

**A RESOLUTION DIRECTING STAFF TO EXECUTE BANKING SERVICES
CONTRACTS AND AGREEMENTS
Resolution No. 101/2009-10**

WHEREAS, the Carrboro Board of Aldermen have received a report on the Banking Services RFP process.

NOW THEREFORE, THE BOARD OF ALDERMEN OF THE TOWN OF CARRBORO HEREBY RESOLVES:

Section 1: The Board designates Harrington Bank as the official depository for the Town.

Section 2: The Board awards the banking contract to Harrington Bank.

Section 3. The Board authorizes the Town Manager to execute all contracts and agreements to enable the banking services to occur (representative examples are included: Attachment B – Harrington Bank).



Harrington Bank

Sweep Agreement

This Sweep Agreement is made and entered into this _____ day of _____, _____ by and between Harrington Bank and _____ (the "Customer").

In this agreement, the words "we", "our", or "us" mean the Financial Institution (Harrington Bank) and the words "you" or "your" mean the Customer.

Primary Checking Account _____ Sweep Account _____

1. Maintenance and Transfer of Funds

We will make automatic nightly transfers between the primary checking account and the sweep account to maintain target balance of _____ in the primary checking account. The amount we transfer shall equal the amount necessary to raise or lower your primary checking account balance to equal the target balance. If the transfer date is a non-processing day for us then the transfer will be made on the first processing day following the scheduled transfer date.

2. Account Types and Interest Rates

The primary checking account will be in the form of a non-interest bearing account. An earnings credit rate may offset the fees in this account depending on the average balance and activity for the month. The primary checking account may act as a conventional checking account. You may write checks or drafts upon, or otherwise withdraw funds from the primary checking account, as well as make any necessary deposits to the primary checking account.

The sweep account will be in the form of an interest-bearing checking account. The interest rate in the sweep account will be determined by the Bank and may change daily. *However, Harrington Bank will commit to an annual percentage yield of 1.25% to the Customer for one year from the date of account inception.* The only allowable transactions in the sweep account will be the automatic nightly transfers that will take place to maintain the target balance in the primary checking account.

3. Security of Funds

We certify that the public funds deposited with Harrington Bank are subject to the requirements of 20 NCAC 7, the rules pertaining to the collateralization of public deposits; and therefore, all amounts above any insurance coverage will be collateralized according to the rules.

4. Notices and Confirmation to the Customer

Notices and information regarding the primary checking account and the sweep account will be sent not less frequently than monthly to the Customer.

5. Service Charges

Prevailing bank service charges will apply.

6. Termination

This agreement may be terminated by the Customer or Bank. Either party may terminate this Agreement upon ten days written notice to the other. Upon notice by the Customer of the Customer's intent to terminate this Agreement, the Bank shall pay all deposit obligations into the primary checking account and this Agreement shall terminate.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed by an Authorized Officer(s).

Company Name _____

By: _____

Name: _____

Title: _____

Email: _____

ACCOUNT NUMBER

OWNERSHIP OF ACCOUNT - PERSONAL

- ☐ INDIVIDUAL ☐ PERSONAL AGENCY (see below)
☐ JOINT - WITH SURVIVORSHIP (see below)
☐ JOINT - NO SURVIVORSHIP (as tenants in common)
☐ TRUST - SEPARATE AGREEMENT:
☐ PAYABLE ON DEATH (POD) DESIGNATION AS DEFINED IN THIS AGREEMENT (Name and Address of Beneficiaries):

☐ **BANK JOINT ACCOUNT WITH RIGHT OF SURVIVORSHIP G.S. 553-146.1**

We, the undersigned, understand that by establishing a joint account under the provisions of North Carolina General Statute 553-146.1 that:
 1. The bank may pay the money in the account to, or on the order of, any person named in the account unless we have agreed with the bank that withdrawals require more than one signature; and
 2. Upon the death of one joint owner the money remaining in the account will belong to the surviving joint owners and will not pass by inheritance to the heirs of the deceased joint owner or be controlled by the deceased joint owner's will.
 We DO elect to create the right of survivorship in this account.

X _____ X _____

☐ **BANK PAYABLE ON DEATH ACCOUNT G.S. 553-146.2**: I/we, the undersigned, understand that by establishing a Payable on Death account under the provisions of North Carolina General Statute 553-146.2 that:

1. During my/our lifetime, I/we, individually or jointly, may withdraw the money in the account; and
 2. By written direction to the bank I/we, individually or jointly, may change the beneficiary or beneficiaries; and
 3. Upon my/our death the money remaining in the account will belong to the beneficiary or beneficiaries, and the money will not be inherited by my/our heirs or be controlled by will.

X _____ X _____

☐ **BANK PERSONAL AGENCY ACCOUNT G.S. 553-146.3**

I, the undersigned, understand that by establishing a personal agency account under the provisions of North Carolina General Statute 553-146.3 that the agent named in the account may:
 1. Sign checks drawn on the account; and
 2. Make deposits into the account.
 I also understand that upon my death the money remaining in the account will be controlled by my will or inherited by my heirs.

☐ I, the undersigned, (agent's name and address) agree this personal agency will continue if I subsequently become incapacitated or mentally incompetent, in accordance with North Carolina General Statute 553-146.3(c).

X _____

OWNERSHIP OF ACCOUNT - BUSINESS PURPOSE

- ☐ SOLE PROPRIETORSHIP ☐ PARTNERSHIP
☐ CORPORATION: ☐ FOR PROFIT ☐ NOT FOR PROFIT
☐ _____

BUSINESS:

COUNTY & STATE:

OF ORGANIZATION:

AUTHORIZATION DATED:

DATE OPENED _____

BY _____

INITIAL DEPOSIT \$ _____

☐ CASH

☐ CHECK

☐ _____

HOME TELEPHONE # _____

BUSINESS PHONE # _____

DRIVER'S LICENSE # _____

E-MAIL _____

EMPLOYER _____

MOTHER'S MAIDEN NAME _____

Name and address of someone who will always know your location: _____

ACCOUNT NUMBER

- TYPE OF ACCOUNT
☐ NEW ☐ EXISTING
☐ CHECKING ☐ SAVINGS
☐ MONEY MARKET ☐ CERTIFICATE OF DEPOSIT
☐ NOW

This is your (check one):

☐ Permanent ☐ Temporary account agreement.

ACCOUNT OWNER(S) NAME & ADDRESS

BACKUP WITHHOLDING CERTIFICATIONS

TIN: _____

☐ **TAXPAYER I.D. NUMBER** - The Taxpayer Identification Number shown above (TIN) is my correct taxpayer identification number.

☐ **BACKUP WITHHOLDING** - I am not subject to backup withholding either because I have not been notified that I am subject to backup withholding as a result of a failure to report all interest or dividends, or the Internal Revenue Service has notified me that I am no longer subject to backup withholding.

☐ **EXEMPT RECIPIENTS** - I am an exempt recipient under the Internal Revenue Service Regulations.

SIGNATURE: I certify under penalties of perjury the statements checked in this section and that I am a U.S. person (including a U.S. resident alien).

X _____

(Date)

Number of signatures required for withdrawal _____

FACSIMILE SIGNATURE(S) ALLOWED? ☐ YES ☐ NO

[X]

SIGNATURE(S) - The undersigned agree to the terms stated on every page of this form and acknowledge receipt of a completed copy. The undersigned further authorize the financial institution to verify credit and employment history and/or have a credit reporting agency prepare a credit report on the undersigned, as individuals. The undersigned also acknowledge the receipt of a copy and agree to the terms of the following disclosure(s):

- ☐ Deposit Account ☐ Funds Availability
☐ Electronic Funds Transfer ☐ Truth In Savings ☐ Privacy
☐ _____

(1): [X]
 I.D. # _____ D.O.B. _____

(2): [X]
 I.D. # _____ D.O.B. _____

(3): [X]
 I.D. # _____ D.O.B. _____

(4): [X]
 I.D. # _____ D.O.B. _____

YOUR DEPOSIT ACCOUNT TERMS AND CONDITIONS

AGREEMENT - These terms govern the operation of this account unless varied or supplemented in writing. Unless it would be inconsistent to do so, words and phrases used in this document should be construed so that the singular includes the plural and the plural includes the singular. As used in these Terms and Conditions on page 2, the words "we," "our," or "us" mean the financial institution and the words "you" or "your" mean the account holder(s). This account may not be transferred or assigned without our written consent.

Much of our relationship with our deposit customers is regulated by state and federal law, especially the law relating to negotiable instruments, the law regulating the methods of transferring property upon death and the rights of surviving spouses and dependents, the law pertaining to estate and other succession taxes, the law regarding electronic funds transfer, and the law regarding the availability of deposited funds. This body of law is too large and complex to be reproduced here.

The purpose of this form is to:

- (1) summarize the rules applicable to the more common transactions;
- (2) establish rules to govern transactions or circumstances which the law does not regulate; and
- (3) establish rules for certain events or transactions which the law already regulates but permits variation by agreement.

We may permit some variations from this standard agreement, but any such variations must be agreed to in writing either on our signature card for the account or in some other written form.

LIABILITY - Each of you agrees, for yourself (and the person or entity you represent if you sign as a representative of another) to the terms of this account and the schedule of charges that may be imposed. You authorize us to deduct these charges as accrued directly from the account balance. You also agree to pay additional reasonable charges we may impose for services you request which are not contemplated by this agreement. Each of you also agrees to be jointly and severally liable for any account deficit resulting from charges or overdrafts, whether caused by you or another authorized to withdraw from this account, and the costs we incur to collect the deficit including, to the extent permitted by law, our reasonable attorneys' fees.

DEPOSITS - Any items, other than cash, accepted for deposit (including items drawn "on us") will be given provisional credit only until collection is final (and actual credit for deposits of, or payable in, foreign currency will be at the exchange rate in effect on final collection in U.S. dollars). Subject to any other limitations, interest will be paid only on collected funds, unless otherwise provided by law. We are not responsible for transactions initiated by mail or outside depository until we actually record them. All transactions received after our "daily cut-off time" on a business day we are open, or received on a day in which we are not open for business, will be treated and recorded as if initiated on the next following business day that we are open.

WITHDRAWALS - Unless otherwise clearly indicated on the account records, any one of you who signs this form including authorized signers, may withdraw or transfer all or any part of the account balance at any time on forms approved by us. Each of you (until we receive written notice to the contrary) authorizes each other person signing this form to endorse any item payable to you or your order for deposit to this account or any other transaction with us. We may charge your account for a check even though payment was made before the date of the check, unless we have received written notice of the postdating in time to give us a reasonable opportunity to act. The fact that we may honor withdrawal requests which overdraw the finally collected account balance does not obligate us to do so, unless required by law. Withdrawals will first be made from collected funds, and we may, unless prohibited by law or our written policy, refuse any withdrawal request against uncollected funds, even if our general practice is to the contrary. We reserve the right to refuse any withdrawal or transfer request which is attempted by any method not specifically permitted, which is for an amount less than any minimum withdrawal requirement, or which exceeds any frequency limitation. Even if we honor a nonconforming request, repeated abuse of the stated limitations (if any) may eventually force us to close this account. We will use the date a transaction is completed by us (as opposed to the day you initiate it) to apply the frequency limitations. On interest-bearing accounts other than time deposits, we reserve the right to require at least seven days' written notice before any withdrawal or transfer. Withdrawals from a time deposit prior to maturity or prior to the expiration of any notice period may be restricted and may be subject to penalty. See your notice of penalties for early withdrawal.

ACH AND WIRE TRANSFERS - This agreement is subject to Article 4A of the Uniform Commercial Code in the state in which you have your account with us. If you originate a fund transfer for which Fedwire is used, and you identify by name and number a beneficiary financial institution, an intermediary financial institution or a beneficiary, we and every receiving or beneficiary financial institution may rely on the identifying number to make payment. We may rely on the number even if it identifies a financial institution, person or account other than the one named. You agree to be bound by automated clearing house association rules. These rules provide, among other things, that payments made to you, or originated by you, are provisional until final settlement is made through a Federal Reserve Bank or payment is otherwise made as provided in Article 4A-403(a) of the Uniform Commercial Code. If we do not receive such payment, we are entitled to a refund from you in the amount credited to your account and the party originating such payment will not be considered to have paid the amount so credited. If we receive a credit to an account you have with us by wire or ACH, we are not required to give you any notice of the payment order or credit.

OWNERSHIP OF ACCOUNT AND BENEFICIARY DESIGNATION - You intend these rules to apply to this account depending on the form of ownership and beneficiary designation, if any, specified on page 1. We make no representations as to the appropriateness or effect of the ownership and beneficiary designations, except as they determine to whom we pay the account funds. **Individual Account** - is owned by one person. **Joint Account - With Survivorship (And Not As Tenants In Common)** - You intend and agree that regardless of whose funds are deposited in the account, that upon your death the balance in the account will belong to the survivor(s). If two or more of you survive, you will own the balance in the account as joint tenants with right of survivorship. This agreement is governed by North Carolina General

Statutes 553-146.1. **Joint Account - No Survivorship (As Tenants In Common)** - is owned by two or more persons, but none of you intend (merely by opening this account) to create any right of survivorship in any other person. **Payable on Death (POD) Account** - A beneficiary acquires the right to withdraw only if (1) the person creating the account dies, and (2) the beneficiary is then living. The person creating this account type reserves the right to: (1) change beneficiaries, (2) change account types, and (3) withdraw all or part of the deposit at any time. This agreement is governed by North Carolina General Statutes 553-146.2. **Personal Agency Accounts** - Such an account allows you to name an agent who will have the authority to make withdrawals from the account by check or otherwise and endorse checks payable to you for deposit only into the account and otherwise make deposits on your behalf. In addition, you may elect to extend the authority of your agent so your agent may act notwithstanding your subsequent incapacity or mental incompetence. Your agent's authority would then end at such time as the agent receives notification from a qualified guardian or duly appointed attorney-in-fact. If you do not extend the authority of the agent, then your subsequent incapacity or mental incompetency will terminate the authority of your agent. This agreement is governed by North Carolina General Statutes 553-146.3. **Corporate, Partnership, and other Organizational Accounts** - We reserve the right to require the governing body of the legal entity to give us a separate authorization naming us who is authorized to act on its behalf. We will honor such an authorization until we actually receive written notice of a change from the governing body.

STOP PAYMENTS - You must make any stop-payment order in the manner required by law and we must receive it in time to give us a reasonable opportunity to act on it before our stop-payment cutoff time. To be effective, your stop-payment order must precisely identify the number, date and amount of the item, and the payee.

Our stop-payment cutoff time is one hour after the opening of the next banking day after the banking day on which we receive the item. Additional limitations on our obligation to stop payment are provided by law.

You may stop payment on any item drawn on your account whether you sign the item or not, if you have an equal or greater right to withdraw from this account than the person who signed the item. A release of the stop-payment request may be made only by the person who initiated the stop payment.

AMENDMENTS AND TERMINATION - From time to time we may amend any term of this agreement upon giving you reasonable notice in writing or by any other method permitted by law, including, in appropriate circumstances, posting notice in our building. We may also close this account at any time upon reasonable notice to you and tender of the account balance personally or by mail. Notice from us to any one of you is notice to all of you.

STATEMENTS - You must examine your statement of account with "reasonable promptness." If you discover (or reasonably should have discovered) any unauthorized payments or alterations, you must promptly notify us of the relevant facts. If you fail to do either of these duties, you will have to either share the loss with us, or bear the loss entirely yourself (depending on whether we used ordinary care and, if not, whether we substantially contributed to the loss). The loss could be not only with respect to items on the statement but other items forged or altered by the same wrongdoer.

You agree that the time you have to examine your statement and report to us will depend on the circumstances, but will not, in any circumstance, exceed a total of 30 days from when the statement is first made available to you.

You further agree that if you fail to report any unauthorized signatures, alterations, forgeries or any other errors in your account within 60 days of when we make the statement available, you cannot assert a claim against us on any items in that statement, and the loss will be entirely yours. This 60 day limitation is without regard to whether we exercised ordinary care. The limitation in this paragraph is in addition to that contained in the first paragraph of this section.

DIRECT DEPOSITS - If, in connection with a direct deposit plan, we deposit any amount in this account which should have been returned to the Federal Government for any reason, you authorize us to deduct the amount of our liability to the Federal Government from this account or from any other account you have with us, without prior notice and at any time, except as prohibited by law. We may also use any other legal remedy to recover the amount of our liability.

TEMPORARY ACCOUNT AGREEMENT - If this option is selected, we may restrict or prohibit further use of this account if you fail to comply with the requirements we have imposed within a reasonable time.

FACSIMILE SIGNATURES - You authorize us, at any time, to charge you for all checks, drafts, or other orders, for the payment of money, that are drawn on us regardless of by whom or by what means the facsimile signature(s) may have been affixed so long as they resemble the facsimile signature specimen on page 1 of this agreement, or that are filed separately with us, and contain the required number of signatures for this purpose.

SET-OFF - You each agree that we may (without prior notice and when permitted by law) set off the funds in this account against any due and payable debt owed to us now or in the future, by any of you having the right of withdrawal, to the extent of such persons' or legal entity's right to withdraw. If the debt arises from a note, "any due and payable debt" includes the total amount of which we are entitled to demand payment under the terms of the note at the time we set off, including any balance the due date for which we properly accelerate under the note. This right of set-off does not apply to this account if: (a) it is an Individual Retirement Account or other tax-deferred retirement account, or (b) the debt is created by a consumer credit transaction under a credit card plan, or (c) the debtor's right of withdrawal arises only in a representative capacity. We will not be liable for the dishonor of any check when the dishonor occurs because we set off a debt against this account. You agree to hold us harmless from any claim arising as a result of our exercise of our right of set-off.

RESTRICTIVE LEGENDS - We are not required to honor any restrictive legend on checks you write unless we have agreed to the restriction in a writing signed by one of our officers. Examples of restrictive legends are "must be presented within 90 days" or "not valid for more than \$1,000."

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CORPORATE AUTHORIZATION RESOLUTION

HARRINGTON BANK, FSB
5925 FARRINGTON ROAD
CHAPEL HILL, NC 27517

By: TOWN OF CARBORO

Referred to in this document as "Financial Institution"

Referred to in this document as "Corporation"

I, NORTH CAROLINA, certify that I am Secretary (clerk) of the above named corporation organized under the laws of TOWN OF CARBORO, Federal Employer I.D. Number _____, engaged in business under the trade name of _____, and that the resolutions on this document are a correct copy of the resolutions adopted at a meeting of the Board of Directors of the Corporation duly and properly called and held on 02/16/10 (date). These resolutions appear in the minutes of this meeting and have not been rescinded or modified.

AGENTS Any agent listed below, subject to any written limitations, is authorized to exercise the powers granted as indicated below:

Name and Title or Position	Signature	Facsimile Signature (if used)
A. _____	X _____	X _____
B. _____	X _____	X _____
C. _____	X _____	X _____
D. _____	X _____	X _____
E. _____	X _____	X _____
F. _____	X _____	X _____

POWERS GRANTED (Attach one or more Agents to each power by placing the letter corresponding to their name in the area before each power. Following each power indicate the number of Agent signatures required to exercise the power.)

Indicate A, B, C, D, E, and/or F	Description of Power	Indicate number of signatures required
_____	(1) Exercise all of the powers listed in this resolution.	_____
_____	(2) Open any deposit or share account(s) in the name of the Corporation.	_____
_____	(3) Endorse checks and orders for the payment of money or otherwise withdraw or transfer funds on deposit with this Financial Institution.	_____
_____	(4) Borrow money on behalf and in the name of the Corporation, sign, execute and deliver promissory notes or other evidences of indebtedness.	_____
_____	(5) Endorse, assign, transfer, mortgage or pledge bills receivable, warehouse receipts, bills of lading, stocks, bonds, real estate or other property now owned or hereafter owned or acquired by the Corporation as security for sums borrowed, and to discount the same, unconditionally guarantee payment of all bills received, negotiated or discounted and to waive demand, presentment, protest, notice of protest and notice of non-payment.	_____
_____	(6) Enter into a written lease for the purpose of renting, maintaining, accessing and terminating a Safe Deposit Box in this Financial Institution.	_____
_____	(7) Other <u>TOWN CLERK MAY ADD OR REMOVE SIGNERS AS NEEDED</u>	_____

LIMITATIONS ON POWERS The following are the Corporation's express limitations on the powers granted under this resolution.

EFFECT ON PREVIOUS RESOLUTIONS This resolution supersedes resolution dated _____. If not completed, all resolutions remain in effect.

CERTIFICATION OF AUTHORITY

I further certify that the Board of Directors of the Corporation has, and at the time of adoption of this resolution had, full power and lawful authority to adopt the foregoing resolutions and to confer the powers granted to the persons named who have full power and lawful authority to exercise the same. (Apply seal below where appropriate.)

☐ If checked, the Corporation is a non-profit corporation.

In Witness Whereof, I have subscribed my name to this document and affixed the seal of the Corporation on _____ (date).

Attest by One Other Officer _____

Secretary _____