

UPSHUR COUNTY, TEXAS

DEPOSITORY CONTRACT

JUNE 01, 2023 – MAY 31, 2027

WHEREAS, the Commissioner's Court of Upshur County, Texas has published notices asking that sealed bids be submitted preparatory to the selection by the Commissioner's Court of a County Depository, as is required by law. Said notice stating, among other things, that the Depository thus to be selected by the Commissioner's Court should be the Depository for County funds, money collected and held by any district, county or precinct officer and funds belonging to any district or other municipal subdivision not selecting its own depository, as required under Chapter 116, Subchapter B of the Texas Local Government Code, and that the amount of such monies for which the depository should furnish security are approximately:

Funds belonging to Upshur County, which shall also cover the funds deposited by all offices of the County, shall have a minimum market value of collateral of 102%. (This includes Permanent and Available School Funds, Trust and Agency Funds in the County and District Clerk Offices for investments.)

WHEREAS, First National Bank of East Texas, a national banking corporation domiciled in the City of Gilmer, Upshur County, Texas submitted its written bid in response to said notice, which was received by said Commissioner's Court and entered upon its Minutes; and said Commissioner's Court by this order has accepted the bid of First National Bank of East Texas, on April 14, 2023, designated said First National Bank of East Texas as County Depository and as the Depository for the funds herein above mentioned.

WHEREAS, said First National Bank of East Texas, which for brevity is hereinafter sometimes referred to as Bank and sometimes as Depository, hereby accepts said designation as the depository for the public funds herein above mentioned and agrees to serve as such until sixty (60) days after the time fixed by law for the next selection of a depository, which statutory time is presently June 1, 2027, or until such time as a new bank has qualified as County Depository, whichever should sooner occur. First National

Bank of East Texas desires to qualify as such depository by pledging, with the Commissioner's Court, securities in the amount provided by law under Chapter 116, Subchapter C of the Texas Local Government Code, but limited to United States Government bonds, notes, and bills, United States Agencies, Federal Housing Authority bonds, Farmer's Home Administration notes, Federal National Mortgage Association bonds, and Municipal Securities bearing Moody's AA or better rating. Such securities so pledged shall be deposited in Trust with TIB Independent Bankers Bank without expense to the County under an appropriate contract to be drawn conformably to the requirements of the Depository Law and in accordance with this contract. The amount of securities so pledged shall be determined by their market value.

NOW, THEREFORE, in consideration of the premises, and for the purposes and upon the conditions herein stated, First National Bank of East Texas does hereby assign to and pledge with Upshur County and the Commissioner's Court thereof security as follows:

See attached schedules of securities, said securities being of kind and character authorized to be thus pledged by Chapter 116, Subchapter C of the Texas Local Government Code, and as amended by the Legislature of said State, but limited to the kind and character stated herein. First National Bank of East Texas as such Depository hereby acknowledges itself duly and firmly bound for the faithful performance of all of the duties and obligations devolving by law upon it as such Depository; that all funds deposited with it as Depository and accounted for according to law; that with respect to the funds belonging to the County, or under its jurisdiction and control, it will pay upon presentation all checks and drafts drawn on said Depository by the County Treasurer of said County, when sufficient funds are on deposit therewith.

When the securities pledged hereunder shall be in excess of the amount required under the provisions of Chapter 116, Subchapter D of the Texas Local Government Code, and other pertinent statutes, the Commissioner's Court shall permit the release of such excess. When the funds on deposit with said Depository Bank shall for any reason increase beyond the amount of security provided, said Bank shall immediately pledge additional securities to the Commissioner's Court hereunder to the end that securities pledged shall at no time be less than the total amount of funds on deposit in the Depository Bank and covered by this Depository Contract. The Bank shall have the right of substituting other securities for those herewith pledged, or any part thereof, provided the securities substituted meet the requirements of the law and this contract and are approved by the Commissioner's Court. The pledge of

securities therein mentioned is for the purpose of securing the faithful performance by said Bank of its duties as Depository as herein set forth. A monthly statement listing securities and their market value shall be submitted to the County Treasurer upon request.

In keeping with the bid proposal filed by the Bank with the Commissioner's Court, the Bank agrees to:

Pay interest on "Demand Deposits"/Transaction Accounts of the County, to the extent permitted by applicable laws and regulations on any accounts with any balance. Interest will be paid at a rate as quoted on First National Bank of East Texas depository bid. Should banking regulations permit obligation during the life of this contract, we will be so bound.

Bank statements will be picked up on a monthly basis, and interest will be computed and paid on a monthly basis for all accounts, Upshur County Operating Account, Upshur County Insurance Account, Upshur County Payroll Clearing Account, Upshur County IRC/125 Account, Upshur County Insurance Clearing and any new accounts for the Upshur County Treasurer. All other existing accounts held by other Upshur County Departments with any balance, interest and bank statements will be computed and paid on the last day of the month.

The Bank reserves the right to require seven (7) days notice prior to withdrawal or transfer of funds from these "Demand Deposits"/Transaction Accounts. The Bank also agrees to pay interest on the "Time Deposits". To the extent permitted by applicable laws and regulations, interest on each time deposit will be paid at the following per annum rates, computed on the basis of a three hundred sixty five (365) day year and paid to the County on any schedule specified by the County so long as the method specified is permitted under applicable laws and regulations:

DEPOSITORY BANK CERTIFICATES OF DEPOSIT

VARIABLE AND FIXED RATE QUOTES:

See Attached

	<u>Variable Interested Rate</u>	<u>Fixed Int. Rate</u>	<u>Minimum Balance</u>
First Class Checking	N/A	N/A	N/A
Money Market Deposit Account	N/A	N/A	N/A
Super Now	N/A	N/A	N/A
Money Market Checking Account	N/A	N/A	N/A
Now Checking Account	N/A	N/A	N/A

CERTIFICATED OF DEPOSIT – FIXED INTEREST RATE:

See Attached

	<u>Less than \$100,000.00</u>	<u>More than \$100,000.00</u>
1. Maturity 1-29 days	N/A	N/A
2. Maturity 30-59 days	N/A	N/A
3. Maturity 60-89 days	N/A	N/A
4. Maturity 90-179 days	N/A	N/A
5. Maturity 180-364 days	N/A	N/A
6. Maturity 365+ days	N/A	N/A

CERTIFICATE OF DEPOSIT – VARIABLE INTEREST RATE:

See Attached

	<u>Less than \$100,000.00</u>	<u>More than \$100,000.00</u>
1. Maturity 1-29 days	N/A	N/A
2. Maturity 30-59 days	N/A	N/A
3. Maturity 60-89 days	N/A	N/A
4. Maturity 90-179 days	N/A	N/A
5. Maturity 180-364 days	N/A	N/A
6. Maturity 365+ days	N/A	N/A

FINANCING:

If the County requires borrowing during the contract time frame, the interest rate and terms on new borrowing will be at negotiated rate and term.

If the County elects to name the Bank as paying agent on County Bonds, the Bank agrees to serve as paying agent on such bonds and interest coupons without charge.

All Trust-Fund Accounts held by the Upshur County Clerk, District Clerk, and all Available and Permanent School Fund Accounts for Upshur County as bid under Section II & III are also considered under this contract.

The Bank will handle any and all deficiency warrants as may be issued by Upshur County, when presented to said Bank for payment, until the date payment is made by the Treasurer of Upshur County. County indebtedness may be transferred, at no additional charge, to designated Depository with interest charged at Prime Rate as published in the WALL STREET JOURNAL. Interest rate on new borrowing will be 70% of the posted Prime Rate in the Wall Street Journal.

The Bank agrees to the following charges/terms as per the bid submitted the Bank:

The Bank agrees to pledge the minimum market value of collateral of 102% of County deposits.

Stop payments will not be accepted orally, but made in person by the Treasurer or an assignee in written form at no cost. The Bank will require stop payments be placed on each item the County wishes not to be paid. Stale Dated list of checks will be accepted by the Bank one time a year at no charge.

The Bank will provide the County with Payroll Direct Deposit for all employees to which ever bank they use.

Wire Transfer services will be free of charge per transaction (domestic).

ACH Transactions are free of charge.

Upshur County accounts will not accrue service fees.

The Bank will furnish deposit slips, deposit books, and checks free of charge.

Endorsement stamps are at no cost to the County.

Night depository services will be furnished; including cash bags for daily deposits and bags and keys at no cost to the County.

The Bank will furnish Safe Deposit Box of adequate size and number in Gilmer free of charge.

Upshur County will not be charged fees on accounts that are overdrawn for short periods of time.

Courier services are provided for Upshur County.

Coin counting and wrapping of all change and currency wrappers will be at no charge.

Online Banking services will be provided at no charge.

There is no charge for Cashiers Checks.

First National Bank will furnish front and back optical imaging for checks and deposit slips at no charge.

Should Upshur County consider credit card payments, this would be with a vendor chosen by First National Bank of East Texas. Pricing would be reviewed and information would be provided by the Bank.

The Depository Bank will credit all cash, check, money orders, etc., directly to the account of Upshur County. Deposits received before the Bank's established deadline will be credited daily at no charge.

The Commissioner's Court reserves the right to direct the County Treasurer to withdraw any amount of funds of the county that are deposited in the County Depository and that are not required immediately to pay obligations of the County, and invest those funds in direct debt securities of the United States.

If First National Bank of East Texas shall faithfully do and perform all the duties and obligations devolving on it by law as the County Depository of Upshur County, and shall upon presentation pay checks drawn on it by the County Treasurer of Upshur County, Texas on "Demand Deposits"/Transaction Accounts in such Depository, and shall faithfully keep said County funds, and accounts in such Depository, and shall account for same according to law, and account for all funds belonging to the County which are deposited with it under the requirements of Chapter 116 of the Texas Local Government Code, and shall include State Funds collected, and shall pay the interest at the rate herein above stipulated on the "Time Deposits and Demand Deposits", and shall at the expiration of the term for which it has been chosen, turn over to its successor all the funds, property, and other things of value coming into its hands as Depository, then and in that event this Contract is to be and becomes null and void and the securities above shall be returned to the pledger. Should First National Bank of East Texas default in the payment of any checks properly drawn upon it, or default in the payment of any "Time Deposit", "Demand Deposit", or any other account upon proper presentation, providing such account or accounts be not overdrawn, or otherwise default in the performance of any obligation or duty of the Bank under Texas Statutory Law or under the terms of the Depository Contract, then in such event, County shall have all the rights and remedies of a "Secured Creditor" under Chapter 9 of the Texas Business and Commerce Code, and other rights it may have under law.

Any suit arising out of or in any way connected with the Contract shall be tried in the County of Upshur and State of Texas in any Court therein having jurisdiction of the subject matter thereof.

FURTHERMORE, the pledge of the securities there under shall extend to cover and secure all funds of governmental agencies authorized by law to be collected by the County Tax Collector, which he/she may collect and deposit as authorized by law with the Bank as County Depository.

Upshur County reserves the right to make investments outside the Depository Bank in accordance with the Laws of the State of Texas and the Investment Policy of Upshur County. The Depository Bank must be able to provide the necessary wire transfer service and third party safe-keeping of outside purchased securities by Upshur County either at the Depository Bank, or a third Party Financial Institution, or

with a Federal Reserve Bank. All investment purchases of Government Securities shall be made on a delivery versus payment basis.



**First National Bank
of East Texas**

Together, We're Better

Date: 03/10/20
To: Upshur County
From: Mack Dean SVP/CFO
Subject: Depository Bid Rates 2023

Variable Interest Rate Earnings (NOW, MMDA, SAV):

FNBETX current sheet rate plus .25% at time of account opening or contract renewal.

- Rate is subject to change up or down
- Example – current sheet rate is .10% plus .25% margin = .35%

Certificates of Deposits:

FNBETX current sheet rate plus .50% at time of account opening.

- Rate is not subject to change during the original term of the COD
- Example (24-month Jumbo) – current sheet rate is 2.75% plus .50% margin = 3.25%

Loan Interest Rates:

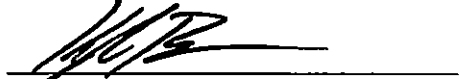
United States published prime rate at the time of account opening with a maturity of less than a year.

- Current prime rate is 8.00%
- Payment terms will be discussed at the time of account opening
- Maturities greater than a year will be discussed on an individual basis

Mack Dean
SVP/CFO
First National Bank of East Texas
mdean@fnbetx.com
903-843-4156

IN TESTIMONY WHEREOF, witness the signature of the First National Bank of East Texas of Gilmer, Texas on this the 09 day of May, 2023, acting by and through its officers, who are hereunto duly authorized by resolution of the Bank's Board of Directors, and of Upshur County, acting by and through its Commissioner's Court, and pursuant to order of said Commissioner's Court dated the 15th day of May 2023.

FIRST NATIONAL BANK OF GILMER



KYLE BOWDEN
SENIOR VICE PRESIDENT/CHIEF OPERATING OFFICER

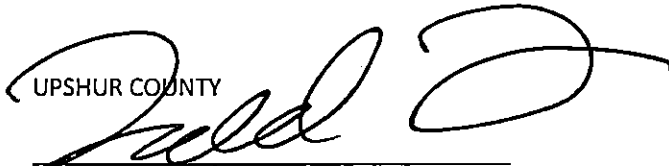
ATTEST



DANNY WEEMS
PRESIDENT & CHIEF EXECUTIVE OFFICER

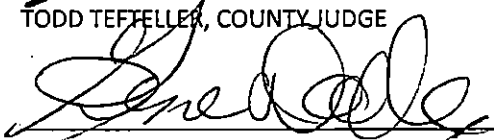
(SEAL)

UPSHUR COUNTY

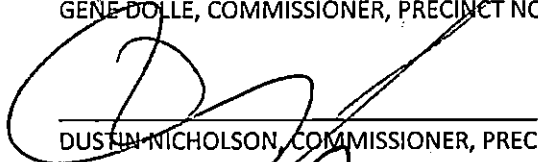


TODD TEFELLER, COUNTY JUDGE

COUNTY CLERK



GENE DOLLE, COMMISSIONER, PRECINCT NO. 1

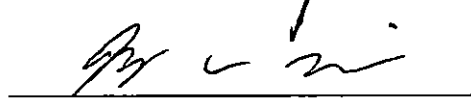


DUSTIN NICHOLSON, COMMISSIONER, PRECINCT NO. 2

(SEAL)



MICHAEL ASHLEY, COMMISSIONER, PRECINCT NO. 3



JAY W. MILLER, COMMISSIONER, PRECINCT NO. 4