

**Trustee Agreement  
for Securities Pledged as Collateral to the State Treasurer of Ohio  
for the period of July 2, 2012 through July 6, 2014**

This Trustee Agreement (“Agreement”) is entered into among the State Treasurer of Ohio (“Treasurer”), having a place of business at 30 East Broad Street, 9th Floor, Columbus, Ohio 43215, \_\_\_\_\_, (“Financial Institution”), having a place of business at \_\_\_\_\_, and \_\_\_\_\_, (“Trustee”) having a place of business at \_\_\_\_\_, as of this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_. Collectively, Treasurer, Financial Institution and Trustee shall be defined to as the “Parties”.

**Background**

Financial Institution is required to secure Treasurer’s deposits pursuant to Ohio Revised Code (“ORC”) § 135.18. Financial Institution therefore pledges certain securities defined as eligible pursuant to ORC § 135.18(B) (“Securities”) as collateral (“Collateral”) to secure Treasurer’s deposits (“Deposits”).

In addition, Financial Institution grants Treasurer a perfected first security interest in aforementioned Securities under the Ohio Uniform Commercial Code. Financial Institution and Treasurer have entered into a Security Agreement for the Collateralization of State Treasurer of Ohio Funds (“Security Agreement”) for the biennium beginning July 2, 2012 and ending July 6, 2014. The Security Agreement provides for Financial Institution’s pledge of Securities to Treasurer to secure the Deposits.

Trustee hereby certifies that: (i) it is qualified by the Ohio Superintendent of Financial Institutions (“Superintendent”) pursuant to ORC § 135.18 to act as trustee for the safekeeping of Collateral pledged to Treasurer other than those securities belonging to itself or to an affiliate as defined in ORC § 1101.01; and (ii) that it holds as evidence a certificate of qualification issued by the Superintendent.

Trustee is hereby appointed to hold on behalf of Treasurer the Securities pledged by Financial Institution pursuant to the Security Agreement in accordance with the terms set forth below and Trustee accepts such appointment.

1. It is the intent of the Parties that Treasurer have a first priority perfected security interest in the Collateral. Trustee agrees to hold the Securities under joint safekeeping receipts. Trustee shall apply any substitutions or additions of Collateral upon the terms and conditions set forth in this Agreement. Trustee shall segregate Securities solely for the

benefit of Treasurer, so that Treasurer may exercise its rights to Securities afforded under ORC Chapters 135 and 1309 and paragraph 3(a) of this Agreement.

2. Trustee shall not permit the release or substitution of any of the Securities, or the release of any cash proceeds resulting from the maturity or early redemption of any of the Securities, without the prior written approval of Treasurer, which approval shall not be unreasonably withheld. Treasurer shall deliver such approval to Trustee in a fully executed approval letter substantially in the form of Schedule 1 attached hereto.
3. (a) Promptly upon receipt of written statement of Treasurer that Financial Institution is in default<sup>1</sup>, and without need of inquiry as to the validity of such statement, Trustee shall immediately deliver to Treasurer the Securities held hereunder, or such portion thereof as may be demanded. Trustee shall immediately disregard any further notice or instruction by or on behalf of Financial Institution. Such demand shall state the dollar amount of the Deposits, including any interest which has accrued on the Deposits, as of the date of the demand and any costs or expenses for which Treasurer is entitled to reimbursement under the Security Agreement. Further, the demand shall instruct that Trustee deliver to Treasurer, for sale by Treasurer, Securities with a market value equal to or greater than such reported Deposits, costs and expenses.  
  
(b) In the event a receiver or conservator is appointed for Trustee under federal and/or state banking or similar law, or there is commenced by or against Trustee any liquidation or dissolution proceeding, Trustee shall as soon as practicable transfer the Securities to such other trustee meeting the requirements of ORC §135.18, as is designated by Financial Institution and approved by Treasurer. Trustee and Financial Institution shall notify Treasurer prior to any such transfer.
4. In consideration of Trustee's acceptance of its appointment as Trustee, Financial Institution agrees to indemnify and hold Trustee harmless as to any liability incurred by Trustee to any person, firm or corporation, including, without limitation, to Treasurer, by reason of its having accepted the same or in carrying out any of the terms hereof, and to reimburse Trustee for all its expenses, including among other things, counsel fees and court costs, incurred by reason of its position hereunder or actions taken pursuant hereto, except in the event of the negligence or reckless or willful misconduct of Trustee. In the event of its failure to exercise ordinary care, Trustee shall be liable to Financial Institution only to the extent of its direct damages. Trustee shall be deemed to have exercised ordinary care if its actions or failure to act is in conformity with reasonable banking industry practice. Notwithstanding any other provision of this Agreement, if it becomes necessary for the Treasurer to obtain court enforcement of its rights against Trustee, Trustee shall be liable for the legal fees and costs of Treasurer. Financial Institution agrees that Trustee shall not be liable to it for any actions taken by Trustee pursuant to the terms hereof. Financial Institution agrees to pay Trustee for its services under this Agreement according to the fee schedule in effect at the time of service. Financial Institution also agrees to pay on demand Trustee's costs and expenses, including the fees and expenses of counsel and independent appraisers used by Trustee,

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<sup>1</sup> "Default" means the omission or failure to perform a legal or contractual duty including but not limited to filing for bankruptcy or insolvency, acquisition by another institution that fails to perform, or failure to return funds, etc.

reasonably incurred in connection with its duties hereunder. Trustee shall not place a lien or claim on Securities for any unpaid fees.

5. (a) Trustee shall maintain and segregate all Securities, which at any time come into its possession, in accordance with the customary standards in the industry for such possession. Under no circumstances shall Trustee be held responsible to Treasurer or Financial Institution for any loss arising from any cause whatsoever except such as may arise solely from its failure to comply with the terms and conditions in this Trustee Agreement, or from its negligence, or reckless or willful misconduct, or that of its officers, employees or duly authorized agents. Trustee's duties shall be determined only with reference to this Agreement and ORC Chapters 135 and 1111 (as they relate specifically to the qualifications or duties of Trustee), and Trustee is not charged with knowledge of, any duties or responsibilities in connection with, any other document or agreement.
- (b) Upon execution of this Agreement, Trustee shall deliver to Treasurer a certificate in substantially the form attached hereto as Schedule 2, stating that: (i) Trustee is authorized under the laws of the United States of America and/or the State of Ohio to exercise trust and fiduciary powers in Ohio; (ii) Trustee is qualified pursuant to Ohio Revised Code § 135.18(I) to hold securities pledged to Treasurer; (iii) Trustee complies with all applicable capital guidelines and requirements applicable to it, adopted by the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Board of Governors of the Federal Reserve System as from time to time amended; (iv) Deposits of Trustee are insured by the Federal Deposit Insurance Corporation; (v) Trustee has assets that exceed its liabilities; and (vi) Agreement is a legal, valid, and binding obligation of Trustee, enforceable in accordance with its terms. Trustee agrees to notify Treasurer and Financial Institution immediately in writing if at any time (i), (ii), (iii), (iv), (v) or (vi) cease to be true and accurate.
6. Until receipt of notice by Treasurer under paragraph 3(a), Trustee shall send to Financial Institution all income on the Securities at any time held hereunder. Further, Trustee shall send to Financial Institution all periodic coupon income on Securities and all principal payments and prepayments on mortgage-backed Securities at any time held hereunder. Upon receipt of notice under paragraph 3(a), Trustee shall hold all such income, periodic coupon income, and principal payments and prepayments for the benefit of Treasurer.
7. Whenever the written consent of Treasurer or Financial Institution is required hereunder, the written consent of any authorized representative or agent of Treasurer or of Financial Institution, as provided by Treasurer (Appendix I) and Financial Institution (Appendix II) shall satisfy such requirements. Appendices I and II may be amended by either Treasurer or Financial Institution, respectively, by giving written notice to both Trustee and the other of them.
8. Each transfer of Securities, including the initial transfer of Securities under this Agreement, shall be accompanied by a pledge or release confirmation of Financial Institution stating, as applicable, the par value or original face amount, current par value, interest rate, CUSIP number, maturity date, and market value of the Securities transferred. The certificate shall also contain a description of the Securities and shall

state that the Securities are being transferred to Trustee pursuant to this Agreement. Trustee shall provide said certificate to Treasurer to confirm receipt of Securities.

9. (a) Upon the initial transfer of Securities under this Agreement, and by the fifteenth (15<sup>th</sup>) day of each month during the term of this Agreement, Trustee shall provide to Financial Institution and Treasurer a statement: (i) listing the Securities held by the Trustee, including the CUSIP number and a description of each listed Security; (ii) stating the par value of each Security; and (iii) stating the Value (as defined below) of each Security. The Value of a Security shall be its market value, if the same is readily determinable. If the market value of a Security is not readily determinable from sources available to the Trustee in the ordinary course of its business, then Trustee shall have no obligation to determine the value of such Security.  
  
(b) Trustee agrees to provide other reporting as may be required by Treasurer or Treasurer's auditors.
10. The Parties hereto bind themselves and their successors and assigns, including any acquirer of the deposits of Financial Institution, for the faithful performance of the terms and conditions of this Agreement.
11. (a) This Agreement shall automatically terminate upon termination of the Security Agreement. Notice of termination of the Security Agreement shall be provided to Trustee by Treasurer as soon as practicable. Trustee shall not honor any purported notice of termination from Financial Institution.  
  
(b) This Agreement shall terminate upon delivery by Trustee of the Securities to Treasurer pursuant to paragraph (3) hereof.  
  
(c) Further, this Agreement may be terminated ten (10) business days after Trustee's receipt of written notice from Financial Institution and Treasurer. As used in this Agreement, the term "business day" means any Monday through Friday, excluding any day on which Financial Institution is authorized or required to be closed under state or federal law.  
  
(d) Trustee shall have the right at any time to resign hereunder by giving written notice of its resignation to both Financial Institution and Treasurer at the addresses set forth in paragraph 16 hereof, or at such other address as Financial Institution and Treasurer shall provide, at least thirty (30) business days prior to the date specified for such resignation to take effect ("Effective Date"). Upon the Effective Date all moneys, Securities, and proceeds of Securities then held by Trustee hereunder shall be delivered by it to the successor trustee designated in writing by Financial Institution. Any such resignation shall not be effective until a successor trustee has been appointed by Financial Institution and approved by Treasurer.  
  
(e) Upon termination as defined in paragraphs 11(c) and 11(d) hereof, Trustee shall immediately transfer the Securities to a successor trustee as is designated by Financial Institution and approved by Treasurer.

12. Trustee shall, at its own expense, maintain at all times during the existence of this Agreement and keep in full force and effect: (i) fidelity insurance; (ii) theft of documents insurance; (iii) forgery insurance; and (iv) errors and omissions insurance. All such insurance shall be in amounts, with standard coverage and subject to deductibles as are customary for insurance typically maintained by banks which act as trustee in similar transactions. A certificate of the respective insurer as to each such policy shall be furnished to Treasurer, upon request, containing the insurer's statement or endorsement that such insurance shall not be materially altered or terminated without ten (10) days prior notice being sent to Treasurer by registered mail.
13. This Agreement shall be governed by and construed in accordance with the laws of the State of Ohio. With respect to any disputes arising hereunder, the Parties hereto submit to the jurisdiction of the Ohio Court of Claims or, a court of competent jurisdiction in Franklin County, Ohio.
14. No modification or amendment of or supplement to this Agreement shall be valid or effective unless the same is in writing and signed by the Parties.
15. If any of the provisions of this Agreement shall be held invalid, then such provisions shall be deemed severable from the remaining provisions of this Agreement and shall in no way affect the validity or enforceability of the other provisions of this Agreement.
16. Any notices, including Collateral statements, shall be sent to the respective Parties at the following addresses:

Treasurer:

State Treasurer of Ohio  
Director, Trust Department  
30 E. Broad Street, 9<sup>th</sup> Floor  
Columbus, OH 43215-3461

Financial Institution:

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Trustee:

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**IN WITNESS WHEREOF**, this Agreement has been duly executed by the Parties hereto as of the date of the Treasurer's signature.

\_\_\_\_\_, as Trustee

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

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

Dated: \_\_\_\_\_

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

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

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

Dated: \_\_\_\_\_

\_\_\_\_\_, as Treasurer

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

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

Dated: \_\_\_\_\_

## Schedule 1

### **Josh Mandel, State Treasurer of Ohio**

#### **Procedures for Submitting the Request for Release/Substitution of Collateral Form**

- The State Treasurer of Ohio (“Treasurer”) will provide the Trustee with a list of Authorized Treasurer Personnel for the purpose of approving the release or substitution of collateral (“Collateral”). This authorization letter is valid only if signed by Treasurer Josh Mandel or his designee.
- The Treasurer’s public depository (defined as “Financial Institution” in the Trustee Agreement For Securities Pledged as Collateral to the State Treasurer of Ohio) shall complete the Request for Release/Substitution of Depository Bank Collateral form (“Request”), with the exception of areas for Treasurer use and the area for signature by Authorized Treasurer Personnel, when a substitution or release of Collateral is requested. A Request is required for the release of the proceeds for any matured securities or for any security that is called by the issuer prior to maturity.
- The completed form should be submitted to the Treasurer’s Trust Department by e-mail ([bank.collateral@tos.ohio.gov](mailto:bank.collateral@tos.ohio.gov)) or by fax (614-466-9948), no later than 4:00 p.m. Eastern Time (“ET”) on the business day prior to date of the requested release/substitution. Business day for this purpose is defined as any day that the Treasurer is open for business. Requests received after this time will be processed on a best efforts basis.
- The Treasurer’s Trust Department, Collateral Section, will calculate the amount of Collateral required to be pledged by the Financial Institution. If the amount of Collateral pledged, excluding the requested release, is sufficient, the Request form will be signed by Authorized Treasurer Personnel and forwarded to the Trustee. If a substitution is required, the Authorized Treasurer Personnel will notify the Financial Institution.
- Upon receipt of the Request signed by Authorized Treasurer Personnel, the Trustee shall release or permit the substitution of Collateral to the Financial Institution (“Pledgor”). The Trustee may require additional action from the Financial Institution.
- The Trustee shall provide confirmation of any release or substitution to the Treasurer no later than 10:00 a.m. ET of the following business day. The method of confirmation will be agreed upon by the Treasurer and the Trustee.

Any questions concerning this form should be directed to the Treasurer contacts listed on the Request form. Any other questions concerning the Treasurer’s collateral requirements should be directed to:

Bob Willer, Trust Operations Manager	614-466-1580
Karen Evans, Collateral Analyst	614-644-1291



# Josh Mandel, State Treasurer of Ohio

Trust Department – Collateral Section

## Request for Release/Substitution of Depository Bank Collateral

**The Trustee shall not permit the release or substitution of any of the securities (“Securities”), or the release of any cash proceeds resulting from the maturity or early redemption of any of the Securities, without the written approval of Treasurer Josh Mandel or his designee.**

Request Date: \_\_\_\_\_ FAX to: (614) 466-9948 or E-mail to: [bank.collateral@tos.ohio.gov](mailto:bank.collateral@tos.ohio.gov)

To the Trustee: \_\_\_\_\_ Account #: \_\_\_\_\_  
 (Trustee refers to the institution holding the securities)

Financial Institution (Pledgor): \_\_\_\_\_ ABA #: \_\_\_\_\_

Financial Institution Contact: \_\_\_\_\_

Contact e-mail: \_\_\_\_\_ Telephone: \_\_\_\_\_

Note to FINANCIAL INSTITUTION: If substitution of collateral (“Collateral”) is required, please pledge the Securities directly to the Trustee and inform the Trustee to provide the State Treasurer of Ohio (“Treasurer”) with written confirmation of the pledge. The Treasurer will approve the release of Securities upon a pledge of sufficient Collateral.

RELEASE the following Securities to the ABA above (check one) at maturity _____ before maturity _____.				
For Treasurer Use Investment #	CUSIP	Asset Description	Par (Original Face)	Maturity Date

**Note to TRUSTEE:** Do not release the Securities until substituted security confirmation is delivered to the Treasurer.

If a SUBSTITUTION IS REQUIRED prior to release, enter security details below:

For Treasurer Use Investment #	CUSIP	Asset Description	Par (Original Face)	Maturity Date

### State Treasurer of Ohio Designee

Authorized Signature: \_\_\_\_\_

Print Name: \_\_\_\_\_

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

#### Treasurer’s Office Contacts:

30 E. Broad Street, 9<sup>th</sup> Floor  
 Columbus, Ohio 43215-3461

Karen Evans (614) 644-1291  
 Blake Bishop (614) 644-1285

[bank.collateral@tos.ohio.gov](mailto:bank.collateral@tos.ohio.gov)



State Treasurer of Ohio  
Securities Held by Trustee for Financial Institution

Instructions for completing the Request for Release/Substitution of Depository Bank Collateral form

E-mail completed form to: [bank.collateral@tos.ohio.gov](mailto:bank.collateral@tos.ohio.gov) or fax to: (614) 466-9948

Request Date	The date the form is being completed.
To the Trustee	The name of the institution holding the security.
Account #	The account number for which securities are held at the Trustee.
Financial Institution (Pledgor)	The name of the depository bank submitting the request.
ABA #	American Bankers Association assigned routing number.
Contact Name	The person from the Financial Institution requesting the release/substitution.
Authorized Signature	Person(s) authorized to sign the release of securities from the Financial Institution.
Contact e-mail	E-mail address for the Financial Institution contact.
Telephone	Phone number for the Financial Institution contact who is sending the request.
<b>RELEASE</b> section	The date the funds are to be released (i.e., <b>at maturity</b> or <b>before maturity</b> ).
For Treasurer Use Only	Please leave this column blank.
CUSIP	The security identifier.
Asset Description	The type of security or the security name (i.e., FNMA mortgage).
Par (Original Face) to be released	The par amount or original face amount (do not use market value) of the security to be released.
Maturity Date	Maturity date or call date of the security.
<b>SUBSTITUTION</b> section	Enter the required information for any securities that will be pledged in addition to the release(s). Please send pledge information to the Trustee and request that the Trustee forward confirmation of the pledge to the Treasurer as soon as it is available.

**Schedule 2**

**Trustee's Certificate of Eligibility**

The undersigned, being a duly authorized officer of \_\_\_\_\_, as Trustee (in such capacity, "Trustee") under the Trustee Agreement for Securities Pledged as Collateral to the State Treasurer of Ohio ("Agreement") dated as of \_\_\_\_\_, 20\_\_\_\_ among the State Treasurer of Ohio ("Treasurer"), \_\_\_\_\_ ("Financial Institution") and Trustee hereby certifies as follows:

1. Trustee is authorized under the laws of the United States of America and/or the State of Ohio to exercise trust and fiduciary powers in Ohio;
2. Trustee is qualified pursuant to Ohio Revised Code § 135.18(I) to hold securities pledged to Treasurer;
3. Trustee complies with all applicable capital guidelines and requirements applicable to it, adopted by the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Board of Governors of the Federal Reserve System as from time to time amended;
4. Deposits of Trustee are insured by the Federal Deposit Insurance Corporation;
5. Trustee has assets that exceed its liabilities; and
6. Agreement is a legal, valid, and binding obligation of Trustee, enforceable in accordance with its terms.

Trustee agrees to notify Treasurer and Financial Institution immediately in writing if at any time any of the above conditions cease to be true and accurate.

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

\_\_\_\_\_, as Trustee

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

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

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

APPENDIX I

To Trustee: The following individuals have been designated as Authorized Treasurer Personnel in connection with the Trustee Agreement for Securities Pledged as Collateral to the State Treasurer of Ohio dated as of \_\_\_\_\_.

TREASURER

<b>NAME</b>	<b>SIGNATURE</b>
Karen Evans	_____
Blake Bishop	_____
Robert J. Willer	_____
Denise Blain	_____
Bill Bishilany	_____

Signed: \_\_\_\_\_, as Treasurer

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

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

Dated: \_\_\_\_\_

APPENDIX II

To Trustee: The following individuals have been designated as Authorized Personnel of Financial Institution in connection with the Trustee Agreement for Securities Pledged as Collateral to the State Treasurer of Ohio dated as of \_\_\_\_\_.

FINANCIAL INSTITUTION

**NAME**

**SIGNATURE**

_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____

Signed: \_\_\_\_\_, as Financial Institution

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

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

Dated: \_\_\_\_\_