

DEPOSITORY CONTRACT

This depository contract entered into between the Housing Authority of the City of Laredo, (hereinafter the "Laredo Housing Authority"), Laredo, Webb County, Texas and, Falcon International Bank (hereinafter the "Falcon International Bank" or the "Depository Bank"), Laredo, Webb, Texas.

WITNESSETH:

Whereas, Falcon International Bank, was on September 7, 2016 duly and legally selected as Depository Bank for the General and Special funds of the Laredo Housing Authority for the period beginning September 7, 2016 and ending September 6, 2017, with an optional extension for four additional twelve month periods or such lesser time the Laredo Housing Authority deems beneficial for the Laredo Housing Authority operations and said Falcon International Bank has agreed to act as such Depository Bank: and,

Whereas, in lieu of executing a depository bond with securities thereon, Falcon International Bank executed, on September 7, 2016, its depository bond and did pledge as collateral to said bond certain securities in the principal sum and value of greater than Five Million Dollars (\$5,000,000.00) market value on signature date herein which is in an amount greater than the total sums now in the general and special funds of the Laredo Housing Authority.

NOW THEREFORE, the Laredo Housing Authority acting through its Executive Director and Falcon International Bank do contract and agree as follows:

1. Falcon International Bank does hereby agree to take and hold, and to faithfully keep and pay out on demand, all demand deposits in the Laredo Housing Authority General Fund and in the several Laredo Housing Authority Special Funds, for the depository term named herein and pledges with, and delivers to, the Laredo Housing Authority, who hereby acknowledges the receipt of, and accepts in pledge, as authorized by the laws of the State of Texas relating to depository agreements of public bodies, the following securities:

SEE ATTACHMENT

2. It is agreed that the above named securities are to be held by the Laredo Housing Authority as collateral in connection with said depository bond executed by the Falcon International Bank and subject to the conditions of the said bond, and are to be delivered by

the Laredo Housing Authority to the Falcon International Bank upon the expiration of the period for which the Falcon International Bank has been selected as Laredo Housing Authority Depository, unless the Falcon International Bank has made default in some of the conditions of its bond, in which the Laredo Housing Authority will hold the said securities until a final adjudication or settlement of said default has been made.

3. It is agreed that the Executive Director of the Laredo Housing Authority and the Depository Bank may jointly deposit the herein listed securities and any additional securities posted to secure said bond or any securities hereafter substituted therefore, with a trustee suitable to the Executive Director as Custodian for safekeeping in conformity with this agreement, and said Custodian shall issue its joint Custodian's Receipt to the said Executive Director and the Depository Bank.

4. It is understood and agreed that Falcon International Bank shall have access to the aforesaid securities for the purpose of clipping the coupons as they become due, and it is further understood and agreed that the Falcon International Bank may substitute other approved United States, State of Texas Municipal Bonds or other securities insured by the United States, in lieu of the above mentioned securities, upon approval of such substitution by the Executive Director of the Laredo Housing Authority.

5. It is agreed, as by all applicable law, that the securities herein pledged by Falcon International Bank shall be in excess of the amount required by law to secure Laredo Housing Authority funds on deposit with it; the Executive Director of the Laredo Housing Authority shall permit the release of such excess; and further, when the Laredo Housing Authority funds deposited with the Falcon International Bank, as Depository Bank, shall for any reason increase beyond the amount of securities pledge, said Falcon International Bank shall immediately pledge additional securities with the Laredo Housing Authority so that the securities pledged shall at no time be of value less than the total amount of Laredo Housing Authority funds on deposit in said Depository Bank. Provided, however, the determination of such value shall be in the reasonable discretion of the Executive Director of the Laredo Housing Authority.

6. A copy of the aforesaid depository bond executed by Falcon International Bank shall at all times be kept attached to the original and copies of this agreement, so that the same may be made a part of this agreement.

7. Falcon International Bank hereby agrees and contracts to pay the Laredo Housing Authority interest on Certificate of Deposits under this contract at the rates indicated below.

Time Deposits:

| TERM | INTEREST RATE (*) |
|------------------|-------------------|
| 7 – 29 Days | 0.70% APY (*) |
| 30 – 59 Days | 0.70% APY |
| 60 – 89 Days | 0.70% APY |
| 90 – 179 Days | 0.70% APY |
| 180 – 364 Days | 0.70% APY |
| One Year or More | 0.80% APY |

8. Falcon International Bank hereby agrees and contracts to pay the Laredo Housing Authority interest on Public NOW Accounts under this contract at the rate of *seven tenths of one percent (0.70%)* Annual Percentage Yield (“APY”) based on the daily ending balance with interest accruing daily but being paid monthly.

9. Falcon International Bank will not charge the Laredo Housing Authority for the following services as set out below.

| | |
|---|-----------|
| Monthly Maintenance Fee | No Charge |
| Checks Processed | No Charge |
| Items Deposited | No Charge |
| Deposited Returned Checks Fee | No Charge |
| Stop Payment | No Charge |
| Overdraft Fee | No Charge |
| Research Fee | No Charge |
| Wire Transfers Fee (In or Out) | No Charge |
| Telephone Transfers | No Charge |
| Telephone Inquires | No Charge |
| Temporary Checks | No Charge |
| Cutoff Statements | No Charge |
| Lockable Deposit Bags (2 free) | No Charge |
| Online Banking Services | No Charge |
| Cash Management Services (ACH Direct Deposit) | No Charge |

10. The per annum interest rate which will be charged on short term borrowing or accumulated overdrafts will be *zero percent (0.00%)*. The total overdraft may not exceed the amount of funds held by the Depository Bank on behalf of the Laredo Housing Authority.

11. Falcon International Bank shall give immediate ledger credit to the designated accounts for all items deposited that are payable to the Laredo Housing Authority. All funds deposited will be considered funds in which interest will be earned.

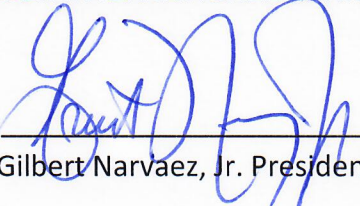
12. The Laredo Housing Authority and the Falcon International Bank hereby agree to, and incorporate, all terms and requirements of the Request for Proposals (the "RFP") forming the basis of this Depository Contract.

IN TESTIMONY WHEREOF, the Laredo Housing Authority has caused these presents to be signed by its Chairman of the Board and attested by its attorney and the said Falcon International Bank has caused these presents to be executed by its President and attested by its Cashier, thereunto authorized, **this the 7th Day of September, 2016** in duplicate originals.

LAREDO HOUSING AUTHORITY

BY: 
Acting Interim Executive Director

FALCON INTERNATIONAL BANK

BY: 
Gilbert Narvaez, Jr. President