

TIB-THE INDEPENDENT BANKERSBANK

Federal Funds Agency Agreement

TIB - The Independent BankersBank ("**TIB**"), a state banking association, and the undersigned bank (the "**Bank**") anticipate that from time to time, Bank may sell Federal Funds and desire for TIB to act as agent for Bank in such sale(s). Bank desires to designate and appoint TIB as the agent of Bank for the purpose of selling Federal Funds of Bank to third party bank(s) directly or through broker, and Bank and TIB desire to reduce to writing their agency agreement with respect to such arrangement.

For and in consideration of the mutual promises contained herein, Bank and TIB hereby covenant and agree as follows:

- (1) For the full period that this Federal Funds Agency Agreement (this "Agreement") is in effect, Bank hereby appoints TIB as the agent and attorney-in-fact of Bank, with full and complete power and authority to sell Federal Funds from time to time for the account of Bank upon oral or written advice to TIB by Bank as to the amount of Federal Funds of Bank which Bank desires sold.
- (2) TIB shall retain a list (the "Approved Bank List") of third party banks to whom TIB currently sells or would sell Federal Funds to when acting in its capacity as an agent and TIB shall furnish to Bank in writing or by electronic transmittal as soon as practical revisions of the List as and when made.
- (3) TIB shall make available a confirmation thereof to Bank for Federal Funds sold on behalf of Bank. The confirmation will advise Bank of (i) the dollar amount of the Federal Funds transaction made by TIB for the account of Bank, (ii) the market rate of interest paid, (iii) the identity of the third party bank(s) which have purchased Federal Funds of Bank, and (iv) such information (if any) as is deemed appropriate by TIB.
- (4) TIB and Bank specifically understand and agree that should TIB, because of operational or exigent conditions, not be able to sell a requested amount of Federal Funds to other banks on the Approved Bank List despite TIB's best efforts then TIB may (i) return the funds and cancel the request for sale, or (ii) purchase Federal Funds from Bank for the account of TIB which shall give written notice thereof to Bank within a reasonable period of time thereafter.
- (5) Bank and TIB agree that the legal title to the Federal Funds of Bank is retained by Bank until such time as such Federal Funds are legally deemed sold. Bank recognizes and agrees that in Federal Funds transactions in which Bank is the seller all risk of loss is the risk of Bank except in those transactions in which TIB advises Bank that TIB is acting as a principal. Therefore Bank recognizes that if it is a seller of Federal Funds, it should independently satisfy itself, as and when Bank deems appropriate, as to the credit worthiness (I) of each bank on the List as from time to time modified, and (ii) of TIB, to the extent TIB is a principal.
- (6) BANK HEREBY AGREES TO FOREVER INDEMNIFY, EXONERATE AND HOLD TIB HARMLESS FROM ANY LOSS, EXPENSE OR LIABILITY INCURRED BY TIB IN ACTING OR NOT ACTING PURSUANT TO (I) THE PROVISIONS OF THIS AGREEMENT, AND (II) ORAL OR WRITTEN INSTRUCTIONS OR NOTICES GIVEN TO TIB BY BANK PURSUANT TO THIS AGREEMENT, INCLUDING, WITHOUT LIMITATION ANY LOSS, EXPENSE, OR LIABILITY INCURRED IN WHOLE OR IN PART BY TIB'S NEGLIGENCE OR GROSS NEGLIGENCE.
- (7) TIB may charge a reasonable fee for services rendered. This Agreement may at any time be modified by mutual consent in writing of Bank and TIB. This Agreement may be terminated by Bank at any time upon written notice to TIB and may be terminated by TIB at any time upon written notice to Bank; provided however that such notice shall not be effective until received by the party to whom directed. This Agreement shall be governed by and construed in accordance with the law of the State of Texas and applicable Federal law.
- (8) Signatures hereto may be transmitted by facsimile, e-mail or any other means of electronic communication. Such transmitted signatures shall be effective as originals.

IN WITNESS WHEREOF, TIB and Bank have caused this Agreement to be executed by their duly authorized officers effective the ____ day of _____, 20__.

Bank:

TIB -The Independent BankersBank

Signature: _____

Signature: _____

Name:

Name:

Title:

Title:

Email: