

STATE OF TEXAS           §  
                                     §       **BANK DEPOSITORY AGREEMENT**  
COUNTY OF COLLIN   §

This Bank Depository Agreement (“Agreement”) is made and entered into by and between the City of Allen, Texas ("City"), and JPMorgan Chase Bank, NA ("JPM"), (each a “Party” or collectively the “Parties”), acting by and through their authorized officers and representatives:

**W I T N E S S E T H:**

**WHEREAS**, the City solicited bids and received proposals from banks desiring to be designated as the City bank depository; and

**WHEREAS**, on September 11, 2018, the City Council has selected JPM as the bank depository for the City;

**NOW, THEREFORE**, in consideration of the mutual benefits, consideration, covenants and conditions contained herein, the Parties agree as follows:

**Article I**  
**Term**

1.1     **Initial Term**. JPM has been duly selected by the City as the depository of certain funds of the City for a term of two (2) years beginning on November 1, 2018 and ending October 31, 2020, or until the successor depository shall have been duly selected and qualified according to state law (“Initial Term”). The Initial Term of this Agreement shall be automatically extended up to ninety (90) days if the City has not exercised its option to extend as set forth above, and proceed with the application process for the designation of a depository, but, for whatever reason, cannot finalize the depository designation prior to the end of the initial term of this Agreement. The fees for services to be provided by JPM are fixed for the initial term as set forth herein.

1.2     **Options for Extension**. The term of this Agreement may be extended for a period of three (3) additional periods of one (1) year each if both the City and JPM agree to such extensions (each a “Extension Term”) (“Initial Term” and any “Extension Term” shall be referred to as the “Term”). The City will provide written notice thereof ninety (90) days prior to the expiration of the then current Term if it desires an extension, provided, however, the total term of this Agreement including any extensions shall not exceed five (5) years. JPM will have 30 days to respond to the City's request for an extension. The fees for services to be provided by JPM for such extension period shall be fixed in accordance with the JPM Proposal.

1.3     **Termination**. Either Party may terminate this Agreement at any time upon sixty (60) days prior written notice to the other Party.

## **Article II Services**

2.1 JPM shall during the term of this Agreement comply with Texas Local Government Code, Chapter 105, the Public Funds Collateral Act, Chapter 2257 Texas Government Code Chapter and the Public Funds Investment Act, Chapter 2256, Texas Government Code, as amended.

2.2 JPM shall serve as the depository bank for City and provide depository services in accordance with the City's request for application, RFA dated 2018-3-39, (the "RFA"), incorporated herein by reference, and the JPM response thereto dated June 11, 2018 (the "Proposal") incorporated herein by reference. In the event of any conflict between the RFA and the Proposal, the RFA shall control.

### **2.3 Information and Service Requirements.**

- (a) JPM shall establish the following bank accounts for the City; General operating, disbursement, payroll, flexible spending, utility collection, deposit fund, event center, reserve account, and all other bank accounts deemed necessary by the City as indicated in the RFA.
- (b) Each of the City's accounts shall earn an earnings credit rate of at least 1.50% and an interest at a rate of at least 1.40% as stated in the JPM response to the RFA. The rates on the City's accounts is guaranteed to go no lower than the minimum of 1.50% for earnings credit and 1.40% for interest earnings during the contract period.
- (c) The City's statement cycle cuts off at month-end. All statements for related accounts will be delivered to the City's Finance Department by the fifth (5th) business day of the following month. JPM will provide the City a daily balance reporting system, which will provide the daily ending ledger and collected balances for all City accounts. An account analysis statement shall be provided at no charge to the City.
- (d) Provide direct deposit of payroll and open City of Allen employee bank accounts or other employee deposit solution(s) at no cost in order to accommodate direct deposit of payroll.
- (e) Provide ACH Debit Block, Post No Checks, Positive Pay.
- (f) Provide wire transfer of funds for the City.
- (g) Sufficient pledging, valued at market, shall be provided to ensure that City deposits are secured at 103% of the City balances less the amount of FDIC insurance at all times. A "Joint Custody Receipt" shall be provided to the City within five (5) days of all securities pledged. Acceptable securities will be provided to meet the requirements of the Collateral for Public Funds Act, Chapter 2257 of the Texas

- Government Code.
- (h) Provide, as of the end of each month, a monthly listing of all securities pledged, showing their CUSIP, current market value, par value, security type, and name.
  - (i) Pre-numbered and department coded deposit slips, tamper proof deposit bags, endorsement stamps, and other supplies will be provided to the City free of charge for the life of the contract.
  - (j) Provide internet banking access to all City accounts, set up requested city accounts, and provide training for designated City Finance and Administration staff.
  - (k) Provide additional services as outlined in the Proposal.
  - (l) JPM shall designate one account officer with authority and responsibility for the City's entire account who shall be responsible for training and communicating the terms of this Agreement to JPM employees. In addition, the JPM shall provide a list of personnel qualified to provide product information and assistance.
  - (m) All JPM account servicing fees and cash management fees are waived during the first 15 months of this Agreement, up to \$70,000, pursuant to the Proposal.

2.4 **Compensation.** JPM shall be compensated for depository services in accordance with the Proposal. The Custodial and Safekeeping fee shall be the fees shown in JPM's proposal for Institutional Trust Services.

### **Article III Miscellaneous**

3.1 JPM shall use its best efforts to notify the City in writing within ten (10) business days of any changes in federal or state regulations or laws that would thereafter materially affect this Agreement.

3.2 There shall be a review of the services of JPM every six (6) months to evaluate the work relationship between the City and JPM. The objective of the review shall be to address levels of service and any problems and to discuss the procedures involved in protecting the City's funds and pledged collateral.

3.3 **Governing Law.** This Agreement shall be governed by the laws of the State of Texas, and exclusive venue for any action concerning this Agreement shall be in the State District Court of Collin County, Texas. The Parties agree to submit to the personal and subject matter jurisdiction of said court.

3.4 **Notice.** Any notice required or permitted to be delivered hereunder shall be deemed received three (3) days thereafter sent by United States Mail, postage prepaid, certified mail, return receipt requested, addressed to the Party at the address set forth below or on the day actually received if sent by courier or otherwise hand delivered.

If intended for City, to:

City of Allen, Texas  
Attn: City Manager  
City of Allen, Texas  
305 Century Parkway  
Allen, Texas 75013  
Phone: (214) 509-4100

With a copy to:

Peter G. Smith  
Nichols, Jackson, Dillard, Hager & Smith, L.L.P.  
1800 Ross Tower  
500 North Akard  
Dallas, Texas 75201  
Phone: (214) 965-9900

If intended for JPM, to:

JPMorgan Chase Bank, NA  
Attn: Keba Batie  
2200 Ross Ave  
Floor 8  
Dallas, Texas 75201

**3.5 Legal Construction.** In the event any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal, or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect other provisions, and it is the intention of the Parties to this Agreement that in lieu of each provision that is found to be illegal, invalid, or unenforceable, a provision shall be added to this Agreement which is legal, valid and enforceable and is as similar in terms as possible to the provision found to be illegal, invalid or unenforceable.

**3.6 Entire Agreement.** This Agreement embodies the complete agreement of the Parties hereto, superseding all oral or written previous and contemporary agreements between the Parties and relating to the matters in this Agreement, and except as otherwise provided herein cannot be modified without written agreement of the Parties to be attached to and made a part of this Agreement.

**3.7 Incorporation of Recitals.** The determinations recited and declared in the preambles to this Agreement are hereby incorporated herein as part of this Agreement.

**3.8 Exhibits.** All exhibits to this Agreement are incorporated herein by reference for all purposes wherever reference is made to the same.

**3.9 Amendments.** This Agreement may be amended by the mutual agreement of the Parties to it in writing and attach to and incorporate it in this Agreement.

**3.10 Counterparts.** This Agreement may be executed in any number of counterparts, each of which shall be deemed an original and constitute one and the same instrument.

**3.11 Prohibition of Boycott Israel.** JPM verifies that it does not Boycott Israel and agrees that during the term of this Agreement will not Boycott Israel as that term is defined in

Texas Government Code Section 808.001, as amended.

**EXECUTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

**City of Allen, Texas**

By: \_\_\_\_\_  
Peter H. Vargas, City Manager

Attest:

By: \_\_\_\_\_  
Shelley B. George, City Secretary

Approved As To Form:

By: \_\_\_\_\_  
Peter G. Smith, City Attorney  
(09-04-2018:TM102353)

**EXECUTED** this \_\_\_\_\_ day of \_\_\_\_\_, 2018.

**JPMorgan Chase Bank, NA**

By: \_\_\_\_\_  
Kevin Sheppard  
Treasury Management Officer

By: \_\_\_\_\_  
Keba Batie  
Relationship Manager