

DEPOSITORY OF FUNDS
(Depository Contract and Pledge Agreement)

This *Depository Contract and Pledge Agreement* is made and entered this ____ day of _____, 200__ by and between the Clinton School District #124 (hereinafter "District") and _____ Bank, a corporation, of _____, Missouri (hereinafter "Depository").

Whereas, the District and Depository intend to secure the deposit of District monies by pledging collateral securities and perfecting a security interest in and creating a lien upon same contemplated and permitted by state law; and

Whereas, the parties desire to incorporate the District's Bid Notice and Specifications and Bid Depository Sheet and Depository's response to same into a comprehensive depository *Contract and Pledge Agreement*;

Now therefore, the District and Depository hereby agree as follows:

1. The District will from time to time deposit monies with Depository and demand deposit, time deposit or such other deposit as may require the pledge of collateral securities. Depository agrees to safely keep the demand deposits made hereunder, to promptly collect all checks, drafts and other instruments of exchange deposited with it under this *Depository Contract and Pledge Agreement* ("Contract and Pledge Agreement"), and to pay out of the accounts of the District such sums as the District may draw by check, Automatic Clearing House (ACH) or wire transfer, against the balances of said accounts and free of any expense to the District.

Depository will safely keep the time deposits or other deposits made hereunder and pay out the deposits or any part thereof when the deposits or any of them are subject to withdrawal by the terms thereof.

2. Depository will pay to the District interest on monies deposited with Depository for the period during which Depository holds a deposit or deposits. The rate or rates of interest to be paid by Depository shall be determined by the rate or rates in effect at the time of each deposit, as posed by the Depository, or based upon the applicable rates stated by the Depository in its bid applicable to such deposits, if higher. It is understood and agreed that rates may change from time to time and that District shall be notified of any such rate changes in the same manner as notification is given to other depositors of Depository for the type of deposit affected by such change except as may be provided otherwise in the Depository's bid to the District.

3. To secure the safekeeping of the monies deposited under this *Contract and Pledge Agreement*, Depository will deposit securities of the kind and character specified in Chapters 110 and 165, RSMo., as amended ("Securities"), in an amount which shall be at least equal in market value to 100 percent of the aggregate amount on deposit with Depository hereunder less the amount thereof, if any, which is insured by the Federal Deposit Insurance Corporation (FDIC), or any successor federal government agency or entity established by law to insure deposits. The Securities shall be delivered to, receipted for and retained by another bank or trust company or other safe depositories at the expense of Depository. Depository does hereby grant, bargain, convey and pledge a security interest in and lien upon any and all securities deposited with the District's custodian in accordance with the terms of the contract and pledge agreement. In every pledge and transfer of Securities hereunder, Depository shall take all steps necessary to affect a "transfer" under § 400.8-313, RSMo., as amended, or where applicable under any federal regulation governing transfers of securities. In addition to the rights and remedies given to the District hereunder, the District shall have all the rights and remedies of a secured party under Chapter 400, RSMo., as amended.
4. The District may from time to time, and upon reasonable prior notice to Depository, inspect the Securities or book entry receipts for the Securities or request an accounting of Securities to determine that they are kept and maintained as required by this Contract and Pledge Agreement. The necessary expenses incident to the deposit and inspection of the Securities shall be paid by Depository. If, at any time, or for any reason, the District determines that the Securities do not satisfactorily secure the deposits made or to be made hereunder, the District may require that additional or substitute Securities be given and Depository shall furnish such additional or substitute Securities as are satisfactory to the District, as appropriate.
5. Depository may withdraw any of the Securities to the extent that the market value of the deposited Securities exceeds the amount required under this Contract and Pledge Agreement, and may withdraw Securities upon delivery of Securities in substitution for those withdrawn, provided that such substituted Securities shall have a market value equal to or greater than those withdrawn.
6. Depository shall render statements or reports to the District showing the daily balance, account activity or other information regarding the accounts of the District at all times and in every manner specified in the District's Bid Notice and Specifications and Bid Depository Sheet and Depository's response to same.
7. In the event Depository defaults in any manner in performing any of the terms and conditions of the Contract and Pledge Agreement, including the District's Bid Notice and Specifications and Bid Depository Sheet and Depository's response to same, or if

Depository fails to safely keep the moneys deposited with it, the District shall be authorized forthwith, without notice, advertisement or demand and at public or private sale, to convert into money the Securities deposited by Depository or as many of them as may be necessary to pay the whole amount of the moneys deposited with Depository, with an accounting made to the Depository or its successor in interest. The District may purchase any or all of the Securities sold at any such sale.

8. If at any time during which there are District funds on deposit under this Contract and Pledge Agreement, Depository comes under investigation (other than the ordinary review of financial institutions), management or control of the FDIC or any other federal government entity authorized by law to implement the provisions of the Financial Institutions Reform Recovery Act (FIRREA) or any similar or successor federal law, Depository shall so notify the District and shall further notify the FDIC or other appropriate federal agency or entity of the existence and terms of this *Contract and Pledge Agreement*. Depository or any successor, assignee or transferee in whole or part of Depository's interests under this *Contract and Pledge Agreement* agrees to be bound exclusively by the terms of the *Contract and Pledge Agreement* and Missouri statutory law, and further agrees that the terms of the Contract and Pledge Agreement shall not be pre-empted by federal law without advance written notice to the District detailing the specific provisions of the *Contract and Pledge Agreement* which may be subject to pre-emption and the specific provisions of federal law which purport to authorize supervision.
9. Depository shall not transfer, by assignment, subcontract or otherwise, any interest or duty in the *Contract and Pledge Agreement*, including the services or responsibilities described in the District's Bid Notice and Specifications and Bid Depository Sheet and Depository's response to same, without the prior written consent of the District.

Notwithstanding anything of the contrary herein, Depository may use the facilities and service of its affiliates, or contractors to assist Depository in performing the obligations described in the *Contract and Pledge Agreement*. Upon request, a list of all affiliates or contractors to be used by Depository shall be provided to the District.

10. Depository must maintain the capability to access or reconstruct necessary data files in the event of destruction or software default, and to operate on substitute equipment or software within three (3) business days if rendered inoperative.
11. Depository must maintain complete confidentiality of all records relating to services performed under this *Contract and Pledge Agreement*, including the District's Bid Notice and Specifications and Bid Depository Sheet and Depository's response to same, in accordance with state and federal laws, rules and regulations.

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This *Contract and Pledge Agreement* shall commence _____, 200__, and remain in force and effect until _____, 200__, or until such later date as designated by the District and agreed to by the Depository, not to exceed a total of five (5) years, provided, however, that each party reserves the right to terminate this *Contract and Pledge Agreement*, at any time, by giving 120 days written notice to the other party of its intention to do so.

The individuals executing this *Contract and Pledge Agreement* on behalf of the parties hereto represent that they have proper corporate authority to enter into the transactions evidenced hereby. No right or remedy conferred upon or reserved by any part thereunder shall be exclusive of any other right or remedy which may be available to any party. The failure of any party to insist upon the strict performance of any term or condition of the *Contract and Pledge Agreement* of the failure of any party to enforce any right or remedy available to it under this *Contract and Pledge Agreement* shall not be construed as a waiver of any such term, condition, right or remedy in the future, such terms and conditions, rights and remedies to remain in full force and effect as if no such forbearance has occurred.

Depository agrees to maintain a copy of this *Contract and Pledge Agreement* in its official files during any period that it serves as Depository for the District.

There is attached hereto and incorporated herein a certified copy of the minutes of the Board of Directors of Depository authorizing the execution and delivery of the *Contract and Pledge Agreement* by the officers of Depository, whose names are affixed on behalf of Depository.

In witness whereof, the parties have executed this *Contract and Pledge Agreement* in duplicate and affixed their seals as of the date first noted above.

(DISTRICT SEAL) District: _____

By (President): _____

By (Treasurer): _____

Attest: _____

(DEPOSITORY SEAL) Depository: _____

By/Title: _____

Attest: _____

* * * * *

Note: The reader is encouraged to review policies and/or procedures for related information in this administrative area.

Implemented: 03/10/2003

Clinton School District #124, Clinton, Missouri

