

ADOPTED: SEPTEMBER 6, 2017

BANK DEPOSITORY AGREEMENT

THE STATE OF TEXAS §
§
COUNTY OF CHAMBERS §

THIS BANK DEPOSITORY AGREEMENT is entered into as of the ____ day of _____, 20__, by and between Winnie Stowell Hospital District (“WSHD”), a political subdivision of the State of Texas (the “District”), and Texas First Bank, a Texas state-chartered bank (the “Bank”).

RECITALS:

WHEREAS, the District has designated the Bank as a depository for certain funds of the District; and

WHEREAS, the District requires continuous security for all funds deposited with the Bank; and

WHEREAS, the Bank is a member of the Federal Deposit Insurance Corporation and, under the terms of the Federal Deposit Insurance Act, funds deposited with the Bank are insured to the extent of at least the amounts established by Federal law; and

WHEREAS, the Bank has agreed to secure deposits of the District with securities which are acceptable as collateral under the Public Funds Collateral Act (Texas Government Code Chapter 2257) and the District’s Investment Policy, both as amended from time to time (collectively, “Approved Securities”) with an aggregate market value, increased by accrued interest, at least equal at all times to the amount of funds of the District on deposit with the Bank in excess of the amounts insured by the Federal Deposit Insurance Corporation or its successor, which Approved Securities will be pledged to the District; and

WHEREAS, the District and the Bank wish to enter into a written agreement, setting forth the terms and conditions upon which the Bank will transfer funds from the account of the District upon telephonic, telegraphic, oral or written instructions for the transfer of funds of the District;

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

Section 1. The Bank represents and warrants that it is a member of the Federal Deposit Insurance Corporation and, under the terms of the Federal Deposit Insurance Act, funds deposited with the Bank are insured to the extent of at least the amounts established by Federal law

Section 2. The Bank shall secure all deposits of the District with Approved Securities having a market value at all times equal to or greater than the funds of the District on deposit with the Bank, to the extent the funds are not insured by the Federal Deposit Insurance Corporation or its successor. The Approved Securities shall be deposited and pledged in safekeeping at another reputable bank or banks that have safekeeping accounts for the Bank or at a trust or safekeeping department within the Bank. The Bank shall: maintain a separate, accurate, and complete record relating to a pledged investment security, a deposit of District funds, and a transaction related to a pledged investment security; furnish a written schedule of the deposited and pledged securities to the District on a monthly basis; and, ensure that the any banks holding such deposited and pledged securities in safekeeping furnish the District with appropriate safekeeping receipts.

Section 3. The Approved Securities shall be pledged to secure the payment in full upon demand of any demand deposits of the District in the Bank and the payment in full at maturity or after the expiration of the period of required notice of all time or savings deposits in the Bank. Upon such demand, maturity, or notice, the Bank shall faithfully pay over to the District or any successor bank all balances remaining in the accounts, and, upon this payment, the Approved Securities shall be released. Upon default in payment by the Bank and after giving five days' written notice to the Bank of the default, the District has all of the rights of a secured party under the Uniform Commercial Code with respect to pledged bonds.

Section 3. If the Bank desires to sell or otherwise dispose of one or more of the Approved Securities held in pledge, it may, subject to the approval of the District, substitute for any one or more of the Approved Securities other securities of the same character and amount, and this right of substitution will remain in full force and may be exercised by the Bank as often as it may desire to sell or otherwise dispose of any original or substitute securities; provided, however, that the aggregate amount of the Approved Securities held in pledge will always be such that the aggregate market value thereof is at least equal to the amount of the deposits increased by accrued interest and decreased by the amount insured by the Federal Deposit Insurance Corporation.

Section 4. If, at any time, the Approved Securities held in pledge have an aggregate market value in excess of the sum on deposit, as increased by accrued interest and decreased by the amount insured by the Federal Deposit Insurance Corporation, then the Bank will have the right to withdraw securities equal in amount to the amount of the excess. In the event of withdrawal, the Bank will promptly notify the District.

Section 5. When the Bank has paid out present and future deposits of the District to the extent that the amount that remains on deposit, including accrued interest, is less than the amount insured by the Federal Deposit Insurance Corporation, the Bank may withdraw all securities held in pledge under this agreement, but prompt notice of the withdrawal must be given to the District.

Section 6. The Bank is hereby authorized to honor, execute, and charge to the District's account at the Bank telephonic requests or orders for the transfer of funds of the

District when these requests are received from the authorized representatives of the District specified below and when the requests or orders are for the sole purpose of transferring funds of the District from one District account to another District Account within the Bank. "District Account" means any account opened in the name of the District, with a signature card on file requiring the signatures of two members of the Board of Commissioners on any check or draft issued.

Section 7. The following District board members ("Authorized Representatives") are hereby authorized to issue orders for the transfer of funds of the District under Section 6 of this agreement:

Ed Murrell,	President
Jeff Rollo,	Vice-President
Raul Espinosa,	Secretary
Sharon Burgess,	Director
Anthony Stramecki,	Director

The District, upon affirmative vote of at least three commissioners in a public meeting, may from time to time amend this list of Authorized Representatives at its sole discretion. The District will provide the Bank notice of any amendment.

Section 8. The District will supply to the Bank any other information that the Bank may reasonably request, including, but not limited to, money amounts, accounts affected, date of transfer, supplemental instructions and further evidence of any representative's authority to transfer funds or to do any other act contemplated under these procedures. The Bank will assign the District a Security Code Number which Authorized Representatives will use when requesting the Bank to make funds transfers as authorized hereunder.

Section 9. Bank services will be priced in accordance with the Bank's published Commercial Account Service Charge Schedule and other published price lists. A monthly account analysis will be provided by Bank itemizing services rendered and the price of the services. If net available balances maintained are not sufficient to cover cost of services rendered, Bank will charge the District's account for the deficit. Notwithstanding the above, the Bank shall not charge for the written schedule required by Section 1, above.

Included in and required as part of the duties to be provided by the Bank to the District are the following:

1. Preparation of monthly statements showing debits and credits.
2. Preparation of all accounts, reports and records as needed for audits.
3. Preparation of such other reports, accounts and records from time to time required by the District which are prepared and maintained during Bank's normal course of business.

The Bank shall charge the District at the prevailing rate applicable to other Public Fund customers for furnishing the quantity, quality and type of checks necessary for the District's use during the period for which this agreement is effective.

Section 10. Each of the parties reserves the right to cancel and terminate this Agreement by giving at least 30 days' written notice, by certified mail, to the other party. In such event, this Agreement shall terminate at the expiration of the 30-day notice period.

Section 11. Nothing contained herein shall be construed to contravene the National Banking Laws or the rules and regulations promulgated from time to time by the Comptroller of the Currency.

IN TESTIMONY WHEREOF, the parties have executed this agreement in duplicate original by and through the undersigned, their respective duly authorized officers.

**WINNIE STOWELL HOSPITAL DISTRICT
("WSHD")**

By: _____,
_____, President
Board of Commissioners

ATTEST:

_____, Director
Board of Commissioners

By: _____
Name: _____
Title: _____

ATTEST:

By: _____

Name: _____

Title: _____