

BANK DEPOSITORY AGREEMENT

Section I. Designation of Bank and Safekeeping

The City of Dripping Springs (“City”) designates _____ (“Bank”) as the depository for the City and at rates described in the Bank’s Application filed on February 23, 2023 and attached as Exhibit “A”. The City shall open accounts with _____ pursuant to the Bank’s Application attached as Exhibit “A” and Wire Transfer Agreement attached as Exhibit “B”.

Section II. Designation as Depository

The City, through the City Council of Dripping Springs, hereby designates _____ as its depository for banking services for a five-year (5-year) period commencing April 1, 2023 and extending through March 31, 2028.

Section III. Collateral

City 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 City and in accordance with the Public Funds Collateral Act (Texas Government Code 2257), pledged by the Bank to be maintained above the FDIC insured limit. As per the Bank’s Response, all securities will be held at FHLB with a minimum value of 102% above monthly total deposit balance. The balance shall be monitored on a regular basis to ensure adequate collateral of funds.

Section IV. Financial Position

The Bank will provide a statement of its financial position on at least a quarterly basis. The Bank may provide this information in any reasonable manner including through the provision of a website link to the Bank’s website or Federal Deposit Insurance Corporation’s website where this information is readily available. The Bank will provide an annual statement audited by its independent auditors including a letter as to its “fair representation”.

Section V. Authorized City Representative

For the term of this Agreement, the City and Bank designate the individuals:

Bill Foulds, Jr., Mayor (or his successor)
Michelle Fischer (City Administrator)
Shawn Cox (Finance Director/City Treasurer)

as authorized to represent and act for the City in any and all matters including collateral assignment and substitution, execution of agreements and transfer of funds. Any change in the representatives will be made in writing.

Section VI. Scope of Services

The Bank’s response to the City’s RFP, dated February 23, 2023 (the “Response”) is incorporated into this Agreement for all purposes, including service charges, time deposit, demand deposit and loan rates, and attached as Exhibit “A” and Exhibit “B”. If

any provisions of the Exhibits 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 Texas 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, City-owned securities, property and things of value held as depository.

The City shall have the power to determine and designate the character and amount of the funds to be deposited in the Bank. The City may arrange for time deposits and the 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. Default

The Bank shall be in default if it fails to pay all or part of a demand deposit, and 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 City shall be deemed to have vested full title to all securities pledged under this Agreement. The City is empowered to take possession of and transfer and or sell any and all securities, and immediately terminate this Agreement. 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 City may have under this Agreement or by law or equity and without prejudice to its rights to maintain any suit in any court for redress of injuries sustained by the City under this Agreement.

Section VIII. Indemnification and Liability

The indemnification and liability provisions of Exhibit "B" Wire Transfer Agreement are incorporated into this Agreement; however the City shall only indemnify the Bank to the extent allowed by law.

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. Amendments, Assignment, and Termination of Agreement

Section 9 of Exhibit "B" of the Wire Transfer Agreement is superseded by this Section. Neither the City nor the Bank may amend this Agreement except upon receiving written approval by the other Party except in regards to the "fill-in" portions of Exhibit "B". The City may change the authorized users at any time upon written notice and signature of the

Wire Department. The City may amend the “fill-in” portions of this Agreement at any time by completing a new Exhibit “B” and sending it to the Bank. Such amendments will not be effective until presented to and signed by the Wire Department.

Section XI. Mandatory Disclosures

Texas law requires that vendors make certain disclosures. Prior to the effective date of this Contract, the Contractor has submitted to the City a copy of the Conflict of Interest Questionnaire form (CIQ Form) approved by the Texas Ethics Commission (Texas Local Government Code Chapter 176) and the Affidavit regarding Prohibition on Contracts with Companies Boycotting Israel (Texas Government Code Chapter 2270). The Contractor must also fill out Form 1295, as required by the Texas Ethics Commission, and submit it to the City. The form may be found here: https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm

Section XII. Termination

This Agreement may be terminated by either the City or the Bank by giving sixty (60) days prior written notice to the other party. This Section supersedes the Termination provision in Exhibit “B”.

Section XIII. Law Governing

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

Section XIV. Attorney’s Fees

If any action at law or in equity, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party shall be entitled to recover reasonable attorney’s fees from the other party, which fees may be set by the court in the trial of such action or may be enforced in a separate action brought for that purpose, and which fees shall be in addition to any other relief which may be awarded.

Section XV. 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.

Executed on this ____ day of March 2023, said Agreement to be effective for the period beginning April 1, 2023 through March 31, 2028.

CITY :

BANK:

Bill Foulds, Jr., Mayor

ATTEST:

Andrea Cunningham, City Secretary

ATTEST:

Name and Title