

**WEBB COUNTY BANKING SERVICES
PRIMARY DEPOSITORY CONTRACT**

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ADDENDUM A – Falcon International Bank Response to RFA 2019-001
ADDENDUM B – Webb County Investment Policy

STATE OF TEXAS §
 §
COUNTY OF WEBB §

**WEBB COUNTY BANKING SERVICES
PRIMARY DEPOSITORY CONTRACT**

This contract is entered into by and between Webb County, a political subdivision of the State of Texas, (henceforth "County") and Falcon International Bank (henceforth "Depository").

In consideration of the mutual benefits to be derived from this agreement, and the representations, warranties, covenants, conditions and agreements hereinafter set forth, the County and Depository agree as follows:

Article 1
Definitions

For purposes of construing this agreement, the terms set forth below shall have the following meanings:

"Account Executive" shall mean the officer, employee or agent designated by the Depository to handle problems and questions concerning the implementation and operation of this Contract.

"Account Transfers" shall mean written, telephonic, or telegraphic requests or orders issued by an Authorized County Representative for the transfer of County funds on deposit from County accounts maintained at the Depository to other banks for credit to persons or accounts designated by the Authorized County Representative, as defined below.

"Authorized County Representative" means those persons designated at Section 2.3 of this contract to have signature authority for the accounts listed therein and persons subsequently designated by the Webb County Commissioners Court by execution of an Authorization for Depository Accounts, a copy of which will be submitted to the Depository when requested. The Commissioners Court will change, add, or delete from the list of these designated Authorities when it deems necessary and will do so in writing. The primary authorized county representative is the Webb County Treasurer, or his designee whose authorization is required for all account transfers, as defined above.

"Bank Services" means all services, products, or other items required to be provided to the County pursuant to this Contract including, but not limited to, those more specifically specified in the attached Addendum A, Bank Services and Fees.

"Collateralized Deposits and Investments" shall mean all deposits and investments held by Depository for which Depository is required to pledge securities or interests as provided for by Section 116.051 of the Local Government Code or by this Contract.

"Commissioners Court" means the Commissioners Court for Webb County, Texas.

"Deposits" shall mean demand deposits, deposits in negotiable order of withdrawal (NOW) deposits, and time deposits.

"Demand deposits" shall mean deposits of funds that may be withdrawn on demand by the County.

"Negotiable Order of Withdrawals (NOW) deposits" shall mean deposits that may be withdrawn on demand by the County as governed by federal regulations.

"Time deposits" shall mean deposits of funds subject to a contract between the County and the Depository under which the County may not withdraw any of the funds by check or by any other manner until the expiration of a certain period following written notice of the County's intent to withdraw the funds.

"Operating Accounts" means all accounts held by the County at the Depository excluding all accounts in which the County acts as trustee, or established for a quasi-governmental purpose in which the account is under the control of an instrumentality of the County.

"Quasi-Governmental Accounts" means those accounts in which the County acts as trustee. Such accounts include but are not limited to:

Webb County District Clerk's Trust Account
Webb County Clerk's Trust Account
School Land Fund

"Sinking Fund" Cash set aside under restricted conditions as required by the terms of certain types of debt.

"Total County Balance" means the aggregate sum of all ledger balances of operating accounts held by Depository, accounts held by the County as trustee, or Quasi-Governmental Accounts maintained by the County at the Depository.

"Total County Collected Balance" means the aggregate sum of collected funds of the total County Balance held by the Depository.

Article 2 Terms and Conditions

2.1 Term. In accordance with Chapter B 116.021 of the Local Government Code, this four year Contract (with County's option to extend for 2 more years as per Local Government Code 116.021) will take effect on June 1, 2019. Said Contract shall remain in effect until sixty (60) days after the time fixed by Law for the next selection of a Depository Bank. The maximum maturity date of any time deposit or other interest bearing instrument with

the Depository Bank under the terms of the Contract shall be ninety (90) days beyond the time fixed by Law for the selection of the next Depository Contract.

This four year contract allows the County to establish on the basis of negotiations with the bank, new interest rates and financial terms of the contract that will take effect during the final two years of the four year contract.

On the renewal of the contract, the County may negotiate new interest rates and terms with the bank for the next two years in the same manner as the preceding paragraph.

Upon termination of this Contract, all finished or unfinished documents, data, studies, or reports prepared by the Depository shall be delivered to the Webb County Treasurer, custodian of Webb County funds, and become the property of the County.

2.2 Service Charges and Payments. This contract is written for the County to receive banking services without any fees except as otherwise set forth herein. The Depository agrees to provide certain designated services, materials and other items as specified in Addendum A. The Depository Bank must provide all of the services indicated or a substitute service acceptable to Depository Bank and County and any other necessary and proper services.

2.3 Accounts. The Depository will provide the County with demand and time accounts the County deems necessary or useful to its purposes. These accounts may include but are not limited to the accounts listed below. The Authorized County Representative for each account is designated. Where two representatives are listed, signatures of both are required for disbursements or transfers drawn on the corresponding accounts unless otherwise noted. The County reserves the right to designate, in writing, new accounts as well as authorized representatives for its accounts as necessary during the life of this contract. Signature verifications will be in accordance with Depository's policy.

- | | |
|---------------------------------------|--|
| a) General Operating Account | Raul L. Reyes
Rafael Perez |
| b) Juror Payroll Account | Raul L. Reyes |
| c) Workers Compensations Claims T I G | Raul L. Reyes

Denise Cotter
Linda Sue Evans |
| d) District Clerk- Regular | Maria E. Degollado

Elva A. Reyes
Alexandra V. Garcia
Maribel Ramirez
Patricia Fierro |

e) Clearing Account	Raul L. Reyes Rafael Perez
f) Workers Compensation County Contribution	Raul L. Reyes Rafael Perez
g) Community Supervision And Correction	Raul L. Reyes
h) Interest & Sinking Fund	Raul L. Reyes Rafael Perez
i) 49th Judicial District Attorney D O J Equitable Share Program	Raul L. Reyes Rafael Perez
j) 49th Judicial District Attorney Treasury Equitable Share Program	Raul L. Reyes Rafael Perez
k) Health & Employee Benefits Aetna	Raul L. Reyes Rafael Perez
l) Constable Pct. 4 D O J Equitable Share Program	Raul L. Reyes Rafael Perez
m) Constable Pct. 4 Treasury Equitable Share Program	Raul L. Reyes Rafael Perez
n) Local Provider Participation Fund	Raul L. Reyes Rafael Perez
o) State Tax Fund	Rosie M. Cuellar Susan San Miguel Rosa M. Hernandez Bertha A. Garcia
p) Drainage District	Rosie M. Cuellar Susan San Miguel Rosa M. Hernandez Bertha A. Garcia

q) City of El Cenizo

Rosie M. Cuellar

Susan San Miguel
Rosa M. Hernandez
Bertha A. Garcia

r) City of Rio Bravo

Rosie M. Cuellar

Susan San Miguel
Rosa M. Hernandez
Bertha A. Garcia

s) V I T

Rosie M. Cuellar

Susan San Miguel
Rosa M. Hernandez
Bertha A. Garcia

t) M V Sales & Use Tax

Rosie M. Cuellar

Susan San Miguel
Rosa M. Hernandez
Bertha A. Garcia

u) Laredo College (L.C.)

Rosie M. Cuellar

Susan San Miguel
Rosa M. Hernandez
Bertha A. Garcia

v) M V & Other Voucher

Rosie M. Cuellar

Susan San Miguel
Rosa M. Hernandez
Bertha A. Garcia

w) WCAD Bus Rendition Penalty

Rosie M. Cuellar

Susan San Miguel
Rosa M. Hernandez
Bertha A. Garcia

x) M V D & Property Tax Internet

Rosie M. Cuellar

Susan San Miguel
Rosa M. Hernandez

	Bertha A. Garcia
y) State Hwy Fund	Rosie M. Cuellar
	Susan San Miguel Rosa M. Hernandez Bertha A. Garcia
z) Tax Office Clearing Account	Rosie M. Cuellar
	Susan San Miguel Rosa M. Hernandez Bertha A. Garcia
aa) District Attorney 49th Judicial District Pool Forfeiture Account	Isidro R. Alaniz
bb) District Attorney Hot Check Trust Fund Account	Isidro R. Alaniz
cc) District Attorney 49th Judicial District	Isidro R. Alaniz
dd) District Clerk- Special	Maria E. Degollado
	Elva A. Reyes Alexandra V. Garcia Maribel Ramirez Patricia Fierro
ee) Sheriff Inmate Account	Martin Cuellar Jr.
	Federico Garza Jr. Alejandro Isacc Gutierrez Jaime Magana
ff) Sheriff's Cash Bond Account	Martin Cuellar Jr.
	Federico Garza Jr. Alejandro Isacc Gutierrez Jaime Magana
gg) Sheriff's Inmate Commissary	Martin Cuellar Jr.
	Federico Garza Jr. Alejandro Isacc Gutierrez

Jaime Magana

hh) Webb County Margie Ramirez Ibarra

Margie Ramirez Ibarra

Maria G. De Los Reyes

ii) Elections

Jose Salvador Tellez

County will prepare its deposit slips to indicate that the deposit is to be made to Webb County, and will identify the department making the deposit by name and the number of the account into which it is to be deposited. The Depository will honor and effect transfers at the request of the designated Authorized County Representatives.

2.4 Employee Benefit Trust. Webb County reserves the right to manage the Employee Benefits Trusts outside the terms of the Depository Contract.

2.5 Additional Services. The award of this contract designates Falcon International Bank as the County's Primary Depository bank for depository and other services as provided herein. The County reserves the right to separately contract for services provided by other banking institutions and/or investment pools in addition to those contained in this contract, if such services are provided at a lower cost than provided by the Depository bank. These services would be obtained and paid for by the County.

2.6 Interest on Accounts. The Depository agrees to pay interest on the County's accounts (except for non-interest bearing accounts, as may be required by the County) at the fixed rate of 1.50% APY as specified in the Depository's proposal, Addendum A, attached to this contract and incorporated herein by reference as if set out in full for all intents and purposes.

2.7 Investments. This contract in no manner binds or obligates the County to purchase and trade investments exclusively with the Depository Bank. The County shall invest its funds in instruments authorized under state law and in compliance with this contract and the County's Investment Policy and Investment Procedures, Addendum B (incorporated herein by reference as if set out in full for all intents and purposes), promulgated by the Commissioners Court. The County shall provide copies of said Policy and Procedures to Depository.

2.8 Withdrawal for Investment. The County reserves the option to withdraw surpluses and Sinking Funds for investment purposes in accordance with Sections 116.112 and 140.002 of the Texas Local Government Code and Section 2256.001 et. seq., Texas Government Code, Public Funds Investment Act. The County Treasurer and a County Treasurer's employee designated as the County's Investment Officer by the Commissioners Court, will be the Authorized County Authority designated to withdraw and transmit these funds.

2.9 Designated Bank Contact Personnel. The Depository bank shall provide the County a list of contact personnel within the bank who are qualified to provide information and assistance in the following areas on a daily basis.

General Information:	Call Center (956) 723-2265
Safekeeping and Securities Clearance:	Rita Ancira, (956) 723-2265 x1149
Posting and Deposit Discrepancies:	Jessica Arredondo (956) 723-2265 x1564
Stop Payments:	Jessica Arredondo (956) 723-2265 x1564
Balance Adjustments:	Jessica Arredondo (956) 723-2265 x1564
Collateral Adequacy:	Rita Ancira, (956) 723-2265 x1149
Internal Transfers:	Jessica Arredondo (956) 723-2265 x1564-Option Online Banking
Online PC Services	Natalie Hernandez (956) 723-2265 x1576
Payroll Direct Deposit Transactions	Elizabeth Hernandez (956) 723-3365 x1566
Certificate of Deposit rate quotes	Erika Laurel (956) 723-2265 x1156
Investment Services	Rita Ancira (956) 723-2265 x1149

This list will be updated within ten days of a change in contact personnel.

The Depository Bank will provide Webb County with a Senior Account Executive, acceptable to Webb County, whose responsibilities shall be to serve as primary liaison between the Depository Bank and Webb County. Said Account Executive shall be provided from a main operating Headquarters or Branch who shall be readily available to the County Treasurer to help resolve issues as they may arise on a daily basis.

2.10 Webb County Depository Bank Liaison. The County Treasurer of Webb County as custodian of Webb County Funds and Investments Officer of Webb County will be the liaison between Webb County and the Depository Bank and shall handle all dealings between Webb County and the Depository Bank except for those items under the direct control of the Tax Assessor Collector or other County Officials who have authority over certain County funds. The County Auditor shall have general oversight and involvement in dealings between Webb County and the Depository Bank as may be deemed necessary, and as in accordance with the Law.

2.11 Authority of Authorized County Representative. The designated Authorized County Representative may approve or request bank services, consistent with Addendum A, required to deposit and transfer county funds or otherwise implement this Agreement.

2.12 Business Continuity And Disaster Recovery. Depository Bank must have an established Business Continuity Plan to ensure that essential functions of the organization are able to continue in the event of serious adverse circumstances. The Depository Bank must create a Business Continuity Plan that is specific to Webb County and communicate that plan in writing to the Webb County Treasurer and County Auditor. The plan must include a detailed Disaster Recovery component and must identify key staff support with contact information, should the Disaster Recovery Plan be initiated.

Article 3
Provisions of Bank Services

The Depository Bank will comply with all provisions of Chapters 116 and 117 of the Texas Local Government Code.

3.1 Deposits. The Depository agrees to accept all deposits made by the County during the term of this Contract. The County reserves the right to invest in certificates of deposits, government securities, fully collateralized repurchase agreements or similar instruments authorized by law and exclusive of services provided by or available from the Depository.

3.2 Deposit Locations. The County will have the option to make deposits at the main bank, local bank locations and automated teller machine locations. The use of automated teller machines shall be restricted to deposit transactions. A deposit ticket shall be presented to the Depository with each deposit. Depository agrees to route all deposit ticket copies to the County on a daily basis. The Depository agrees to accept deposits for ledger credit up until 6:00 p.m. each banking day for the benefit of the County at the main bank or local bank locations. Ledger credit for deposits at automated teller machine locations shall be given for deposits prior to 6:00 p.m. each day.

3.3 Wire Transfers. The Depository shall notify the Webb County Treasurer by fax or email of all incoming wire transfers or other electronic payments made to County accounts on the day that they are received by the Depository. Except for wire transfers by written request issued by an Authorized County Representative, all outgoing wire transfers shall be requested and verified as provided under Article 5, Wire Services.

3.4 Access to Account Balances. Response by Depository to daily inquiries by County as to account balances will be required. These include daily collected and ledger balances, and daily credit and debit reports. These must be telephonically available by 8:30 A.M., except for controlled disbursements which must be available by 10:30 A.M. Periodically, a hard copy of a proof of a deposit or end point analysis with collection availability will be required.

3.5 Insufficient Funds (NSF)/Returned Items. The Depository Bank will charge back to specified Webb County accounts all checks, drafts, or exchanges, which may be returned uncollected or unpaid for any reason, on the same day of rejection and release such checks, drafts, or exchanges, to the County Treasurer for purposes of collection. The Depository Bank will debit specified Webb County Accounts for purposes of reimbursement of such returned items, as directed by the County Treasurer at no charge to Webb County. The Depository shall return NSF checks that are deposited in County Accounts to the Webb County Treasurer. The Authorized County Representative or the person designated by him will pick up the NSF items daily. The Depository will not mail any NSF items to the County.

3.6 Depository to Honor Checks and Warrants. The Depository shall pay a check or warrant drawn by the County Treasurer against funds deposited with the Depository on

presentation of the check or warrant if the funds subject to the check or warrant are in possession of the Depository, and, in the case of a time deposit, if the agreed period of notice has expired. If the Depository does not so pay a check or warrant, the Depository is liable for and shall pay to the holder ten (10) percent of the amount of the check or warrant, and the Commissioners Court shall revoke the order creating the Depository, pursuant to Section 116.155 of the Texas Local Government Code, and this contract shall be terminated subject to Article 7.6 of this Contract. Depository agrees to cash, at its main bank or any local bank locations, without charge to County or County employees a County employee's payroll check whether or not the employee has an account with the Depository Bank.

3.7 Bank Statements. Monthly statements for all accounts must be delivered to the County Treasurer by the 5th business day following the end of the month, including total receipts, disbursements and balances in printed numbers of each account, accompanied by the cancelled checks and deposit slips for the period.

3.8 Merchant Services. Statements and billing for merchant services shall be provided through Depository by a third party.

3.9 Overdraft Facility. The Depository shall provide an overdraft facility for all operating accounts of the County as well as other select accounts (hereinafter the "designated accounts") as follows: those accounts listed under letters "a)" through "ii)" under Section 2.3 hereunder, or held by the Depository, to the extent that the sum of withdrawals from said designated accounts does not exceed the sum of positive balances in said designated accounts. For the purpose of determining cash overdrafts, the daily cash balance in all County accounts will be added together and if a negative balance occurs, the County's account is considered to be over-drafted. If after three (3) days the County's account remains over-drafted the interest rate charged will be eighteen percent (18%).

Interest on demand deposits will be paid only to the extent of the net aggregate positive balances of all designated accounts. Any offsets shall be made against the General Fund Account only.

3.10 Security Transfers.

The Depository will act as the transfer agent for all security transactions undertaken by the County. All transfers made shall be executed delivery versus payment (i.e., payment shall not be made until security is received). Instructions will be given initially by phone and will be followed by a written letter by 11:00 A.M. Depository wire transfers shall be made via Federal Reserve Wire.

3.11 Safekeeping. Safekeeping receipts for the County's securities purchases will be issued and delivered to the County within four business days after receipt of all securities.

3.12 Research Requests. The County requires that all written reasonable research requests submitted by the County must be answered by the Depository within three business days of the request. Requests pursuant to this contract must be made by the Authorized County Representative(s) for the account(s) relative to which the research is requested.

3.13 Errors. Depository errors resulting in lost interest to the County will be promptly reimbursed by the Depository to the County.

3.14 Supplies. The County reserves the option to purchase its deposit slips and checks through the Depository bank. Although the County reserves the option to purchase this stock on the open market, these services shall be provided by the Depository at cost. Stock not purchased through Depository Bank must meet Depository Bank standards and requirements for stock provided by Depository.

3.15 Stop Payment. The County requires that the Depository will provide stop payment services to the County. Verbal stop payment orders from an Authorized County Representative may be accepted. Written documentation from the County will follow within two (2) business days of the verbal stop payment order. It is understood that the Depository is not obligated to honor stop payments requests until it receives written notice from the County. The Depository Bank will, at no charge to Webb County, provide Webb County with an Automated Stop Payment Program, or its equivalent, and Positive Pay for Fraud Control purposes. The Depository Bank must provide Webb County monthly reports regarding pending collections for fraud, forgery, or counterfeit items on any Webb County account. The Depository Bank must use best efforts to identify, collect and prosecute any and all cases of criminal conduct with regard to Webb County accounts.

3.16 Additional Accounts and/or Services. If the County develops a need for additional accounts or services during the life of this Depository contract, those new accounts or services shall be provided with the same conditions as apply to existing accounts at the time, subject to approval by Depository, which approval shall not be unreasonably withheld. Any and all additional accounts shall be verified with the Webb County Treasurer prior to their establishment. If the Federal Reserve, Depository Institutions Deregulation Committee, or any other regulatory body or bodies, provide for the establishment of new accounts or other regulations which are favorable to the County, and which the bank provides, then the bank shall make those new services available to the County.

3.17 Most Favored Nation Clause (MFN). Depository Bank will extend to Webb County its most competitive prices for comparable products and services that are offered to its best commercial and governmental clients, anywhere. Fees for all soft costs such as security (Positive Pay, Blocks and Filters, Embedded Seals, etc.), account maintenance charges, item processing, information system reports, routine supplies, safety deposit box fees, custodian fees, miscellaneous charges, costs for collateralization and any and all non-hard costs shall be waived.

3.18 Microfilming and Imaging. The Depository, at County cost, will provide microfilm photostatting copies and/or imaging copies and statement research as is required by the County.

Article 4
Security for Deposits

4.1 Security.

Under Chapter 2257, Texas Government Code, the Depository Bank will furnish securities or surety bonds as required by Law, and consistent with the Webb County Investment Policy, and will execute a Securities Pledge Contract and/or surety bond in the amount equal to the maximum deposit of Webb County Funds under this Contract. The Commissioners Court will accept and the Depository Bank will pledge the form of securities as described hereinafter and/or surety bond used to secure the funds of Webb County. The personal bond or bonds, or contract for securities pledged shall be conditioned on the faithful performance of all the duties and obligations devolving by law upon such Depository Bank, and for the payment upon presentation of all checks drawn upon "demand deposit" accounts in the Depository Bank by the County Treasurer of Webb County, and all checks drawn upon any "time deposit" accounts, upon presentation after the expiration of the period of notice required in the case of "time deposits"; and that said County funds shall be faithfully kept by said Depository Bank and accounted for in accordance with the Law. The amount of the securities so pledged and/or surety bond executed shall be fixed by the Commissioners Court and the market value as priced by a primary dealer of said securities or amount of surety bond shall be equal to or exceed total collected funds on deposit at any and all times. Whenever there shall accrue to Webb County funds in excess of the amount of securities so pledged and/or surety bond so executed, the Depository bank agrees to make additional pledges or provide additional surety in amounts sufficient to cover the increased deposits immediately.

The County Treasurer will notify the Bank of the need for additional collateral and/or release of collateral, typically by electronic means, by 10:30 A.M. C.S.T. on the day of such transactions.

Webb County is to be placed at no expense in regard to the supervision of excess collateral and/or the pledge, substitution, or withdrawal of securities/surety bonds transacted on behalf of Webb County.

Said securities or surety bonds shall be placed for safekeeping with a disinterested third party financial institution in the State of Texas, at the direction of the County Treasurer. Said institution shall provide the County Treasurer with Safekeeping Receipts for all transactions, by 10:30 A.M. C.S.T. on the day of such transactions. Monthly reports or more often if required, of all collateral securities shall be provided to the County Treasurer, which shall include the par value and market value of each item.

Market prices shall be obtained from a primary dealer; accrued income, if not included in the market price, shall be added to the market price to arrive at the security's market value. Surety Bonds approved by the Commissioners Court shall be handled and filed in accordance with the Statutes of the State of Texas.

Should the Depository Bank fail at any time to pay and satisfy, when due, any check, draft, or voucher lawfully drawn against any deposit and the interest on such deposits, or in any manner breach its contract with Webb County, Webb County shall give written notice of such failure or breach to the Depository Bank, and the Depository Bank shall have three (3) Banking days to cure such failure or breach. In the event the Depository Bank shall fail to cure such failure or breach within three (3) Banking days or should the Depository Bank be declared insolvent by a federal bank regulatory agency, it shall be the duty of the third party safekeeping agent, upon demand of Webb County (supported by proper evidence of any of the above-listed circumstances), to surrender the above-described collateral to Webb County. Webb County may sell all or any part of such collateral and out of the proceeds thereof, pay Webb County all damages and losses sustained by it, together with all expenses of any and every kind incurred by it on account of such failure or insolvency, or sale, accounting to the Depository Bank for the remainder, if any, of said proceeds or collateral remaining unsold.

Any sale of such collateral, or any part thereof, made by Webb County hereunder may be either at public or private sale; provided, however, it shall give to both the third party safekeeping agent and the Depository Bank two (2) hours notice of the time and place where such sale shall take place, and such sale shall be to the highest bidder thereof for cash. Webb County and the Depository Bank shall have the right to bid at such sale.

The Webb County Commissioners Court shall select the form of securities pledge contract or surety bond used to secure Webb County funds in accordance with Chapter 2257 of the Texas Government Code which requires the Depository Bank to provide the care, safekeeping and custody of securities in which the sinking funds for the redemption and payment of outstanding bonds may be invested. Access to said securities will be permitted only by Commissioners Court and in the presence of authorized representatives of the Depository Bank, County Treasurer, and County Auditor. Appropriate records for maintaining collateral will be prescribed by the County Auditor.

4.2 Good Faith Security Deposit.

(a) The security deposit submitted by the Depository pursuant to Section 116.023 of the Texas Local Government Code in the amount of EIGHT HUNDRED SIXTY-TWO THOUSAND ONE HUNDRED THIRTY EIGHT DOLLARS (\$862,138.00) when the proposal was submitted shall be accepted and retained by the County until sufficient securities are provided pursuant to Section 116.051 and 116.058 of the Texas Local Government Code. Should the Depository fail to comply with the security requirements of this contract, this security deposit shall be forfeited to the County as liquidated damages pursuant to Section 116.023 of the Texas Local Government Code.

(b) The security deposit submitted by the Depository pursuant to Section 117.021, Texas Local Government Code which was submitted shall be accepted and retained by the Webb County Treasury until sufficient securities are provided pursuant to Section 117.024 and Chapter 116 of the Texas Local Government Code. Should the Depository fail to comply with the security requirements of this contract, this security deposit shall be forfeited to the

County as liquidated damages pursuant to Section 117.021 of the Texas Local Government Code.

4.3 Permissible Security. The Depository may pledge with the County as security under this Contract, with the prior written approval of the Webb County Commissioners Court, securities allowed and conditioned by Texas Local Government Code, Sections 116.051, 116.052, 116.053, 116.054, 116.055, 116.056, 116.0565, 116.057, 116.058, 116.059.

4.4 Safekeeping of Securities. The Depository shall place securities pledged to the County under this contract in a Trust Account in a third party bank or a Federal Reserve Bank other than the Depository, its branches or its bank holding company, and provide the County safekeeping receipts. All securities shall be placed in an account which will allow the County the most expedient access to said securities in the event of a bank failure involving the Depository.

4.5 Representations of Depository. Any personal bond or pledge of securities provided pursuant to this contract are conditioned upon the Depository undertaking to:

- (a) faithfully keep the County funds and faithfully perform the duties and obligations imposed by law on the Depository;

- (b) pay all checks drawn on a demand deposit account with the Depository on presentation by the County Treasurer;

- (c) pay all checks drawn on a time deposit account on presentation after the expiration of the required period of notice; and

- (d) account for the County funds as required by law.

4.6 Amount of Security.

- (a) Personal or surety bonds that secure County deposits must be in an amount equal to the estimated highest daily balance of the County, as determined by the Commissioners Court. The determination of this amount by the Commissioners Court is binding on the Depository.

- (b) The minimum pledged collateral shall be 110% of County deposits..

4.7 Federally Insured Deposits. The Depository is not required to provide security for the deposit of County funds to the extent deposits are insured under 12 U.S.C.A. Sections 1811-1832 as per Section 116.060 Texas Local Government Code.

4.8 Inadequate Security. If for any reason the Total County Balance on deposit with the Depository exceeds the market value of pledged securities, the Depository shall immediately pledge additional permissible securities with the Commissioners Court. The

County may investigate the value of securities pledged by the Depository to secure County funds.

4.9 Monthly Report on Securities. By the 10th day of the following month, the Depository shall provide a monthly report on all collateral securities to the County Treasurer and the County Auditor, which report will include the par value and market value of each security.

4.10 Solvency of Personal Surety.

(a) At least twice each year if a personal bond securing the County's deposits is in effect, the Commissioners Court will investigate the solvency of each surety on the bond. The Depository will provide an itemized and verified financial statement correctly showing the surety's financial position.

(b) The Depository will be required to provide the Commissioners Court with a new bond or other security meeting the requirements of Chapter 116 of the Texas Local Government Code if a financial statement provided under (a) above indicates that:

- (1) a surety is insolvent;
- (2) a surety's net worth is less than the amount required by this contract;
- (3) the assets listed on the statement are depreciated or their value is in any way impaired; or
- (4) real property required by the bond has been disposed of or encumbered and the value of the surety's remaining unencumbered and non-exempt real property is inadequate to meet the requirements of this contract.

4.11 Solvency of Surety Company and Adequacy of Securities. Whenever the Commissioners Court considers it necessary for the protection of the County, the Commissioners Court may investigate the solvency of a surety company that issues a bond on behalf of a depository of County funds or investigate the value of securities pledged by a depository to secure County funds.

4.12 New Security. The Commissioners Court on behalf of the County may by written order require the Depository to pledge additional or other permissible securities at any time it is determined to be advisable or necessary for the protection of the County. Should the Depository fail to pledge the required permissible securities within five (5) days after the date the Depository is served with a copy of said order, the Commissioners Court may select a new depository as required by law and terminate this Contract.

4.13 Substitution of Securities. After reasonable notice to the Commissioners Court the Depository may substitute one type of security for another if the substituting security meets the requirements of a Permissible Security and is approved by the Commissioners Court. Reasonable notice means that the Commissioners Court will be given sufficient time to have the subject securities investigated and to comply with the Texas Open Meetings Act, Chapter 551, Texas Government Code.

4.14 Release of Security. If the securities pledged by the Depository exceed the amount required under this Agreement and Chapter 116 of the Texas Local Government Code, the Commissioners Court may release the excess.

4.15 Surrender of Interests on Securities. Upon the request of the Depository, the Commissioners Court shall surrender, when due, interest coupons or other evidence of interest on securities deposited by the Depository with the Commissioners Court if the value of the securities remaining pledged by the Depository are adequate to meet the requirements of this Contract.

Article 5 Wire Services

5.1 Telephonic, Telegraphic or Written Requests for Account Transfers. The Depository is authorized to honor or execute, at no cost or charge to County accounts, all telephonic, telegraphic, or written requests or orders:

a) for the transfer of funds from such designated County accounts to any other County bank account, whether such account is within the Depository or other financial institution, or;

b) for the transfer of funds from such designated County accounts to the account of or the credit of a third party, whether such third party account is within the Depository or other financial institution.

All such requests or orders must be properly identified by a code as being made by the Webb County Treasurer in compliance with the Depository's transfer procedures.

5.2 Process Transfers. Depository shall process all incoming transfers necessary for current investment transactions and which are received by the Federal Reserve deadline of (currently) 4:00 P.M. Central Standard Time for same day credit to the County's account.

Outgoing wire transfers will be processed by the Federal Reserve deadline on the same day as instructed by the County, provided that such instructions are received from the County by 2:00 P.M. Central Standard Time.

5.3 Instructions for Transfer. The Depository shall act upon all transfer requests, including written requests, on the date received, and use the means of the Federal Reserve Wire for the transmission of the funds. The Depository shall provide verbal confirmation and written advice to the County of each transfer.

5.4 Discrepancies/Loss of Interest/Error. In the event there is a loss of interest or use of funds as a result of a Depository error for failure to execute a transfer request on the date received, or such other error within the Depository's control, the Depository agrees that compensation for such loss shall be provided, at the option of the Depository, by:

a) adjusting the aggregate ledger and collected balances of the County accounts to reflect properly the average balances of the amounts that would have resulted had no error occurred; or

5.5 Designated Accounts. The County hereby designates the General Fund Account as a designated account. All transfer requests under this section will at no time exceed the aggregate ledger balance of the Total County Balance. The County agrees to supply the Depository all information that the Depository may reasonably request, including but not limited to: money amounts, accounts to be effected, date of transfers, supplemental instruction, and further evidence of any Authorized County Representative's authority to transfer funds or to consummate a wire transfer.

Article 6

Other Services

6.1 Night Depository Service. The Depository shall provide the County with lockable money bags, at no cost to County, for making nightly deposits at Depository facilities. Nightly deposits shall be enclosed in lockable money bags containing appropriate memoranda describing in reasonable detail the contents of such money bags. The contents shall include deposit tickets, currency, or checks. The Depository shall unlock and open all money bags delivered to it and check and count the contents contained therein, and deposit to the credit of the County. Empty money bags shall be returned as specified to an authorized Webb County Treasury representative. Any discrepancies between the memoranda, deposit tickets and the contents of each bag shall be immediately reported to the County Treasurer and County Auditor.

6.2 Safekeeping Service. The Depository agrees to provide, at no cost to the County, safekeeping for any collateralized investments purchased from or through the Depository and to provide written confirmation of the investment transactions.

Article 7

General Provisions

7.1 Charging of Fees. No account fees or monthly service charges will be assessed against any accounts held by Webb County during the term of this agreement, irrespective of the service charges set forth in Worksheet C for Checking Accounts and Money Market Accounts. Therefore, no Account Analysis would be generated or the need for any earning credits.

7.2 Confidentiality, Audits and Inspections. Any reports, information, data or studies given to or assembled by the Depository under this Contract shall be kept confidential and shall not be made available to any individual or organization without the prior written approval of the Webb County Treasurer. During regular business hours and as often as the County deems necessary, the Depository shall permit the Webb County Treasurer, Auditor, or County Attorney to audit, examine, and make excerpts or transcripts from such records

and to make audits of all contracts, invoices, materials, and other data relating to the matters covered by this Contract. The Depository Bank will provide an "on site" efficiency review of daily business activity of Webb County annually, as requested by the County Treasurer, which shall be implemented by a mutually acceptable qualified consultant.

7.3 Other Adjustments. The Depository shall process any adjustment upon verbal authorization by an Authorized County Representative followed by written confirmation by the County the following work day, if possible, but no later than four (4) working days after the request is placed.

7.4 Compliance with Laws. The Depository agrees to comply with all federal, state and local laws, rules, regulations and ordinances. The Depository hereby represents that it has the necessary personnel required to perform the services under this Contract. Said personnel and the Depository are fully qualified and authorized under federal, state and local law to perform the services under this Contract.

7.5 Indemnification. **The Depository shall fully indemnify, save and hold harmless the County, its officers, employees, and agents against any and all liability, damage, loss, claims, demands, and actions of any nature whatsoever that arise out of the Depository's intentional or negligent acts, or are in any manner connected with:**

- a) **the Depository's failure to fulfill any of the terms and conditions of this Contract;**
- b) **any violation by Depository of any applicable federal or state laws, rules, or regulations resulting from any intentional or negligent act or omission of the Depository or its agents and employees; or**
- c) **any intentional or negligent act(s) or omission(s) by the Depository arising out of the performance of any services rendered pursuant to this Contract.**

The Depository shall, at its own expense, investigate all such claims and demands, attend to their settlement or other disposition, defend all actions based thereon and pay all charges of attorneys and all other costs and expenses of any kind arising from any such liability, damage, loss, claims, demands, and actions.

This indemnification shall not be construed to require indemnification against any and all liability, damage, loss, claims, demands, and actions of any nature whatsoever which may be caused or arise from intentional or negligent acts of the County, its officers, employees and agents.

7.6 Termination of Contract for Cause. Should this contract become subject to termination for failure of the Depository to comply with or in accordance with, the provisions herein, at the discretion of the County Commissioners, the Depository will be bound to continue as Depository until a new Depository is named, but in no case longer than seventy-five (75) days from the date written notice is given Depository of Termination. Depository will be liable for any and all monetary losses or damages, including attorney's fees and costs

necessary to recover same, the County may incur before or after notice and termination due to an act or omission of the Depository.

7.7 Duties after Termination. All obligations of the parties made or incurred or existing under this Contract as of the date of termination with respect to transactions initiated prior to the effective date of termination shall survive such termination, including but not limited to, Depository's obligation to retain duplicates of transaction receipts and credit slips and any continuing obligation of the Depository with respect to chargebacks.

7.8 No Endorsement. The Depository shall not advertise or publish, without the Commissioners Court prior written consent, the fact that the County has entered into this Contract, except as may be necessary to comply with proper requests for information from or filing of reports of federal, state or local government agencies.

7.9 Amendment. This Contract may be amended only by written agreement executed by the Depository and the Commissioners Court.

7.10 Severability. In the event any provision contained herein shall be invalid, illegal, or unenforceable by operation of law, then such provision shall be construed as if such provision was not a part of this Contract.

7.11 Notices. Notices provided herein shall be delivered to:

On behalf of the County to WEBB COUNTY JUDGE
 COUNTY COURTHOUSE
 P.O. DRAWER 29
 LAREDO, TEXAS 78042

WEBB COUNTY TREASURER
P.O. BOX 593
LAREDO, TEXAS 78042

On behalf of the Depository to: FALCON INTERNATIONAL BANK
 ATTN: RITA ANCIRA
 SENIOR VICE PRESIDENT/CFO
 7718 MCPHERSON ROAD
 LAREDO, TEXAS 78045

7.12 Assignment. This Contract may not be assigned by any party hereto without the prior written consent of the other party.

7.13 Bankruptcy. In the event that the Depository is adjudged bankrupt or insolvent, then any receiver, liquidator, conservator, or successor shall be bound by the rights, policies, duties, and obligations of this Depository Contract.

7.14 Force Majeure. Neither party shall be responsible for losses resulting if the fulfillment of any terms or provisions of this Contract are delayed or prevented by any cause not within the control of the party whose performance is interfered with, and which, by the exercise of reasonable diligence, said party is unable to prevent.

7.15 Conflicts of Interest. Except as may otherwise be provided by law the fact that any employee or an officer of the County, who is not charged with the duty of selecting a Depository, is an officer, director, or stockholder of the Depository shall not disqualify the Depository from serving as a Depository for the County. The Depository agrees to maintain current, updated disclosures of information on file with the County Treasurer and the County Clerk throughout the term of this Contract as may be required by law.

7.16 Disclosure Of Certain Relationships. Chapter 176 of the Texas Local Government Code requires that any vendor or person considering doing business with a local government entity disclose in the Questionnaire Form CIQ, the vendor or person's affiliation or business relationship that might cause a conflict of interest with a local government entity. By law, this questionnaire must be filed with the County Clerk of Webb County no later than the 7th business day after the date the person becomes aware of facts that require the statement to be filed. See Section 176.006, Local Government Code. A person commits an offense if the person violates Section 176.006, Local Government Code. An offense under this section is a Class C misdemeanor.

7.17 Equal Employment Opportunity.
Depository agrees that during the performance of this Contract it will be an Equal Opportunity Employer.

7.18 Entire Agreement. This Contract, its Addenda and exhibits, including but not limited to the proposal constitute the entire agreement between the parties and shall supersede all previous negotiations, commitments and contracts.

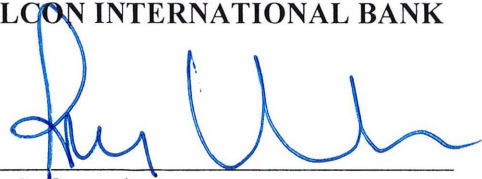
7.19 Governing Law. To the extent this Contract is not governed by applicable federal laws and regulations, this Contract shall be governed by and construed in accordance with the laws of the State of Texas, including Chapters 116 & 117 of the Texas Local Government Code.

IN WITNESS HEREOF, the parties have executed this Contract in duplicate originals, to be effective as of June 1, 2019.

COUNTY OF WEBB

Tano E. Tijerina
County Judge

FALCON INTERNATIONAL BANK



Roy J. Gonzales
Senior Executive Vice President

ATTEST:

Margie Ramirez Ibarra
Webb County Clerk

Approved as to Form:

Nathan R. Bratton
General Counsel
Civil Legal Division*

*The General Counsel, Civil Legal Division's office, may only advise or approve contracts or legal documents on behalf Webb County, its client. It may not advise or approve a contract or legal document on behalf of other parties. Our review of this document was conducted solely from the legal perspective of our client. Our approval of this document was offered solely for the benefit of our client. Other parties should not rely on this approval, and should seek review and approval of their own respective attorney(s).