

Texas Department of Housing and Community Affairs
MANUFACTURED HOUSING DIVISION
P. O. BOX 12489 Austin, Texas 78711-2489
(800) 500-7074, (512) 475-2200 FAX (512) 475-1109
Internet Address: www.tdhca.state.tx.us/mh/index.htm

LICENSING SECURITY AGREEMENT
(THIS “AGREEMENT”)

FINANCIAL INSTITUTION	DEPOSITOR
<i>Name</i>	<i>Name</i>
<i>Address</i>	<i>Address</i>
<i>City</i> <i>State</i> <i>ZIP</i>	<i>City</i> <i>State</i> <i>ZIP</i>
ACCOUNT	
Account number: _____	
Type of account: _____	
Account balance: U. S. \$ _____	
Required minimum balance: U. S. \$ _____	

This Agreement is a deposit account control agreement, and it is made an entered into this _____ day of _____, _____, by and between the above-named **Financial Institution** and the above-named **Depositor**. The Financial Institution and the Depositor do hereby certify, acknowledge, and agree as follows:

1. **General Nature of this Agreement:** This Agreement is entered into for the sole express purpose of using the above-described **Account** for the purpose of providing the required security, as specified in TEX. OCC. CODE, §1201.106, to enable the Depositor to meet the qualifications to apply for, receive, and hold a license under the Texas Manufactured Housing Standards Act, TEX. OCC. CODE, Chap. 1201 (the “Act”). This Agreement is a security agreement as that term is defined in Tex. Bus & C., Chap. 9 under which the Depositor grants to the Texas Department of Housing and Community Affairs, Manufactured Housing Division, acting by and through its executive director (the “Division”) the security interest in the Account described in Section 5, below. This Agreement is also a control agreement under which the Division is given “control” of the Account as “control” is defined in Tex. Bus. & C., Chap. 9.

2. **The Account.** The Financial Institution and the Depositor agree and certify that as of the date hereof:
 - a) the Account is maintained by the Depositor with the Financial Institution;
 - b) the Account is a deposit account as defined by Tex. Bus. & C., §9.102;
 - c) the Account is open and in good standing;
 - d) the Depositor is the sole depositor and sole owner of the Account;

- e) the balance of the Account is as set forth above;
- f) the Account has no stated maturity date;
- g) no person or entity other than the Division has control of the Account;
- h) except as provided for herein, the Account is not subject to any pledge, security interest, lien, charge, encumbrance, hypothecation, right of recoupment, right of set-off, or any other interest;
- i) no funds in the Account are proceeds in which any person or entity other than the Division has a security interest or lien of any kind;
- j) no fund will be deposited into the Account that constitute proceeds in which any person or entity other than the Division has a security interest or other lien;
- k) the Financial Institution is a bank as defined by Tex. Bus. & C., §9.102; and
- l) the Financial Institution has the State of Texas as its jurisdiction for purposes of Tex. Bus. & C., §9.304.

3) **Withdrawals by the Division:** The Division may, at any time, make withdrawals from the Account in order to reimburse the Texas Manufactured Homeowners' Recovery Trust Fund for amounts paid by that fund in accordance with the Act on account of an act or omission of the Depositor. Payment will be made to the Division upon the written demand of the Division, acting by and through its Executive Director at any time without notice to the Depositor and notwithstanding any instructions to the contrary by the Depositor or any other person or entity. The Division may make partial withdrawals from the Account, regardless of whether the balance of the Account is below, at, or above the required minimum balance specified above. Withdrawals need not be in any specified minimum amount or increment.

The Depositor and the Financial Institution agree that the Financial Institution will comply with all instructions originated by the Division directing the disposition of funds from the Account without further consent by the Depositor or any other person or entity. Without limiting the generality of the foregoing, the Division may direct the Financial Institution to stop payment on instruments drawn on the Account and direct the transfer of funds from the Account even if such withdrawal will cause subsequently issued or presented items to be dishonored for lack of funds. In the event of any conflict between instructions from the Division with instructions from anyone else, the Division's instructions will be controlling.

The Depositor, the Division and the Financial Institution acknowledge and agree that the Division has "control" of the Account (as such term is used in Tex. Bus. & C. Chapter 9), and that the Division's security interest in the Account is perfected by reason of such control.

4) **Maintenance of required balance:** The Depositor is required to maintain the balance of the Account at or above the above-described minimum balance, and the Depositor agrees and undertakes to do so. If the Depositor fails to do so, the Division may withdraw the entire remaining balance of the Account.

5) **Security Interest:** The Depositor hereby grants the Division a security interest in the Account, together with all funds hereafter deposited to and all interest earned on or credited to the Account) to secure the obligations of the Depositor under the Act and to secure the right of the Division to withdraws funds from the Account and apply such funds to the reimbursement of the Texas Manufactured Homeowners' Recovery Trust Fund as provided for herein. The Financial Institution hereby acknowledges and consents to the creation of such Security Interest.

6) **Subordination:** The Financial Institution hereby subordinates any security interest, lien or other interest it may now or hereafter acquire in the Account to the rights of the Division under this Agreement. The Depositor acknowledges and consents to this subordination. This subordination shall remain in effect so long as this Agreement remains in effect.

7) **No other security agreements:** The Depositor has not granted and will not grant any other person or entity a security interest in, lien upon, or other interest in the Account. The Financial Institution will not enter into any agreement accepting or agreeing to the granting by Depositor to any other person or entity of a security interest in, lien upon, or other interest in the Account.

8) **Maintaining the Account:** The Financial Institution and the Depositor agree that the Depositor shall not be allowed to close the Account. The Depositor will not make any withdrawal from or write any check or other order on the Account. The Financial Institution will not permit any withdrawal from the Account by any person or entity other than the Division or honor any check or other order on the Account by a person or entity other than the Division.

9) **Statements:** The Financial Institution shall the Division a copy of each statement on the Account that it sends to the Depositor.

10) **Miscellaneous:**

- a) Captions are for convenience only and are not to be considered in construing this Agreement.
- b) This Agreement is binding on the Depositor and the Financial Institution and their respective representatives, heirs, successors, and assigns.
- c) This Agreement is made and entered into in the State of Texas and is subject to the laws of the State of Texas, except as federal law may otherwise apply.
- d) Venue for any proceedings in any way relating to his Agreement lies exclusively in the District Court for and in Travis County, Texas.
- e) If any provision hereof is found to be illegal, invalid, or unenforceable, such illegal, invalid or unenforceable portion shall be reformed to be legal, valid, and enforceable and to effectuate to the fullest extent possible the purposes expressed herein.
- f) This Agreement may not be modified or have any provision hereof waived in anyway without the express, prior, written consent of the Division which may be withheld without need of any reason.
- g) This Agreement has been entered onto the official books and records of the Financial Institution.

11) **Authority:** Each party to this Agreement represents and warrants to the other parties to this Agreement that:

- a) The execution, delivery, and performance of this Agreement has been duly authorized by all necessary corporate and other action;
- b) The execution, delivery, and performance of this Agreement will not violate any legal requirement or agreement to which are subject; and
- c) Any individual executing this Agreement on behalf of any business entity has been duly elected or appointed, is currently serving, and possesses all required power and authority to execute, deliver, and cause this Agreement to be performed by the business entity on behalf of which he or she is executing this Agreement.

IN WITNESS WHEREOF, the Financial Institution and the Depositor, each intending to be legally bound, have executed this Agreement effective as of the date first specified above.

Financial Institution

Depositor (if Depositor is an individual)

By: _____
Signature

Signature

Name: _____

Title: _____

Depositor (if Depositor is a business entity)

By: _____
Signature

Name: _____

Title: _____

The Texas Department of Housing and Community Affairs, Manufactured Housing Division executes this Agreement solely for the limited purposes of agreements to such provisions as are necessary to make this Agreement binding and effective as a security agreement and control agreement.

**Texas Department of Housing and Community Affairs,
Manufactured Housing Division**

By: _____