

**DEPOSITORY CONTRACT
COMMERCIAL BANK SERVICES**

**THE STATE OF TEXAS)
COUNTY OF BRAZOS)**

Citibank Texas, NA desired to be a depository for the City of College Station.

The Signed Request for Application submitted by **Citibank Texas, NA** is attached hereto and made part of the contract for all purposes.

Citibank Texas, NA hereby pledges securities as shown by Exhibit #1, attached hereto and made a part of this contract for all purposes, as a pledge to the City of College Station, Texas, to secure its deposits of funds of said City, as provided for in said designation, said securities in the part and appraised value of \$3,200,000.00.

The said securities, during the life of this contract, are to be held and retained in the custody of the **The Bank of New York Trust Company, NA**, hereinafter called the Custodial Bank. **Citibank Texas, NA** will at all times keep on deposit with said Custodial Bank an amount of securities equal in value to the total amount of the deposits of the City of College Station. The City Council of College Station, Texas, or its designated agent will request an amount deemed necessary to offset market fluctuations in the value of said securities. This amount will exclude deposit insurance as provided, now or hereafter, by the Federal Deposit Insurance Corporation. In the event of a reduction in the amount of said deposits, the amount of said securities pledged with said Custodial Bank may be proportionally withdrawn. **Citibank Texas, NA**, shall have the right at all times to collect interest accruing on said securities. It shall also have the right to substitute securities for existing securities in the same amount at any time with the written approval of the City Council of College Station, Texas, or its designated agent. It shall also have the right to collect any maturing securities, but at the same time must replace an equal amount of acceptable securities in lieu thereof. It is the condition of this pledge that **Citibank Texas, NA** will faithfully perform all duties and obligations imposed by law, City Charter, or ordinance upon it as a City Depository, and that it shall faithfully, upon presentation, pay any and all checks and drafts upon said Depository by the City of College Station, Texas, and that the said Bank shall faithfully keep all funds of said City of College Station, Texas, deposited with it and account therefor according to law. During the life of this contract the said City of College Station, Texas, shall have a first and prior lien upon all of said securities which may now or hereafter be in the hands of the said Custodial Bank to secure the faithful performance of this contract and the observance of the above conditions.

In the event of default, failure or insolvency of **Citibank Texas, NA** the designated agent of the City Council shall, upon request, be given a power of attorney authorizing transfer or liquidation of the securities utilized to collateralize deposits and placed in custodial account of the City. If the security is transferred, ownership of the security will transfer entirely to the City. If the security is liquidated, any proceeds over the value of the defaulted amount of the deposits, including accrued interest, plus expenses related to the liquidation transaction, shall be returned to **Citibank Texas, NA**.

The total amount compensated for services rendered under this contract shall not exceed One Hundred Thirty Five Thousand and No/100 Dollars (\$135,000.00).

After obtaining the approval of the City Council of the City of College Station, Texas, or its designated agent, the Custodial Bank may be changed and the securities deposited with such other Custodial Bank as may be approved by the City of College Station, Texas.

This agreement of pledge shall take effect upon the approval thereof by the City of College Station, Texas, to be evidenced by the signature of the Mayor hereunto affixed, attested by the City Secretary, and the seal of said City of College Station, Texas and by a certified copy of resolution of the City Council of the City of College Station, Texas, approving this agreement, attached to a copy of this agreement, attached hereto and made a part of this contract for all purposes.

CITIBANK TEXAS, NA

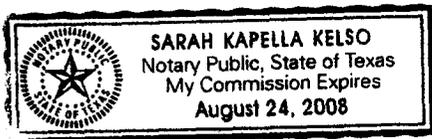
Cy Riebe
(Signature)

Senior Vice President
(Title)

STATE OF TEXAS)
)
COUNTY OF BRAZOS)

ACKNOWLEDGMENT

This instrument was acknowledged before me on the 14th day of November, 2005,
by day Riebe in his/her capacity as Senior Vice President
of, Citibank Texas, NA, on behalf of said corporation.



Sarah Kapella Kelso
Notary Public in and for
the State of Texas

CITY OF COLLEGE STATION

By: _____
Ron Silvia, Mayor

Date: _____

STATE OF TEXAS)
)
COUNTY OF BRAZOS)

ACKNOWLEDGMENT

This instrument was acknowledged before me on the _____ day of _____, 2005,
by Ron Silvia in his capacity as Mayor of the CITY OF COLLEGE STATION, a Texas Home
Rule Municipal Corporation, on behalf of said municipality.

Notary Public in and for
the State of Texas

ATTEST:

Connie Hooks, City Secretary

Date

APPROVED:

Glenn Brown, Interim City Manager

Date



Harvey Cargill, Jr., City Attorney

Date

Jeff Kersten, Director of Finance and Strategic Planning

Date

Exhibit 1

List Pledged Securities

Federal Home Loan Bank:	Cusip #31402DJR2	Description	FNMA MBS 725772
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