

SECTION 108 GUARANTEED LOAN CUSTODIAL AGREEMENT

THIS AGREEMENT dated as of this 17th day of August, 2022, by and between Fort Bend County, Texas, a political subdivision of the State of Texas, and having an office for the conduct of business at 301 Jackson St., Richmond, Texas 77469 ("Borrower"), and Zions Bancorporation, National Association dba Amegy Bank, organized and existing under the laws of the State of Texas, and having an office for the conduct of business at 1801 Main Street, Suite 460, Houston, Texas 77002 ("Custodian"),

WITNESSETH:

WHEREAS, the Borrower will enter into a Contract for Loan Guarantee Assistance Under Section 108 of the Housing and Community Development Act of 1974, as amended, 42 U.S.C. §5308 ("Section 108 Contract") with the Secretary of Housing and Urban Development ("HUD") under the authority of section 108 of title I of the Housing and Community Development Act of 1974, as amended (the "Act"); and

WHEREAS, the Custodian is a national banking organization duly organized and existing under the laws of the United States of America; and

WHEREAS, the parties to this agreement desire to set forth the terms and conditions for the deposit and custodianship of the documents evidencing and relating to the loan to be originated under section 108 of the Act, and 24 CFR part 570, subpart M; and

WHEREAS, HUD will guarantee one or more promissory notes issued by the Borrower and numbered B-19-UC-48-0004 that together do not exceed the principal amount of \$3,384,000.00 (the "Section 108 Guaranteed Note").

NOW THEREFORE, in consideration of the mutual undertakings expressed in this agreement, the parties agree as follows:

1. The Borrower shall from time to time deliver for deposit with the Custodian certain Security Documents as required under the Section 108 Contract (collectively the "Security Documents"). For each such delivery, the Borrower shall furnish the Custodian with a listing of the Security Documents to be deposited, which listing shall be in the form set forth in the attached Security Document List & Custodial Receipt (the "Receipt" or "Receipt(s)"). In receiving Security Documents, and in maintaining any listing or providing any report or communication with respect to the Security Documents, the Custodian shall be required only to review the face of each document received to determine whether it appears regular on its face, appears to relate to the Section 108 Guaranteed Note, and appears to be a Security Document identified in the Receipt. The Custodian shall complete the Receipt(s) by inserting the date received next to each delivered Security Document. Once signed by the Custodian, the Receipt(s) shall document the Custodian's receipt(s) of the Security Documents required by the Section 108 Contract to be deposited with the Custodian. The Custodian shall maintain each original Receipt together with the Security Documents it identifies, in accordance with the storage requirements in paragraph 3.

2. Borrower's delivery of the Security Documents will be acknowledged by the Custodian through execution and electronic delivery of a copy of the Receipt(s) to HUD at 108Reports@hud.gov. The Custodian shall also provide copies of Receipt(s) to the Borrower. By its delivery of the Security Documents and Receipt(s) to the Custodian, the Borrower certifies to the Custodian that each Security Document listed in that Receipt is in form and substance acceptable to HUD, as required by the Section 108 Contract. Except for Custodian's obligations under this paragraph and paragraph 1 and 2 of this Agreement, the Custodian shall not otherwise be under any duty to review, inspect, examine or certify the Security Documents; and without limiting the foregoing, the Custodian shall be entitled to assume the genuineness of each such document and the genuineness and due authority of any signatures appearing thereon, and shall be entitled to assume that each such document is what it purports to be. The Custodian shall have no liability for or obligation with respect to, and shall not be construed or obliged to make any representation or warranty as to: (i) the validity, sufficiency, marketability, genuineness, value, contents or enforceability of any Security Document; (ii) the validity, adequacy or perfection of any lien upon or security interest purported to be evidenced or created thereby; or (iii) to determine that the contents of any Security Document are appropriate for the represented purpose or that any Security Document has actually been recorded or filed, as maybe applicable, or that any Security Document is other than what it purports on its face to be.

3. The Custodian shall segregate and maintain continuous custody and control of all Security Documents on behalf of HUD until the Section 108 Guaranteed Note is paid in full. The Custodian shall hold the Security Documents in secure and fireproof facilities in accordance with customary standards for such storage. The Custodian shall only rely on information pertaining to the payment of the Section 108 Guaranteed Note that is received from or confirmed by the Director of the Financial Management Division of HUD in Washington, DC ("FMD Director"), or another HUD official as may be authorized by HUD in writing ("Other HUD Designee").

4. At any reasonable time, the Custodian shall make all Security Documents available for examination and audit by representative of the Borrower or HUD.

5. (A) Upon notification to the Custodian by the FMD Director or Other HUD Designee that a default has occurred under the Section 108 Contract, the Custodian shall comply with any request HUD shall make for the delivery to HUD of all Security Documents, and within five business days of any such request by HUD, shall send the Security Documents via courier service to the address identified in paragraph 6 and contemporaneously provide HUD with the tracking information for the package containing the Security Documents.

(B) If, following HUD's notification to Custodian of Borrower's default under the Section 108 Contract, HUD elects to assume or transfer the duties and obligations of the Borrower and elects to continue the custodial relationship, the Custodian agrees to continue its obligations herein for HUD for a reasonable period, not to exceed 90 days, on the same terms and conditions as set forth in this agreement until it receives instructions for disposition of the Security Documents from the FMD Director or Other HUD Designee, provided, however, that in no event shall HUD be obligated to pay compensation or a fee for the holding or release of any Security Documents during

such reasonable period. If, however, HUD elects to terminate this agreement, Custodian shall comply with the provisions of this election by HUD.

6. Except for termination or cancellation of this Agreement pursuant to paragraph 5, if during the term of the Section 108 Guaranteed Note the Custodian's duties under this Agreement are discharged or this Agreement is terminated or cancelled, Custodian may release Security Documents to Borrower or to a successor custodian designated in writing by HUD upon presentation by the Borrower of written approval of the FMD Director or Other HUD Designee for the release of Security Documents to the Borrower. Provided, however, if no written approval is presented, the Custodian shall return all Security Documents to HUD within 5 business days at the following address:

Attention: Paul Webster, Director
Financial Management Division
U.S. Department of Housing and Urban Development
451 7th Street SW – Room 7282
Washington, DC 20410

7. Consideration for services to be performed by the Custodian under this agreement shall be as shown in Exhibit A hereto.

8. This Agreement confers rights and remedies upon HUD, and HUD shall be an intended third-party beneficiary of this Agreement. The parties may not amend or terminate this Agreement without the prior written consent of HUD provided, however, that the Custodian may at any time resign under this Agreement by giving not less than sixty (60) days advance written notice thereof to the Borrower and HUD. Prior to the effective date of the resignation, the Borrower shall give written instruction to the Custodian designating a successor Custodian, if applicable.

9. The Custodian shall be entitled to rely on any written instructions or certifications delivered to the Custodian by the Borrower or HUD pursuant to this Agreement, in each case without any independent verification or investigation of the matters set forth therein.

10. Custodian shall not be liable to anyone for anything which it may do or refrain from doing in connection with this agreement, unless such action constitutes negligence in accordance with customary standards for document storage, gross negligence, willful misconduct, or bad faith on its part.

11. To the extent permitted by applicable law, the Borrower shall indemnify the Custodian and any director, officer, agent or employee of the Custodian from all liability, obligations, losses, claims, damages, actions, suits, proceedings, costs and expenses, including reasonable attorneys' fees, arising out of, connected with, or resulting, directly or indirectly, from the execution, delivery and performance of this Agreement.

12. The Custodian shall be without liability to the Borrower for any damage or loss resulting from or caused by events or circumstances beyond the Custodian's reasonable control including nationalization, expropriation, currency restrictions, the interruption, disruption or

suspension of the normal procedures and practices of any securities market, power, mechanical, communications or other technological failures or interruptions, computer viruses or the like, fires, floods, earthquakes or other natural disasters, civil and military disturbance, acts of war or terrorism, riots, revolution, acts of God, work stoppages, strikes, national disasters of any kind, or other similar events or acts; errors by any party in its instructions to the Custodian; or changes in applicable law, regulation or orders.

13. This Agreement may be executed in any number of counterparts and all counterparts taken together shall constitute one and the same instrument. The exchange of copies of this Agreement and of signature pages by facsimile transmission or pdf shall constitute effective execution and delivery of this Agreement as to the parties and may be used in lieu of the original Agreement for all purposes. Signatures of the parties transmitted by facsimile or pdf shall be deemed to be their original signatures for all purposes.

14. The terms of this Agreement are hereby declared to be severable, such that if any term hereof is determined to be invalid or unenforceable, such determination shall not affect the remaining terms.

15. The covenants and agreements set forth herein shall be binding upon and inure to the benefit of each of the parties and their respective successors and permitted assigns. No party shall be permitted to assign their rights under this Agreement without the written consent of the parties and the FMD Director or Other HUD Designee, except that any corporation or association into which the Custodian may be merged or converted or with which it may be consolidated, or any corporation or association resulting from any merger, conversion or consolidation to which the Custodian shall be a party, or any corporation or association to which the Custodian transfers all or substantially all of its corporate trust business, shall be the successor of the Custodian hereunder, and shall succeed to all of the rights, powers and duties of the Custodian hereunder, without the execution or filing of any paper or any further act on the part of any of the parties hereto.

16. This Agreement constitutes the complete and exclusive agreement of the parties with regard to the matters addressed herein and supersedes and terminates as of the date hereof, all prior agreements, agreements or understandings, oral or written between the parties to this Agreement relating to such matters.

[Remainder of Page Intentionally Left Blank – Signature Page Follows]

THIS AGREEMENT is hereby executed on behalf of the parties as follows:

Borrower: FORT BEND COUNTY, TEXAS

By: 
(Signature)

Name: Ed Sturdivant

Title: County Auditor

Date: 8/2/2022

Custodian: ZIONS BANCORPORATION,
NATIONAL ASSOCIATION

By: _____
(Signature)

Name: _____

Title: Vice President, Amegy Bank Division

Date: _____

THIS AGREEMENT is hereby executed on behalf of the parties as follows:

Borrower: FORT BEND COUNTY, TEXAS

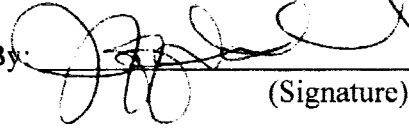
By: _____
(Signature)

Name: Ed Sturdivant

Title: County Auditor

Date: _____

Custodian: ZIONS ~~BAN~~CORPORATION,
NATIONAL ASSOCIATION

By:  _____
(Signature)

Name: Jeffrey D. Dunbar

Title: Vice President, Amegy Bank Division

Date: August 17, 2022

Note to Borrowers: the form below is a form of Security Document List & Custodial Receipt that must be completed by the Borrower and submitted to the Custodian for use as a receipt whenever Borrower is required by the Section 108 Contract to submit additional Security Documents (identified in the Section 108 Contract as "Security Documents").

SECURITY DOCUMENT LIST & CUSTODIAL RECEIPT

The following documents were delivered in accordance with the agreement dated August 17, 2022, between the undersigned ("Custodian"), and Fort Bend County, Texas ("Borrower"), and which is known as the "Section 108 Guaranteed Loan Custodial Agreement":

Mark "X" received Custodian	<u>Name of Security Document</u>	<u>Date Received</u>
	Arcola Grant Agreement	
	Arcola Deed of Trust	
	Title Policy	
	Appraisal	
	Survey	
	Opinion of County's counsel	
	Opinion of Arcola's counsel	
	Recorded UCCs	

This is the first Security Document List & Custodial Receipt under the Section 108 Guaranteed Loan Custodial Agreement between Custodian and Borrower dated the 17th day of August, 2022.

[Remainder of Page Intentionally Left Blank – Signature Page Follows]

The undersigned hereby acknowledges receipt of the documents indicated with an 'X' in the table above, on the dates acknowledged in the table:

Custodian: ZIONS BANCORPORATION,
NATIONAL ASSOCIATION

By: _____
(Signature)

Name: _____

Title: Vice President, Amegy Bank Division

Date: _____

Exhibit A



Custodian Services

Fort Bend County Section 108 Guaranteed Loan Custodial Agreement

Schedule of Fees

Acceptance Fee **\$750**

One-time fee that covers the review of the governing documents including account(s) setup and performing duties associated with the closing

Annual Administration Fee **\$2,000**

The annual administration fee is payable in advance and on each anniversary date thereafter without proration. Additional sub-accounts will be subject to \$250 annual fee.

Transaction Fees **See below**

Transaction fees will be assessed for transactions in excess of 10 per year:

- \$25.00 per transaction (buys, sells, free receipts, free deliveries etc.)
- \$25.00 per domestic wire
- \$100.00 per international wire
- \$10.00 per ACH/Checks

Extraordinary Services **By Appraisal**

Special or extraordinary events, such as amendments to the documents or defaults are not included in the above fees, and we reserve the right to charge additional amounts based on the time incurred in handling such events should they occur. Transactions involving foreign entities or investors may require additional services that would be considered extraordinary, and we reserve the right to charge additional amounts based on the time incurred in handling such events. Out-of-pocket expenses for external tax or legal counsel related to such foreign entities or investors shall be billed as incurred.

We will bill for non-routine costs such as overnight delivery charges, publications, UCC's, out-of-pocket expenses for travel and legal costs incurred as required during the administration of the account. We will not charge for customary expenses incurred in the ordinary administration of accounts, such as normal postage, copying or fax charges.

Online viewing and reporting of trust accounts is available to our clients at no additional cost.

This quote is pending final review of the governing documents and transactions contemplated thereby and may be subject to change.
