this Agreement, Financial Institution shall be responsible for and assume all office and business expenses that are incurred as a result of the performance of this Agreement.

#### **COMPLIANCE WITH THE LAW**

At all times, Financial Institution must comply with all local, state and federal laws, rules, regulations and banking customs and practices, etc.

#### **CONFLICT OF INTEREST**

No personnel of Financial Institution or member of the governing body of any locality or other public official or employee of any such locality in which, or relating to which, the work hereunder is being carried out, and who exercises any functions or responsibilities in connection with the review or approval of the understanding or carrying out of any such work, shall prior to the implementation of said work, voluntarily acquire any personal interest, direct or indirect, which is incompatible or in conflict with the discharge and fulfillment of his or her functions and responsibilities with respect to carrying out said work. Any such person who acquires an

incompatible or conflicting personal interest, on or after the effective date of this Agreement, or who voluntarily acquires any such incompatible or conflicting personal interest, shall immediately disclose his or her interest to the Treasurer in writing. Thereafter, he or she shall not participate in any action affecting the work under this Agreement, unless the Treasurer shall determine that, in light of the personal interest disclosed, his or her participation in any such action would not be contrary to the public interest.

#### **DRUG-FREE WORKPLACE**

Financial Institution agrees to comply with all applicable state and federal laws regarding to a drug-free workplace. Bank shall make a good faith effort to ensure that all Financial Institution employees, while working on village property, will not purchase, transfer, use or possess illegal drugs or alcohol or abuse prescription drugs in any way.

#### **INDEMNIFICATION**

The Financial Institution shall be liable for and shall indemnify the Village of Holland and its Treasurer against any and all losses, damages, costs and expenses (including reasonable attorney fees), liabilities, claims, and demands for any action, omission, information or recommendation in connection with this Agreement constituting a breach or violation of its fiduciary duties under applicable law, or a material breach of any agreement, representation, warranty, or covenant made herein by the Financial Institution. The Financial Institution shall have no liability hereunder in the absence of negligence or reckless or willful misconduct on the part of itself or its agents.

#### **LIMITATION OF TREASURER'S LIABILITY**

The Treasurer's liability for damages, whether in Agreement or in tort, shall not exceed the total amount of compensation payable to Financial Institution or the amount of direct damages incurred by Financial Institution, whichever is less. Financial Institution's sole and exclusive remedies for the Treasurer's failure to perform under this Agreement shall be as set forth in this paragraph. IN NO EVENT SHALL THE TREASURER BE LIABLE FOR ANY INDIRECT OR CONSEQUENTIAL DAMAGES INCLUDING LOSS OF PROFITS, EVEN IF THE TREASURER KNOWS OR SHOULD HAVE KNOWN OF THE POSSIBILITY OF SUCH DAMAGES.

#### **MERGER AND ORDER OF PRIORITIES**

The terms contained in this Agreement represent the entirety of the Agreement between the Village of Holland, Ohio, its Treasurer and Financial Institution, and shall supersede any existing Agreement between the Village of Holland, its Treasurer and Financial Institution containing general or conflicting terms an/or conditions. All amendments to this Agreement must be approved in writing by all parties.

#### **NONDISCRIMINATION**

The hiring of employees for the performance of work under this Agreement shall be done in accord with ORC §125.111. The Financial Institution shall not discriminate against or intimidate any person hired for the performance of the work by reason of race, color, religion, natural origin, ancestry, sex, handicap, or disability, as such term is defined in the American with Disabilities Act. For any such violation, the Financial Institution shall suffer such penalties as provided for in the ORC §153.60 or otherwise provided by law.

**NO THIRD-PARTY BENEFICIARIES**

In performing hereunder, Financial Institution is acting solely on behalf of the Village and no contractual or service relationship shall be deemed to be established hereby between the Village and any other person.

**NOTIFICATION**

All general notifications, unless otherwise specified in this Agreement, shall be directed to the following:

As to the Treasurer:

Village of Holland, Ohio

Attn: Lyn Krasula, Clerk-Treasurer

1245 Clarion Avenue

Holland, Ohio 43528

As to Financial Institution:

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

**OHIO ETHICS LAW**

By signing this Contract, Financial Institution certifies that it is currently in compliance with, and will continue to adhere to the requirements of Ohio Ethics Law as provided by ORC §102.03 and §102.04.

**PUBLICITY**

Any use or reference to this Agreement by the Financial Institution to promote, solicit, or disseminate information regarding the scope of this Agreement is prohibited, unless otherwise permitted in writing by the Village.

**RELATED CONTRACTS**

The work contemplated in this Agreement is to be performed by Financial Institution, who may subcontract without the Treasurer’s approval for the purchase of articles, supplies, components, or services, that do not involve the type of work or services herein described, but which are required for its satisfactory completion. Financial Institution shall not enter into other subcontracts without written approval by the Village. Financial Institution shall be liable for all damage or harm caused by the negligence, reckless or willful misconduct of itself, its agents and its sub-contractors.

**RESPONSIBILITY FOR CLAIMS**

Financial Institution agrees to hold the Village harmless from any and all claims for injury resulting from activities in furtherance of the work hereunder.

**SEVERABILITY CLAUSE**

If any provision of this Agreement is determined by a court of competent jurisdiction to be invalid, illegal or unenforceable, that determination shall not affect any other provision of this Agreement, and each such other provision shall be construed and enforced as if the invalid, illegal or unenforceable provision were not contained herein.

**WAVIER OF BREACH**

The waiver by either party of a breach of any provision of this Agreement by the other party or its assignee shall not operate or be construed as a waiver of any subsequent breach by the breaching party. A waiver by either party shall only be valid if it is in writing and signed by an authorized officer of the party making the waiver.

The Financial Institution agrees to comply with all provisions of the Terms and Conditions set out in this Agreement, including any exhibits or appendices, and requests approval as a Depository. The President or any Vice President, or the Cashier of the Financial Institution shall sign below.

IN WITNESS WHEREOF, we have by authority of our board of directors, caused our corporate seal to be affixed and these presents to be signed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (month, year).

_____	_____
Financial Institution Authorized Signature	Village of Holland, Ohio
_____	_____
Printed Name and Title	Michael L Yunker, Mayor
_____	_____
Date	Date
_____	_____
Attest _____	_____
Financial Institution Authorized Signature	Jacquelyn Krasula, Clerk-Treasurer
_____	_____
Printed Name and Title	Date
_____	
Date	

**Section II. Resolution for Approval of State Deposits**

**NOTE: The Resolution set out below shall be adopted by the Financial Institution’s Board of Directors or Loan Committee. If the Resolution is adopted by the Loan Committee, ratification by the Board of Directors as its next meeting is required. Evidence of such ratification shall be submitted to the Office of the Clerk-Treasurer at: Village of Holland, Ohio, Attn: Lyn Krasula, Clerk-Treasurer, 1245 Clarion Avenue, Holland, Ohio 43528. This Resolution and this Agreement, including the Security Agreement, shall be entered upon the records of the Financial Institution.**

Resolution by the  Board of Directors or the  Loan Committee

(Please check the appropriate box above.)

At a duly convened meeting of the Board of Directors or the Loan Committee of

\_\_\_\_\_ (Name of Financial Institution) held in the offices

at \_\_\_\_\_ (Location Address) on the

\_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ at which a quorum was present, among other business transacted, the following resolution upon motion duly made and seconded, was adopted and entered upon the minutes of the Financial Institution.

WHEREAS, Ohio law requires that all public depositories pledge eligible securities to secure public deposits.

NOW THEREFORE, BE IT RESOLVED by the Board of Directors or the Loan Committee of this Financial Institution that a pledge of securities owned by the Financial Institution in an amount equal to or exceeding any deposits of the Village of Holland, Ohio (“Holland”) is approved, it being the express purpose of the resolution to comply with the provisions of 12 USCA §1823(e) and ORC §135 and §1309.

BE IT RESOLVED FURTHER, that the President or any Vice President, or the Cashier (the “Officers”) of this Financial Institution are hereby authorized and directed as follows:

1st. To prepare and present, fully, in the manner and form required by the Treasurer, an application on behalf of this Financial Institution to become a Village Depository and which application upon acceptance by the Village of Holland shall become a binding agreement.

2nd. To execute on behalf of this Financial Institution a Security Agreement and a Trustee Agreement, and any and all contracts which may be required by the Treasurer, should this Financial Institution be designated a Village Depository.

3rd. To pledge to the Treasurer such securities owned by this Financial Institution free and clear of all other liens and claims, and approved by the Treasurer to be received and held by the Treasurer or a third-party Trustee as provided in ORC §135.18, as pledged securities to guarantee and secure the payment by the Financial Institution of deposits of the Treasurer as required by law. The Officers are further authorized and directed, from time to time, to deposit other and additional securities whenever required by the Treasurer. The Officers may, with the consent of the Treasurer, substitute any pledged securities. The Officers are also hereby fully empowered to execute for this Financial Institution any contract or instrument, evidencing a pledge of any or all pledged securities, which contract gives to the Treasurer powers of sale and disposition of the pledged securities and of the net proceeds of sale thereof after deducting necessary commissions and expenses, as may be required by the Treasurer.

BE IT RESOLVED FURTHER, that the Agreement and the pledge of securities approved by this Resolution shall be an official record of this Financial Institution.

The undersigned Secretary of the Board of Directors or Loan Committee of \_\_\_\_\_ (Name of Financial Institution) does hereby certify that the foregoing is a Resolution duly adopted by the Board of Directors or the Loan Committee at a meeting held on the aforementioned date, at which a quorum of the Directors or Committee members were present and does further hereby certify that the Resolution has not been altered, amended, repealed or rescinded and is now in full force and effect.

IN WITNESS WHEREOF, I have hereunto subscribed my name and, if available, affixed the seal of \_\_\_\_\_ (Name of Financial Institution) this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_ (Month, Year).

\_\_\_\_\_  
Secretary's Signature

\_\_\_\_\_  
Printed Name

Seal  
(If available)

**Section III. Security Agreement/ Pledge of Collateral (“Security Agreement”)**

WHEREAS, \_\_\_\_\_ (“Financial Institution”) has been designated as an approved depository for the period ending November 30, 2021, the Financial Institution, in order to perfect the security interest of the Village of Holland, Ohio (“Village”) in securities pledged by the Financial Institution from time to time to secure deposits of the Village, covenants, agrees and binds itself as follows:

The Financial Institution, in order to secure deposits in excess of the amount insured by the Federal Deposit Insurance Corporation (FDIC), grants to the Village a security interest in eligible securities acceptable to the Village (the “Securities”) in an amount required by law. Such securities shall be placed on deposit with a trustee as defined in ORC §135.18 (I) (“Trustee”), and shall be pledged to the Village. Such Trustee, which shall not be the same as Financial Institution or one of its affiliates, and the Financial Institution shall enter into any required agreements to ensure that the Village has a perfected first security interest in the Securities.

Financial Institution acknowledges that Securities pledged as collateral to the Village Treasurer under ORC §135.18 shall at all times have a market value of no less than one-hundred and two percent (102%) of the total deposits and any accrued interest on said deposits, less any amount insured by the FDIC.

The Financial Institution certifies it will maintain separate and complete records related to all collateral necessary to secure deposits. Such collateral records shall be regularly monitored by the internal auditor of the Financial Institution and shall be reconciled to the records of the Trustee daily. The books, accounts and collateral records of the Financial Institution and its third party Trustee shall be open at all times to the inspection of the Village or its authorized representatives. The Financial Institution shall provide all reports required by the Village Treasurer and shall authorize the Trustee to provide any requested information to the Treasurer or its auditors.

**The Financial Institution hereby represents that it shall pledge as security for deposits only those Securities in which it is the legal and actual owner, free and clear of all other liens or claims and that same Securities shall be pledged in their entirety to the Village so that Treasurer can exercise its rights to sell Securities upon default of Financial Institution in accordance with Ohio law.**

The Financial Institution agrees to immediately pledge additional securities whenever necessary to ensure the full collateralization of deposits.

Upon Financial Institution’s failure to immediately pay and satisfy upon presentment, any check, electronic funds transfer, or draft lawfully drawn upon any state funds deposited with the Financial Institution, or its failure to pay to Village or its Treasurer the deposits, either in part or in full, and any accrued interest, whenever due, the Village of Holland and its Treasurer shall have the right and power any time thereafter to recover the entire amount of money belonging to the Village, then on deposit in said Financial Institution, together with all accrued interest, by sale of the Securities. The Financial Institution hereby agrees to fully cooperate and to execute any documents necessary or appropriate in order for the Village to conduct the sale of the Securities. It is hereby fully understood that all usual

and necessary expenses and commissions incurred by the Village in connection with the sale or sales of the Securities may be deducted from the proceeds of the sale. Any funds resulting from the sale or sales in excess of the amount necessary to pay the Village or its Treasurer the entire amount of the deposits and the expenses of the sale or sales shall be remitted by the Treasurer to the Financial Institution.

All powers conferred upon the Village may be exercised with respect to any additional or substituted securities which may be delivered by the Financial Institution to the Village under the provisions of this Security Agreement, or the laws of Ohio.

The Financial Institution shall maintain this Security Agreement among its official records continuously until such time as this Security Agreement is terminated and all of Village's deposits have been properly paid out.

It is the express purpose of this agreement to comply with the provisions of 12 USCA §1823(e) and ORC §135 and §1309.

By signing below, the authorized designee of the Board of Directors or the Loan Committee shall cause the Financial Institution to enter into this SECURITY AGREEMENT.

\_\_\_\_\_  
Name of Financial Institution

By \_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name and Title

\_\_\_\_\_  
Date

**Exhibit A**

**Collateral Election Certification**

\_\_\_\_\_ (“Financial Institution”) hereby gives notice to the Treasurer of the Village of Holland, Ohio (“Treasurer”) that Treasurer’s deposits are secured in accordance with the terms set forth in the Security Agreement/Pledge of Collateral section of the Application Agreement for Deposit of Public Funds by the following: (Select all that apply)

\_\_\_\_\_ Deposits shall be secured by Securities pledged to the Treasurer and held by the Federal Reserve Bank of Boston. This Financial Institution hereby appoints the Federal Reserve Bank as trustee pursuant to ORC §135.18 (I), and agrees to the terms of Federal Reserve Bank Appendix C of Operating Circular 7 and Operating Circular 8.

\_\_\_\_\_ All deposits, and any accrued interest, shall be covered in full by federal deposit insurance. Deposits requested shall not exceed \$245,000.

\_\_\_\_\_ Deposits shall be secured by an eligible letter of credit, pursuant to ORC §135.18 (B) (2), delivered to and held by the Treasurer.

\_\_\_\_\_ Deposits shall be secured by a surety bond pursuant to ORC §135.18 (B) (10), which shall be approved by Treasurer. (A copy of the surety bond shall be on file with the Treasurer.)

This Financial Institution agrees that it will give prior written notice to Treasurer if at any time any of the above statements cease to be true and accurate.

Certified this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_.

\_\_\_\_\_, as Financial Institution

\_\_\_\_\_  
Financial Institution Authorized Signature

\_\_\_\_\_  
Printed Name

\_\_\_\_\_  
Title

\_\_\_\_\_  
Dated

**VILLAGE OF HOLLAND CLERK-TREASURER'S MINIMUM REQUIRED SERVICES**

Bank complies – Y / N	Service or requirements
	Ability to provide multiple types of accounts in the Village's name including checking, savings, money market and certificates of deposit.
	Ability to participate in the CDARS program.
	Secure online internet access to all Village bank accounts. This must include the ability to view and print current and prior day balances and view individual daily transactions for both current and prior days to include all withdraws, deposits and any ACH or zero balance transactions.
	Secure online ability to upload check daily deposits processed with bank software. All checks received for payments are processed utilizing hardware located in the Clerk-Treasurer's office. The Treasurer currently uses a TellerScan TS230 check scanner. (A different scanner may be provided for Village use at no cost if not compatible with the Clerk's current equipment.) This scanner gives the Treasurer the ability to scan checks for deposit into a file that is uploaded to the bank via the internet for deposit and processing, eliminating the need to take physical checks to the Bank for deposit. Any change is required to be compatible with Treasurer's current computer system at no additional cost.
	If the applicant bank is not within close proximity to the Village offices, the bank must be able to provide a secure means to make deposits.
	Ability to upload processing files to an online secure processing system for the payment of Village employee payroll with a system that is compatible with the Village's current payroll software. The Village currently utilizes CMI payroll software.
	Online ability to receive, view and print month end statements which detail all individual transactions including all debit, credit and ACH transactions plus monthly interest earned.
	Bank accounts must have the ability to send and receive ACH and direct deposit transactions.
	Bank must have the ability to provide a "positive pay" feature as a security measure against fraudulent check transactions. This feature allows the Clerk-Treasurer to upload a file to the bank listing all accounts payable checks. The file will include the payee name, date, check number and amount. The bank will then use this file to verify the accuracy of accounts payable checks presented for payment. This feature helps to eliminate the cashing of fraudulent checks against the Village's accounts.
	Bank statements must be submitted to the Clerk-Treasurer monthly. All statements must run from the first day to the last day of each calendar month. Statements should be available online for printing no later than two business days after the last day of the calendar month.
	Interest paid on accounts must be equal to or greater than the Treasure of State's Star Ohio program at all times. Any means for the Bank setting and paying its interest rate to the Village shall be disclosed on a separate sheet and submitted with this Application. Interest on all Village accounts is due and payable the last day of each calendar month and shall be listed on the monthly statements.
	No service charges of any kind will be paid for any transactions, services, use of programs, ACH transactions, direct deposits, abilities, accounts, statements, check returns, ach processing (sent or received), stop payment requests or any other service or ability requested by the Village or provided by the Bank.
	Service charges or fees may be offset by a designated balance, not to exceed \$100,000 that can be designated as non-interest bearing. This offset amount must be accounted for as Village funds at all times and cannot be deducted from or placed in any account that is not in the Village's name. It can, upon mutual agreement by the Bank and Treasurer, be placed in a segregated, non-interest bearing account in the Village's name. The Bank will be responsible to show in writing how the offset amount was calculated and determined.
	Bank shall provide an employee benefit package for any Village employees who

	utilize the same bank for their personal banking as the Village does for its banking needs. Benefits or discounts may include, but not be limited to, discounted or waived fees for checking and savings accounts, discounted rates on mortgage or personal loans, increased rates for CD's, and/or discounts on other banking services or fees.
	Does the bank actively monitor online account access in real time for the possibility of fraudulent access?
	If the applicant bank is approved as a depository of Village of Holland funds, the bank will be required to sign and return a copy of the Village's Investment and Depository Policy.
	The bank may list any other services, products, benefits or information available to the Village on supplemental sheets and include them with their application or may be listed below.