

BANK DEPOSITORY AGREEMENT

This Bank Depository Agreement (the "Agreement") is made and entered into this _____ day of _____, 1999 by and between _____ (the "District") and _____ (the "Bank") a bank chartered by the State of -----.

Section I Designation as Depository

The District, through action of its governing board, hereby designates the Bank as its depository for banking services for a four year period commencing _____ through _____.

Section II Designation of Custodian

The District and Bank hereby designate the _____ (the "Custodian") to hold in trust, according to the terms and conditions of the District's Investment Policy and the District's Request for Proposal, RFP No. _____ dated _____, (the "RFP") and pursuant to a separate Safekeeping Agreement, attached as Exhibit A, all securities pledged as depository collateral in accordance with the District's Investment Policy.

Any and all fees from the Custodian associated with the safekeeping of securities pledged to the benefit of the District shall be borne by the Bank.

Section III Collateral

District time and demand deposits, inclusive of interest, in excess of the Federal Deposit Insurance Corporation insurance shall be secured at all times by collateral, acceptable to the District and in accordance with state statute, pledged by the Bank and held in trust by the Custodian in an amount equal to at least 102% of the total of those funds. Custodian will provide a monthly report of the collateral directly to the District.

Such pledged securities shall be subject only to the joint written instructions of both (a) authorized representatives of the District and (b) specifically authorized representatives of the Bank. The Bank shall have the right, with the prior written consent of the District, to substitute or replace, any or all of the pledged securities with collateral acceptable to the District.

Section IV Financial Position

The Bank will provide a statement of its financial position on at least a quarterly basis. The Bank will provide an annual statement audited by its independent auditors including a letter as to its "fair representation".

Section V Authorized District Representative

For the term of this contract, the District and Bank designate the individuals as listed in Exhibit B as authorized to represent and act for the District in any and all matters including collateral assignment and substitution, execution of agreements and transfer of funds. Any change in these representatives will be made in writing.

Section VI Scope of Services

The Bank's response to the District's RFP, dated _____, (the "Response") is incorporated into this Agreement for all purposes, including service charges, time deposit, demand deposit and

loan rates, and attached as Exhibit C. If any provisions of the Response and this Agreement are in conflict, this Agreement will control.

The Bank shall faithfully perform all of its duties and obligations required by the laws of the State of -----for public funds depositories and shall upon presentation pay all checks drawn on it against collected funds on demand deposits, and shall, at the expiration of the Agreement, turn over to its successor all funds, District owned securities, property and things of value held as depository.

The District shall have the power to determine and designate the character and amount of the funds to be deposited in the Bank. District may arrange for time deposits and Bank may accept such deposits subject to the terms of the Bank's Response.

This Agreement, along with all Exhibits and other incorporated documents shall constitute the entire Agreement between the parties.

Section VII Bank Compensation

Bank will be compensated for any and all services rendered to District under this Agreement. Bank agrees to offset monthly service fees against its customary earnings credit for balances in District's non-interest bearing accounts. Carry-over settlement will be annual and net insufficiencies in earnings credits will be charged on an annual basis.

FEE BASIS LANGUAGE

Bank will be compensated for any and all services rendered to District under this Agreement on a cost per item or monthly charge basis as set forth in the service charges of the Bank's Response.

Section VIII Default

The Bank shall be in default if it fails to pay all or part of a demand deposit, a matured time deposit, or a matured certificate of deposit, including accrued but unpaid interest, at a specified maturity date. The Bank shall also be in default if ruled "bankrupt", "insolvent" or "failed" by a federal or state banking regulator, or if a receiver is appointed for the Bank.

In the event of a default, failure or insolvency of the Bank, the District shall be deemed to have vested full title to all securities pledged under this Agreement. The District is empowered to take possession of and transfer and or sell any and all securities. If the security is liquidated, any proceeds over the defaulted amount, plus expenses related to liquidation, shall be returned to the Bank. This power is in addition to other remedies which the District may have under this Agreement and without prejudice to its rights to maintain any suit in any court for redress of injuries sustained by the District under this Agreement.

Section IX Non-Assignability

This Agreement is not assignable in whole or in part but is binding on the parties, their successors and assigns.

Section X Termination

This Agreement may be terminated by either the District or the Bank by giving sixty (60) days prior written notice to the parties.

Section XI Law Governing

All applicable provisions and requirements of the laws of the State of ----- governing depositories for the District shall be a part of this Agreement.

Section XII Bank Authorization

The Bank represents and warrants that this Agreement is made pursuant to and is duly authorized by the Board of Directors of the Bank and recorded in the official records of the Bank.

DISTRICT

BANK

Name and Title

Name and Title

ATTEST:

ATTEST:

CUSTODIAN:

BANK

ATTEST:

EXHIBIT B

AUTHORIZED REPRESENTATIVES

The following individuals are authorized representatives of the District empowered to direct the Bank and the Custodian for the Bank, in regard to collateral pledges, releases and substitutions in the joint safekeeping account as well as authorized to represent and act for the District in any and all matters including execution of agreements and transfer of funds.

District Representative's Signature

Name and Title

Bank Representatives Name and Title
