



Rabobank

Contract For Deposit of Monies

THIS CONTRACT, relating to the deposit of monies, made as of April 9, 2012, between Paul A. Melikian, (hereinafter designated "Treasurer") acting in his or her official capacity as Administrative Services Director (Treasurer, Finance Director, etc.), of City of Reedley (hereinafter designated "Depositor"), and RABOBANK, N.A., (hereinafter designated Depository), having a shareholder's equity of Two Billion One Hundred Thirty Five Million Seven Hundred Ninety Thousand Nine Hundred Forty Six Dollars (\$2,135,790,946) as of 12/31/2010.

WITNESSETH

WHEREAS, the Treasurer proposes to deposit in the Depository from time to time, commencing on April 9, 2012, monies in his custody in an aggregate amount on deposit at any one time not to exceed Fifteen million Dollars (\$15,000,000), or the total of the paid-up capital and surplus of the Depository, whichever is the lesser amount, and said monies will be deposited subject to Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code of the State of California; and

WHEREAS, said provisions of the Government Code require the Treasurer to enter into a contract with the Depository setting forth the conditions upon which said monies are deposited; and

WHEREAS, in the judgment of the Treasurer, this contract is to the public advantage;

NOW, THEREFORE, it is agreed between the parties hereto as follows:

1. This contract cancels and supersedes any previous contracts between the Treasurer and the Depository relating to the method of handling and collateralization of deposits of monies.
2. This contract, but not deposits then held hereunder, shall be subject to termination by the Treasurer or the Depository at any time upon 30 days written notice. Deposits may be withdrawn in accordance with the agreement of the parties and applicable federal and state statutes, rules and regulations. This contract is subject to modification or termination upon enactment of any statute, rule or regulation, state or federal, which, in the opinion of the Administrator of the Local Agency Security, is inconsistent herewith, including any changes relative to the payment of interest upon monies so deposited by the Treasurer. Upon notification from the administrator, the Treasurer may withdraw deposits in the event the Depository fails to pay assessments, fines, or penalties assessed by the administrator.
3. Interest shall accrue on any monies so deposited as permitted by any act of the Congress of the United States or by any rule or regulation of any department or agency of the Federal Government adopted pursuant thereto. If interest may legally be paid, all monies deposited in accordance with this contract shall bear interest at a rate agreed upon by the Treasurer and the Depository.
4. The Depository shall issue to the Treasurer at the time of each inactive deposit, a receipt on a form agreed to by the Depository and the Treasurer, stating the interest to be paid, if any, the duration of the deposit, the frequency of interest payments, and the terms of withdrawal. Each such deposit receipt is by reference made a part of this contract.

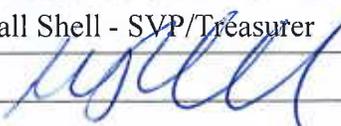
5. As security for said deposit, the Depository shall at all times maintain with the Agent of Depository named herein, commencing forthwith, eligible securities having a market value at least 10% in excess of the actual total amount of local agency monies on deposit with the Depository. If any eligible security is determined by the administrator of Local Agency Security of the state of California in accordance with Government Code Section 53661 to be not qualified to secure public deposits, additional security shall be substituted immediately by the Depository, as necessary, to comply with the requirements of this Paragraph.
6. Eligible securities are those listed in Government Code Section 53651.
7. The Agent of Depository, authorized by the Treasurer and the Depository to hold the eligible securities posted as collateral under this contract, is Union Bank of California, N.A. (see Section 8 below). Said Agent of Depository has filed with the Administrator of Local Agency Security of the State of California an agreement to comply in all respects with the provisions of Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code.
8. Authority for placement of securities for safekeeping in accordance with Government Code Section 53659 is hereby granted to the Agent of Depository, including placement with any Federal Reserve Banks or branch thereof, pursuant to Government Code section 53657, or the Federal Home Loan Bank of San Francisco.
9. If the Depository fails to pay all or part of any deposits of the Treasurer which are subject to this contract when ordered to do so in accordance with the terms of withdrawal set forth on the deposit receipt (which is by reference made a part hereof), the Treasurer will immediately notify, in writing, the Administrator of Local Agency Security. Action of the Administrator in converting the collateral required by Paragraph 5 above for the benefit of the Treasurer is governed by Government Code Section 53665.
10. The Depository may add, substitute or withdraw eligible securities being used as security for deposits made hereunder in accordance with Government Code Section 53654, provided the requirements of Paragraph 5 above are met.
11. The Depository shall have and hereby reserves the right to collect the interest on the securities, except in cases where the securities are liable to sale or are sold or converted in accordance with the provisions of Government code Section 53665.
12. The Depository shall bear and pay the expense of transportation of eligible securities maintained as collateral to and from the designated Agent of Depository.
13. This contract, the parties hereto, and all deposits governed by this contract shall be subject in all respects to Title 5, Division 2, Part 1, Chapter 4, Article 2 (commencing with Section 53630) of the Government Code, and of all other state and federal laws, statutes, rules and regulations applicable to such deposits, whether now in force or hereafter enacted or promulgates, all of which are by this reference made a part hereof.
14. The Treasurer named herein waives the right to collateral based on insurance provided by the Federal Deposit Insurance Corporation not to exceed the maximum amount insured pursuant to federal law, in accordance with Government Code section 53653.

IN WITNESS WHEREOF, the Treasurer in his official capacity has signed this contract in duplicate and the Depository has caused this contract to be executed in like number by its duly authorized officers.

PUBLIC ENTITY TREASURER Rabobank, N.A. (Treasury Department only)

Paul A. Melikian - Administrative Services Director Randall Shell - SYP/Treasurer

By: 

By: 

By:

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