

Executive Summary

Bank of America appreciates the opportunity to respond to Keller ISD's Request for Proposal. Having served as the current depository partner to the District, Bank of America is uniquely qualified to meet and exceed all requirements within the District's Request for Proposal. We believe the relationships we have developed with the District and other similar local government entities position us well to serve the District for the next contract term.

Highlights

- Dedicated Government Client Team
- Competitive banking costs
- Favorable ECR
- Employee Programs

Bank of America is the bank of choice for 37 school districts in the metropolitan areas of Texas. Because of our extensive network of school district relationships, we bring a unique set of knowledge and expertise to our partnership with Keller ISD. We understand the specific needs involved in managing cafeteria and lunch room deposits as well as student activity accounts across multiple school locations. We listen to our school district clients and develop solutions that meet their particular needs. As a result, we are proud to serve 9 districts, including Keller, in North Texas:

- Birdville ISD
- Carrollton / Farmers Branch ISD
- Dallas ISD
- Ennis ISD
- Garland ISD
- Grand Prairie ISD
- Plano ISD
- Richardson ISD

Highlights of Our Proposal

Bank of America believes our pricing package reflects our willingness to assist the District in reducing its overall banking costs. Additionally, we are proud to offer the District the following benefits and incentives:

1. We will provide an **Earnings Credit Rate (ECR) equivalent to the 91-Day Treasury bill "flat" rate.**
2. A significant benefit to the District in continuing to partner with Bank of America is that there will be **no transition cost or difficulties** to change banks. Maintaining the current structure will allow the District to avoid any loss of staff time that otherwise would be required for a transition project of this magnitude. Additionally, we will offer **four months free of bank analysis fees** if the District chooses to retain Bank of America as its depository bank.
3. Through our Bank @ Work Group Banking service, Bank of America is proud to offer the District our **Teacher Flex® Mortgage and Teacher Zero Down® Mortgage** programs. These programs are a way for us to say "thank you" and to reward teachers for their important roles in our communities by making their dreams of homeownership more plausible and affordable. These programs are applicable to all full-time educators or employees at the District including administration, librarians, counselors, administrative support and custodial staff. Part-time teachers are also eligible.

4. Bank of America will also continue to offer the District **free check cashing** for all employees.
5. **Periodic Review** – In addition to working with the District to meet daily servicing needs, we are committed to extensive *semi-annual* (or as frequently as the District prefers) advisory services to the District for treasury, information technology and investment services.

Overall Capabilities

We believe our proposal offers the **greatest overall value** – *a consultative relationship driven by state-of-the art technology and serviced by a dedicated client team focused on government entities* – while providing services at a reasonable and competitive price.

Unique Solutions

Images of Deposit Tickets

Bank of America offers the District access to images of deposited items, certain returned items, and images of deposit tickets and adjustments via Image Access on Bank of America Direct. The District can access deposits, and see the images of all items deposited into that account. This includes checks, deposit tickets, deposit correction notices and adjustments. The District also has the capability to print images.

Depository+

Depository+ is a unique service that helps the District to help reconcile food service accounts and can also be used with student activity accounts. Depository+ offers enhanced transaction tracking by location number and automated concentration of multiple location deposits to one account. Each District location deposits to a unique “subsidiary” account, then dollars and associated information automatically roll up to the master account. The subsidiary account number is associated with a school, store, location, or division number. This service provides 100% tracking so that every paper and electronic transaction is reported with a location number and descriptive text, including deposit adjustments, returned items, and change and supply order debits.

Higher Standards

Bank of America has always been about higher standards. At the foundation of each of Bank of America’s government relationships is an experienced and knowledgeable client team that is committed to providing customized financial solutions on a timely basis. We hope that Bank of America’s ongoing commitment to our communities and our experience in the government market will provide for a continued partnership with Keller ISD.

Sincerely,



Delwynn Sherrill
Senior Vice President
Senior Client Manager



Erin M. Davis
Vice President
Treasury Management Sales Officer



Post Office Box 16509
Fort Worth, Texas 76162-0509
April 25, 2007

Kent V. Morrison, III, and Members of the Board of Trustees
Keller Independent School District
350 Keller Parkway
Keller, TX 76248

Re: Request for Proposal for Depository Bank

Dear Mr. Morrison and Board Members:

Thank you for the opportunity to provide our depository bid for Keller ISD's banking and depository services. We have been providing these services to Texas public entities for more than 139 years, focusing on efficiencies in treasury management and high return on investments. Our philosophy is to build a "trusted advisor" relationship with our governmental clients, which is mutually beneficial. We are confident of our ability to provide superior services to Keller ISD through our dedicated Public Finance relationship team, as well as our local presence.

There are several key items to point out regarding our depository bid. First, we are offering the 91-day T-Bill plus 50 basis points for our Earnings Credit Rate (ECR) to provide a high earnings rate for the school district. Additionally, as you will see in our proposal, we have provided discounted pricing for our services, and we would be happy to provide quarterly account analysis to enable the school district to level out any variances in their monthly activity and maximize any excess earnings credit.

Additionally, we understand it can be costly and labor-intensive to change banking relationships. As such, we will waive the first 60 days of account analysis. Additionally, upon being awarded the depository contract, Frost Bank will offer Keller ISD \$5,000 in relationship conversion monies, to be utilized for assistance in obtaining new supplies, endorsement stamps, etc., and/or equipment associated with the change in banking relationships. Additionally, we will provide plastic tamper-resistant deposit bags at no charge to the school district during the term of the contract.

We encourage you to contact our depository references, including Mansfield ISD, City of Keller, City of Haltom City, and the City of Watauga.

Finally, we have 24 financial center locations in Tarrant County, including our Keller location at 1240 Keller Parkway, as well as a Fort Worth commercial vault for utilization by your courier service, for your banking convenience. Should you have any questions after reviewing this revision to our proposal, please do not hesitate to contact me directly at 817.420.5003.

Please note that all information contained herein is confidential and proprietary to Frost Bank.

Again, we appreciate the opportunity to provide this proposal, and we look forward to your favorable response!

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Hadley Woerner", written over a horizontal line.

Hadley Woerner
Senior Vice President
Public Finance Division

cc: Susie Howell
Karen Green
Mark Spriggs



April 25, 2007

Mr. Kent Morrison
Chief Financial Officer
Keller Independent School District
350 Keller Parkway
Keller, TX 76248

Dear Mr. Morrison:

Bank of Texas extends our appreciation to the Keller Independent School District for the opportunity to respond to your request for Bank Depository Services. At Bank of Texas our success has been and continues to be a highly personalized approach with each of our valued clients. There are significant factors which distinguish our Bank and support what we hope is your decision to select Bank of Texas. Following is a summary of these factors supporting our proposal:

- ❖ Our proposal has discounted each line item bank service charge by a substantial percentage in order to provide maximum savings to the Keller ISD.
- ❖ A full line of Treasury Services to meet the unique needs of the Keller ISD is available, as well as local Commercial Client Services to support those services.
- ❖ The Keller ISD will have a Bank of Texas team of individuals experienced in working with the particular needs of public funds entities.
- ❖ Free checking accounts as well as other individual account privileges will be available to the employees of the Keller ISD under our Group Plan Banking Program. Free payroll check cashing will also be available to your employees.

The entire Bank of Texas team would be honored to serve as your depository partner. We believe that the outstanding personal service culture at Bank of Texas is an excellent fit for the superior standards of your school district. We sincerely hope you join our other valued and esteemed clients at Bank of Texas.

Sincerely,


Kimberly D. Fry
Vice President



Glenn S. Forbes
Vice President
Government Banking

April 20, 2007

Mr. Kent Morrison III
Chief Financial Officer
Keller Independent School District
350 Keller Parkway
Keller, TX 76248

Re: Depository Application/Depository Services Contract

Dear Kent,

On behalf of JPMorgan Chase Bank, N.A., I am pleased to present to you our proposal for depository services to the Keller Independent School District (the "KISD"). Being one of the leading providers of depository services to public sector entities, both in Texas and nationally, we are excited at the opportunity to serve as the depository bank for the KISD.

Why JPMorgan Chase:

Local Government Experience: We have a vast amount of local government experience and we can compare and share best practices with you as our customer. We currently serve as the depository for Tarrant County, the cities of Fort Worth, Arlington, Saginaw, Roanoke, Everman, Hurst, Bedford, Grand Prairie and Richland Hills, the FKISD, Tarrant County College, HEB ISD, Arlington ISD, Everman ISD and UTA, just to name a few. Most of the aforementioned entities have been customers of JPMorgan Chase for many years. We welcome you to contact any of them for a reference.

Depository Account Features: To provide the KISD with a sound strategy for their various account needs and management, we are offering a premium Earnings Credit Rate for fully collateralized checking accounts. In addition to our competitive rates on Certificates of Deposit and public funds repo sweeps, we can offer a structure to the KISD utilizing our Texpool like CHASE Public Fund High Yield Savings account (HBSA). Again deposited funds will be fully collateralized at no charge to the KISD.

Technology: One of the key benefits of banking with JPMorgan Chase is technology. We are a leader in the conversion of paper to electronic format and the streamlining of treasury services. We are on the leading edge of Back Office Conversion (BOC). As one of the leading providers of treasury services, we will eagerly partner with the KISD to present, on an ongoing basis, new services and best practices in the industry. Examples that the KISD may consider using include:

- Fraud controls such as Payee Positive Pay, ACH Debit Blocking and Controlled Disbursement.
- Image Deposit Direct for face-to-face check payments to the KISD. This will allow the KISD to take advantage of Back Office Conversion and to manage check items from the various school sites.
- Enterprise Content Management services for electronic data storage and retrieval of designated KISD documents. KISD designated items can be imaged and stored offsite by JPMC or imaged on-site in partnership with Xerox. KISD may also acquire imaging

This proposal is subject to and conditioned upon a mutually agreeable contract between the KISD and JPMorgan Chase.

JPMorgan Chase also requires execution of all applicable product and service agreements.
JPMorgan Chase Bank, N.A. • 420 Throckmorton, Floor 4 • Fort Worth, TX 76102 United States
Telephone: 817-884-5024 • Facsimile: 817-884-5697
Glenn.S.Forbes@chase.com



equipment through JPMC and its partners for self directed on-site imaging. This service also benefits disaster recovery requirements of the school district.

Current Relationship with the KISD: Locally we develop a relationship team approach consisting of experienced professionals dedicated to public sector entities. Most importantly, the KISD will have one key local relationship manager to oversee the KISD's services and needs. We are pleased to have worked successfully on products and services to the KISD on the following:

- Three banking centers located in the City of Keller for resident families of the KISD.
- Corporate owned world-class operations center located in Centre Port near DFW Airport, in Tarrant County.
- Our combined employees, including banking centers, are approximately 4,000 in Tarrant County. Additionally, over 125 are residents of the City of Keller served by the KISD.

Financial Strength: JPMorgan Chase is one of the leading global banks in the United States. As of September 30, 2006, our total assets amount to approximately \$1.3 trillion, with equity in excess of \$114 billion. We have the flexibility to pursue technological enhancements as well as capital investments that are necessary to satisfy the market's needs. In the long-term, these improvements will generate economies of scale, which will translate into cost savings for the KISD.

Advantage JPMorgan Chase

Scale and Financial Strength (12/31/06)

- ✓ \$1.3 trillion Total Assets
- ✓ \$116 billion Common Equity
- ✓ Tier 1 Capital Ratio - 8.7% (est.)
- ✓ LACE Rating of A

Customer Service: JPMorgan Chase has structured its local Commercial Client Services Division based on market surveys of our clients' needs and expectations of superior service. The KISD will enjoy its own dedicated Client Services professional, Nell Russell, who is located in downtown Fort Worth. She will handle your day-to-day inquiries and research. Ms. Russell has over 19 years of service excellence and works extensively in support our governmental portfolio. In addition, Grace Castle will provide expert Treasury Services support; Grace has over 20 years within the local banking industry and specializes in Government accounts. The KISD will benefit via faster turnaround on research requests and service that is personal, prompt, and local.

Other Beneficial Services:

- **Wealth Management:** Our Oil and Gas Wealth Management team can serve as an agent or consultant to municipalities for Barnett Shale contractual drilling considerations. Current customers include the City of Fort Worth, DFW Airport, Tarrant County, FWISD and the cities of Euless and North Richland Hills, just to name a few.
- **Client Education and Training:** Throughout the term of the relationship, we will continually provide product service training and education to the KISD staff to insure that we support the KISD's growth and efficiency. This support begins at the onset of the relationship and generally can be provided through webinars or on-site when required. For example, we recently held a fraud prevention based webinar for over 400 of our customers.

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- **State of Texas Purchasing Card Program**, where JP Morgan Chase is the State's approved vendor for the State program. This can be used to augment and virtually eliminate KISD's paper accounts payable system. In addition, the program provides added incentive with a rebate feature linked to volume spends.
- **Chase at Work:** JPMorgan Chase can provide District employees a comprehensive employee-banking package at no cost to the KISD. In addition to our well-managed banking centers in the area, we currently have over 420 banking centers in Texas to serve your employees wherever they may be.
- **Pricing:** We hope you find the enclosed pricing competitive. The KISD can offset analysis fees through collected balances. Other KISD money can be easily invested in our Texpool like HBSA.

JPMorgan Chase Presence in Texas: On its most recent federal CRA performance examination, JPMorgan Chase Bank earned the highest possible CRA rating of "Outstanding". This was the seventh consecutive time JPMorgan Chase received the highest CRA rating.

This commitment is further reflected in our depth of involvement in the local community at both the corporate and the individual level. We have been doing business and making an impact in Texas in a consistent and effective manner. We are a local company, with local decision-makers, leveraging our global resources to make investments in our neighbors and in the organizations that are the lifeblood of Texas. JPMorgan Chase is committed to the State of Texas.

Ms. Hummel, we are ready to answer any questions you might have about the technical capabilities, solutions and prices outlined in this proposal. We look forward to establishing a meaningful and valued relationship with the KISD. Thank you again for the opportunity to respond to the RFP. We look forward to hearing from you soon.

Sincerely,

Glenn S. Forbes

GSF/ms

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