

**FIRST NATIONAL BANK
BANK DEPOSITORY CONTRACT**

C-09-065-04-17

This **DEPOSITORY CONTRACT** is made and entered into on the date last herein written by and between **COUNTY OF HIDALGO**, a political subdivision of the State of Texas, hereinafter called "**County**" and **FIRST NATIONAL BANK**, a national banking association, organized under the law of the United States and authorized by law to do banking business in the State of Texas, hereinafter called "**Bank**, and provides as follows:

1. Designation of Depository. County, through action of the Commissioner's Court of the County, its governing body, hereby designates Bank as a depository of funds for the period beginning **May 10, 2009**, and continuing through **May 9, 2013**.

2. County Representatives. During the term of this Depository Contract, the County will, through appropriate action of its Commissioner's Court, designate the officer, or officers, who singly or jointly will be authorized to represent and act on behalf of the County in any and all matters of every kind arising under this Depository Contract and to (a) appoint and designate, from time to time, a person or persons who may request withdrawals, orders for payment or transfer on behalf of the County in accordance with the electronic fund or funds transfer agreement and addenda, and (b) make withdrawals or transfers by written instrument.

* 3. Entire Agreement. This Depository Contract and the attached Addendums constitute the entire agreement between Bank and County and the terms and provisions of this Contract may not be amended, altered, or waived except by mutual agreement evidenced by written instrument signed by duly authorized representatives of both parties. The following Addendums are hereby incorporated into this Contract for all the purposes as if fully appearing herein:

Addendum I Application for Depository Bank for funds of Hidalgo County, Texas

Addendum II Agreed Negotiated Terms to Application for Depository Bank for funds of Hidalgo County, Texas

The following operating agreements shall be entered into between the parties to facilitate the performance of this Contract in accordance with the terms of the application:

1. Depository Pledge Agreement
2. Online Banking Agreement
3. ACH Origination Agreement
4. Positive Pay
5. LockBox Agreement
6. Trust Services

4. Interest on Deposits. County may arrange for time deposits and Bank may accept and shall hold such deposits subject to payment in accordance with the terms of the deposit. Interest shall be calculated at the rates, which Bank has bid for the particular denomination and time period of said deposits at competitive public bidding for said deposits. Time deposits will mature on or before May 9, 2013.

5. Minimum Collected. County shall maintain a minimum daily collected balance in each of its accounts, of at least \$1.00 during the term of this Contract.

6. Collateral for Deposits. All funds on deposit with Bank to the credit of the County shall be secured by collateral as provided for the Public Funds Collateral Act (Chapter 2257 of the Texas Government Code). The total market value of the collateral (which includes accrued interest or income to the extent it is not included in the market price) securing such deposits shall be in an amount at least equal to one hundred five percent (105%) of the amount of such deposits, plus the amount of any accrued interest thereon, less the amount that such deposits are insured by the Federal Deposit Insurance Corporation. ~~The market value with respect to any securities (collateral) as of any date~~ will be obtained from a primary dealer. When additional collateral is required to cover incremental deposits, Bank must receive the request for collateral prior to 10:30 am on the day the deposits are actually received. Without any obligation to do so, Bank will on a best-efforts basis attempt to provide additional collateral for incremental deposits when notification is received after the delineated deadlines listed above.

* 7. Amegy Bank for Collateral. (a) Bank has heretofore or will immediately hereafter deliver to Amegy Bank collateral of the kind and character above mentioned of sufficient amount and market value to provide adequate collateral for the funds of County deposited with Bank. Said collateral or substitute collateral, as hereinafter provided for, shall be kept and retained by said Bank in trust so long as the depository relationship between County and Bank shall exist hereunder, and thereafter so long as deposits made by County and held by Bank hereunder shall have not been properly paid out by Bank to County or on its order.

(b) Amegy Bank will accept said collateral and hold the same in trust for the purposes herein stated. (See "Depository Pledge Agreement for Amegy Bank".)

8. Default. Should Bank fail at any time to pay and satisfy, when due, any check, draft, or voucher lawfully drawn against any deposits and the interest on such deposits or in any manner breach its contract with County, County shall give written notice of such failure or breach to Bank, and Bank shall have thirty (30) business days to cure such failure or breach. In the event Bank shall fail to cure any such failure or breach within (30) business days or should the Bank be declared insolvent by a Federal banking regulatory agency, it shall be the duty of Amegy Bank, upon demand of County (supported by proper evidence of any of the above-listed circumstances), to surrender the