

**DEPOSITORY CONTRACT**

STATE OF TEXAS §  
COUNTY OF CAMERON §

WHEREAS, \_\_\_\_\_ (the “Bank”) submitted its application to the Cameron County Regional Mobility Authority (the “CCRMA”) to provide bank depository services for the CCRMA and the CCRMA wants the Bank to serve as the CCRMA’s depository;

NOW, THEREFORE, the Bank and the CCRMA hereby agree, as follows:

**I. TERM**

1.01 The Bank shall act as the depository for the CCRMA beginning on February 1, 2020 through February 1, 2023 unless this Contract is otherwise amended, renewed, or terminated.

1.02 Notwithstanding the foregoing, this Contract shall be automatically renewed for two (2) additional one (1) year terms unless the CCRMA provides the Bank with written notice no later than sixty (60) days prior to the expiration of the then current term that this Contract shall terminate upon the such expiration. Such determination shall be made by the CCRMA in its sole discretion.

**II. SCOPE OF SERVICES**

2.01 The Bank shall act as the depository for the CCRMA and keep and disburse all funds coming into its hands and to otherwise perform its duties hereunder and as required by law. Furthermore, the Bank shall maintain branches in Cameron County, Texas with bank officers capable of servicing the CCRMA’s day-to-day depository.

2.02 The Bank agrees to provide at least the following services for the CCRMA as well as any other services requested by the CCRMA:

a. Checking account service for as many accounts as may be required by the CCRMA with checks returned in numerical sequence. Images must be included with statements.

b. Secure online account access allowing the CCRMA to perform regular functions such as, bank transfers, wire transfers, image retrieval, stop payments, access to download monthly statements, etc.

c. ACH/Payroll service provided through online account system.

d. Provide bank money orders and cashier checks as required by the CCRMA.

e. Supply deposit slips and night deposit supplies as needed.

f. Provide lock money bags as needed by the CCRMA.

g. Positive pay services.

h. Temporary overdrafts in individual accounts may occur occasionally without penalty or service charge to the CCRMA, as long as the aggregate funds in other accounts are in an amount sufficient to meet the overdraft and the Bank's minimum compensating balance.

i. Deposit Express services for daily checks deposits providing Intelligent Character Recognition (ICR) and virtual encoding of check amount with fewer exceptions and adjustments, and electronic transmission providing immediate confirmation of deposits. The CCRMA currently owns a Digital Check TS240 check scanning device, which the Bank agrees will be compatible with the Deposit Express services.

2.03 As a condition of this Contract, and as security for the deposits of the CCRMA, the Bank shall pledge securities equal to 102% of market value of principal and accrued interest on the deposits less any amount insured by the Federal Deposit Insurance Corporation in order to

adequately collateralize the funds of the CCRMA according to law and the CCRMA Investment Policy and shall continuously remain as such. The CCRMA Investment Policy is incorporated herein by reference as if fully set forth herein.

2.04 Securities pledged may be held by a Federal Reserve Bank or branch of a Federal Reserve Bank, Federal Home Loan Bank, or a third-party bank approved by the CCRMA. If the financial institution uses a Letter of Credit, then the Letter of Credit must be of the United States or its agencies and instrumentalities. The Board of Directors of the CCRMA will set the required term for the Letter of Credit in its sole discretion.

2.05 The pledged securities and/or letter of credit are pledged against deposits plus interest accrued at the Bank and ownership shall be retained by the Bank unless and until the following events occur:

a. The Banking Commissioner for the State of Texas declares the Bank to be insolvent or otherwise in default so as to prevent from withdrawing any or all of its deposits.

b. The Administrator of the Federal Deposit Insurance Corporation or his duly authorized representative declares formal action against the Bank declaring the Bank insolvent or otherwise under default so as to prevent the CCRMA from withdrawing any or all of its deposits.

Upon either of such events, the securities shall become property of the CCRMA without further action in the amounts equal to such deposits plus accrued interest only. Securities may be released or substituted in accordance with the resolution adopted by approving this Contract.

2.06 The Bank has heretofore, or will immediately hereafter, deliver to the Custodian collateral of the kind and character above mentioned of sufficient amount and market value to

provide adequate collateral for the funds of the CCRMA deposited with the Bank. Said collateral or substitute collateral, as hereinafter provided for, shall be kept and retained by the Custodian in trust so long as deposits of the CCRMA remain with the Bank. The Bank hereby grants a security interest in such collateral to the CCRMA.

If the Bank shall desire to sell or otherwise dispose of any one or more of said securities so deposited with the Custodian, with the advance written approval of the CCRMA, it may substitute for any one or more of such securities other securities of the same market value and of the character authorized herein. Such right of substitution shall remain in full force and may be exercised by the Bank as often as it may desire; provided, however, that the aggregate market value of all collateral pledged hereunder, shall be at least equal to the amount of collateral required hereunder. The Custodian shall promptly forward to the CCRMA copies of safekeeping or trust receipts covering all such collateral held for the Bank, including substitute collateral as provided for herein.

If at any time, the aggregate market value of such collateral so deposited with the Custodian be less than the total sum of the CCRMA's funds on deposit with the Bank, the Bank shall immediately deposit with the Custodian such additional collateral as may be necessary to cause the market value of such collateral to equal the total amount of required collateral. The Bank shall be entitled to income on securities held by the Custodian, and the Custodian may dispose of such income as directed by the Bank without approval of the CCRMA.

2.07 The CCRMA shall have interest bearing accounts for all funds deposited with the Bank.

2.08 The CCRMA reserves the right to make external deposits or investments in accordance with the laws of the State of Texas and the CCRMA Investment Policy.

2.09 The CCRMA reserves the right to execute loans and other borrowing options with external entities to select the most favorable rates to the CCRMA, subject to all banking laws and requirements.

### **III. OTHER SERVICES**

3.01 Other Services not included above which will also be provided at no cost:

a. Deposits/Credits Posted, Items Deposited, Debits/Checks Paid, Cash Deposit Processing, Coin Counting & Wrapping, Mail Advices, Transfers between accounts, Insufficient Funds Items, CPA confirmations, Cashier's Checks, FDIC Insurance, Research/Reproduction services, Collateral Fee, Collateral Report, Safekeeping, Telebank (24 hr. voice response system).

3.02 Merchant Card Services (Credit & Debit card processing), Stored Value Cards (payroll, gift cards, etc.), account reconciliation, positive pay. Fees for these services will be negotiated separately.

### **IV. GENERAL**

4.01 This Contract sets out the term and conditions and represents the entire agreement by and between the parties except as otherwise provided in this contract. In no event shall this contract or any part thereof be changed without written agreement of the two parties. Other services or items not mentioned in this contract will be negotiated as needed.

4.02 By the execution hereof, the Bank acknowledges receipt of the action of the Board of Directors of the CCRMA authorizing the execution of this Contract by the CCRMA.

4.03 This Contract shall be subject to the laws of the State of Texas, and of the United States of America, the rules, and regulations promulgated by the Comptroller of the Currency of the United States of America, the Board of Governors of the Federal Reserve System, and the

Board of Directors of the Federal Insurance Corporation as now in existence or as may be amended.

4.04 Any and all notices or other communications required or permitted to be given pursuant to this agreement shall be in writing and shall be considered as properly given if sent by facsimile transmission or mailed through U.S Postal Service Certified Mail Return Receipt Requested or hand delivery to the address in this Contract.

4.05 Exclusive venue and jurisdiction for any action arising hereunder or in connection herewith shall allow mediation prior to litigation in state courts located in Cameron County, Texas.

4.06 During the course of the relationship between the CCRMA and the Bank, the Bank may have access to a variety of confidential and trade secret information. This information was disclosed to the Bank solely because of the Bank's agreement to provide services. The Bank agrees and warrants that he will immediately return to the CCRMA all copies of confidential or proprietary information or related materials in his possession, whether in electronic or hardcopy format, and the Bank agrees and warrants that he will not disclose any confidential or proprietary information to third parties, or use that information for his benefit in derogation of the CCRMA's rights.

4.07 The CCRMA may terminate this Contract for convenience or for the Bank's default at any time prior to the expiration of the Term by delivering written notice to the Bank in accordance with this Contract. Termination shall be effective upon the earlier to occur of the date specified in the written notice to the Bank or thirty (30) days from delivery of the written notice.

4.08 **Indemnification.**

a. BANK RELEASES THE CCRMA FROM AND AGREES TO INDEMNIFY, DEFEND, AND HOLD THE CCRMA (AND ITS DIRECTORS, OFFICERS, EMPLOYEES, AND REPRESENTATIVES) HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, DAMAGES, LOSSES, SUITS,

ACTIONS, DECREES, JUDGMENTS, ATTORNEY'S FEES, COURT COSTS, AND OTHER EXPENSES OF ANY KIND OR CHARACTER FOR DEFENDING THE CLAIMS AND DEMANDS, WHICH ARE CAUSED BY, ARISE OUT OF, OR OCCUR DUE TO BANK'S PERFORMANCE OR FAILURE TO PERFORM THE OBLIGATIONS REQUIRED BY THIS AGREEMENT AS WELL AS FEDERAL, TEXAS, OR OTHER APPLICABLE LAW, INCLUDING BUT NOT LIMITED TO CLAIMS OR DEMANDS BASED ON THE NEGLIGENCE, GROSS NEGLIGENCE, OR OTHER ACTIONS OR INACTIONS OF BANK, OR BANK'S AGENTS, EMPLOYEES, SUBCONTRACTORS, OR OTHER THIRD PARTIES. BANK HEREBY WAIVES ANY RIGHT TO DEFEND AGAINST THE ENFORCEABILITY OF THIS INDEMNIFICATION PROVISION AND EXPRESSLY AGREES THAT THIS PROVISION MEETS ALL LEGAL REQUIREMENTS AND IS LEGALLY ENFORCEABLE AGAINST BANK.

b. BANK RELEASES THE CCRMA FROM AND AGREES TO INDEMNIFY, DEFEND, AND HOLD THE CCRMA (AND ITS DIRECTORS, OFFICERS, EMPLOYEES, AND REPRESENTATIVES) HARMLESS FROM AND AGAINST ANY AND ALL CLAIMS, DEMANDS, DAMAGES, LOSSES, SUITS, ACTIONS, DECREES, JUDGMENTS, ATTORNEY'S FEES, COURT COSTS, AND OTHER EXPENSES OF ANY KIND OR CHARACTER FOR DEFENDING THE CLAIMS AND DEMANDS BASED ON THE NEGLIGENCE, GROSS NEGLIGENCE, OR OTHER ACTIONS OR INACTIONS OF THE CCRMA, OR THE CCRMA'S AGENTS, EMPLOYEES, OR OTHER THIRD PARTIES. BANK HEREBY WAIVES ANY RIGHT TO DEFEND AGAINST THE ENFORCEABILITY OF THIS INDEMNIFICATION PROVISION AND EXPRESSLY AGREES THAT THIS PROVISION MEETS ALL LEGAL REQUIREMENTS AND IS LEGALLY ENFORCEABLE AGAINST BANK.

4.09 The Bank's rights and obligations under this Contract shall not be transferred without the CCRMA's prior written consent as determined by the CCRMA in its sole and absolute discretion. This Contract shall be binding upon and inure to the benefit of the parties' successors.

4.10 The failure of the CCRMA to insist upon strict performance of any of the covenants and agreements contained herein, or to otherwise exercise its rights under this Contract in one or more instances shall not be construed to be a waiver or relinquishment of said covenants, agreements, or options, and the same shall be and remain in full force and effect.

4.11 This Contract, the CCRMA's Investment Policy, the CCRMA's formal procurement advertisement for Bank Depository Services, and the Bank's application, all of which

are incorporated herein by reference as if fully set forth herein, state the entire agreement between the parties regarding the subject matter hereof and supersede any prior agreements or understandings pertaining thereto. In the event of any conflict, the more specific provision shall control. Any modification to this Contract must be made in writing and signed by authorized representatives of both parties. No delay or failure in exercising any right hereunder waives any right guaranteed hereunder or at law by either party.

4.12 This Contract may be executed in multiple counterparts, each of which shall constitute an original hereof and when at least one counterpart has been executed by each party, all such executed copies shall constitute the binding agreement of the parties. Facsimile and e-mail signatures are effective as originals for all purposes.

IN WITNESS WHEREOF, the parties hereto have executed this Contract on this \_\_\_\_ day of \_\_\_\_\_ 2020.

**CAMERON COUNTY REGIONAL MOBILITY  
AUTHORITY**  
3461 Carmen Avenue  
Rancho Viejo, Texas 78575

By: \_\_\_\_\_  
Frank Parker, Jr., Chairman

**BANK:**

By: \_\_\_\_\_  
\_\_\_\_\_  
Printed Name/Title



**CERTIFICATION**

I hereby certify that I have personally read and understood the investment policies of the Cameron County Regional Mobility Authority and have implemented reasonable procedures and controls to fulfill those objectives and conditions. Transactions between the Bank and the CCRMA shall be directed towards precluding imprudent investment activities and protecting the CCRMA from credit or market risk.

All of the personnel of the Bank dealing with the CCRMA have been informed and will be routinely informed of the CCRMA’s investment horizons, limitations strategy and risk constraints, whenever we are so informed.

The Bank pledges due diligence in informing the CCRMA of foreseeable risk associated with financial transactions connected to the Bank.

**BANK:**

By: \_\_\_\_\_  
Printed Name/Title

DRAFT