



ADDENDUM TO PUBLIC FUNDS ENTITY SECURITY AGREEMENT

This addendum (the "Addendum") to the Frost Bank's Public Funds Entity Security Agreement (the "Agreement") is made and entered into as of the 9th day of April, 2018 (the "Effective Date") executed by and between Frost Bank, a Texas state bank (the "Bank"), and Nueces County Hospital District Bank's public funds entity customer ("Customer") Capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Agreement and the Bank's Public Funds Entity Depository Agreement (the "Depository Agreement").

WHEREAS, Customer and Bank hereto now desire to amend the Agreement as set forth in this Addendum and as of the date first set forth above as a condition of Bank providing, at its sole discretion, the ability to add the Bank of New York Mellon as a Custodian for the Eligible Collateral securing public fund entity deposits; and

WHEREAS, Customer desires to add the Bank of New York Mellon as a Custodian for the Eligible Collateral securing public fund entity deposits;

NOW, THEREFORE, in consideration of the foregoing, of mutual promises of the parties hereto and of other good and valuable consideration the receipt and sufficiency of which are hereby acknowledged, the parties agree to amend the Procedures as follows:

1. Modification of the Agreement.

(a) The preamble to the Agreement is hereby amended and modified as follows:

FROST BANK, (the "Bank"), for valuable consideration, the receipt and sufficiency of which is acknowledged, grants a security interest in and a pledge and assignment of (a) any and all Eligible Collateral (as defined below) from time to time held by The Federal Reserve Bank, The Federal Home Loan Bank, and/or The Bank of New York Mellon (the "Custodian"), identified on the Custodian's books as held for the account of the Depositor or jointly for the account of the Bank and the Depositor, together with (b) the products and proceeds of the foregoing and any substitutions or replacements thereof, whenever acquired and wherever located (the "Collateral") to Nueces County Hospital District (the "Depositor"), in order to secure the payment when due, of the Deposits (as defined below) pursuant to the depository agreement ("Depository Agreement") between the Bank and the Depositor, dated of even date with this security agreement (the "Agreement");

2. Customer agrees that if it enters into this Addendum to add The Bank of New York Mellon as a Custodian that Customer will execute any additional documentation that either Bank or The Bank of New York Mellon may require.

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IN WITNESS WHEREOF, the Bank and Depositor have caused this Agreement to be duly executed as of the _____ day of __, 20 ____.

FROST BANK

By _____
Name: Van Carter
Title: Senior Vice President
Dated: _____

DEPOSITOR ACCEPTS AND AGREES
as of __, 20 ____

NUECES COUNTY HOSPITAL DISTRICT

By Jonny F. Hipp
Name: ~~Jonny F. Hipp~~ Jonny F. Hipp
Title: Administrator & CEO

**SCHEDULE A
SCHEDULE OF ELIGIBLE COLLATERAL**

Third Party Custodian Agreement (Collateralized Municipal Deposits) dated as of April 9, 2018, among
Frost Nueces County Hospital District

U.S. TREASURIES	Yes/No	Margin
BILLS	Y	102
BONDS	Y	102
NOTES	Y	102
STRIPS	Y	102
SYNTHETIC TREASURIES	N	
(e.g. CATS, COUGRS, TIGRS)		
AGENCY DEBENTURES		
FAMC (Fed Agriculture Mge Corp)	Y	110
FCFAC (Farm Credit Finan. Asst.)	Y	110
FFCB (Farm Credit System Banks)	Y	110
FaHHA (Farmers Home Admin.)	Y	110
FHLB (Federal Home Loan Banks)	Y	110
FHLMC (Federal Home Loan Mge)	Y	110
FICO (Financing Corporation)	Y	110
FLBB (Federal Land Bank Bonds)	N	
FNMA (Federal Nat'l Mge Corp)	Y	110
REFCO (Resolution Funding Corp)	N	
SLMA (Student Loan Mge Corp)	N	
TVA (Tennessee Valley Authority)	Y	110
USPS (U.S. States Postal Service)	N	
AGENCY STRUCTURED NOTES	N	
INTERNATIONAL AGENCIES		
ADBB (Asian Development Bank)	N	
AFDB (African Development Bank)	N	
IADB (Inter-American Dev. Bank)	N	
IFCO (International Finance Corp)	N	
WLDB (World Bank)	N	

GNMA	Yes/No	Margin
TRUST RECEIPTS	N	
GNMA VII-SINGLE FAMILY	Y	110
GNMA VII-OTHERS-FIXED RATE	Y	110
GNMA VII-OTHERS-ADJUST. RATE	Y	110
AGENCY MORTGAGE BACKS		
TRUST RECEIPTS	N	
PASS THROUGH-FIXED RATE	Y	110
PASS THROUGH-ADJUST. RATE	Y	110
MBS STRIPS (IO, PO, RECOMB)	N	
AGENCY REMICS/CMOS		
RESIDUALS	N	
INVERSE IO FLOATERS	N	
IOETTES	N	
INTEREST ONLY (IO)	N	
PRINCIPAL ONLY (PO)	N	
SUPER FLOATERS	N	
COMPANION FLOATERS	N	
SEQUENTIAL AND OTHER FLOATERS	Y	105
PAC & OTHER SCHEDULED FLOATERS	Y	105
Z BONDS	N	
COMPANION BONDS	N	
SEQUENTIAL BONDS	N	
TAC BONDS	Y	105
PAC & OTHER SCHEDULED BONDS	Y	105
MUNICIPAL BOND		
MUNICIPAL BONDS (≥ A)	Y	110
MUNICIPAL BONDS (≤ BB+, Ba1, BB+)	N	

PRIVATE LABELS CMOS	Yes/No	Margin
>BBB-, Baa3, BBB-	N	
≤ BB+, Ba1, BB+	N	
CMO TYPES:		
RESIDUALS	N	
INVERSE IO FLOATERS	N	
IOETTES	N	
INTEREST ONLY (IO)	N	
PRINCIPAL ONLY (PO)	N	
INVERSE FLOATERS	N	
SUPER FLOATERS	N	
COMPANION FLOATERS	N	
SEQUENTIAL AND OTHER FLOATERS	N	
PAC & OTHER SCHEDULED FLOATERS	N	
Z BONDS	N	
COMPANION BONDS	N	
SEQUENTIAL BONDS	N	
TAC BONDS	N	
PAC & OTHER SCHEDULED BONDS	N	
ASSET BACKED SECURITIES		
ASSET BACKED SECURITIES (≥BBB-, Baa3, BBB-)	N	
ASSET BACKED SECURITIES (≤ BB+, Ba1, BB+)	N	
CORPORATES		
CORPORATE BOND (≥BBB-, Baa3, BBB-)	N	
CORPORATE BOND (≤ BB+, Ba1, BB+)	N	
MEDIUM-TERM NOTE (≥BBB-, Baa3, BBB-)	N	
MEDIUM-TERM NOTE (≤ BB+, Ba1, BB+)	N	
MONEY MARKETS		
COMMERCIAL PAPER (≥A1/P1/F1)	N	
COMMERCIAL PAPER (≤A2/P2/F2)	N	
BANKERS ACCEPTANCE	N	
CD (DOMESTIC & EURO)	N	
BANK NOTES	N	

BUYER ACKNOWLEDGES AND AGREES THAT IF A CLASS OF SECURITY CONTAINS NEW ISSUES OF SECURITIES, SUCH NEW ISSUES OF SECURITIES SHALL BE DEEMED TO BE ELIGIBLE COLLATERAL.

[LOCAL GOVERNMENT]

Nueces County Hospital District

Jammy F. Hipp

By: Name: Jammy F. Hipp
Title: Administrator & CEO
Date: April 9, 2018

[BANK]

Frost

ACCEPTED:
THE BANK OF NEW YORK MELLON

By: Name: Van Carter
Title: Senior Vice President
Date: April 9 2018