



DEPOSITORY CONTRACT
BETWEEN JACK COUNTY
AND

WHEREAS, the Commissioners Court of Jack County, Texas has published notices asking that sealed bids be submitted to it, preparatory to the selection by the Commissioners' Court of a County Depository, as is required by law, said notice stating, amount other things, that the depository thus to be selected by the Commissioners' Court should be the depository for County money, money collected and held by the Tax Assessor-Collector pending distribution, money deposited in the several "county funds", as required by State of Texas statutes, and trust funds in possession of the county and District clerks of Jack County, Texas, as required by Chapter 116, V.T.C.A. Local Government Code, and other County trust and agency funds; and

WHEREAS, _____, a state banking association domiciled in the City of Jacksboro, Jack County, Texas, submitted its written bid in response to said notice, which was received by said Commissioners' Court and entered upon its Minutes; and said Commissioners' Court, by its motion entered to that effective on _____, 2017, accepted the bid and application of _____, and on _____, 2017, designated _____ as County Depository and as the depository for the funds hereinabove mentioned; and

WHEREAS, said _____, hereinafter sometimes referred to as "Bank" and sometimes as "Depository", hereby accepts said designation as the Depository for the public funds hereinabove mentioned, to serve as such for the period of four (4) years from the time fixed by law for the next selection of a depository, and desires to qualify as such Depository by pledging with the Commissioners Court such securities as may be permitted by law in lieu of its furnishing a personal bond or surety bonds, the securities thus pledged by said bank to the Commissions Court to be deposited and held for safekeeping in the manner hereinafter provided, and which securities shall always have a fair market value of at least ten percent (10%) above the total dollar sum of funds Jack County has on deposit in the Bank at any given time;

NOW THEREFORE, in consideration of the premises and for the purposes and upon the conditions herein stated, _____, and the County of Jack, State of Texas, agree as follows:

1. Bank hereby acknowledges itself duly and firmly bound for the faithful performance of all duties and obligations devolving by law upon it as such depository; that all funds accepted by it for deposit as such Depository shall be faithfully kept by it as such 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, on presentation, all checks and drafts drawn upon it as such Depository, by the County Auditor and County Treasurer or by competent authority when collected funds are on deposit therefore; and that, with respect to other funds, it will pay such warrants as may be drawn thereon by competent authority, when collected funds are on deposit therefore. Bank shall use due diligence to collect all checks, drafts and demands for money accepted by it for deposit. All deposits accepted by Bank pursuant hereto shall be entitled to same day credit if made by Bank's deadline. The pledge of securities herein mentioned is for the purpose of securing the faithful performance by Bank of its duties as Depository as herein set forth and in accordance with Chapter 116, V.T.C.A. Local Government Code.
2. It is agreed that all suits arising on or under this Depository Contract shall be filed and tried in Jack County, Texas, in any Court therein having jurisdiction of the subject matter thereof, and this contract is performable wholly in Jack County, Texas.
3. Bank's Application /Bid for Depository Contract is attached hereto as Exhibit "A" and is incorporated herein for all purposes; however, to the extent that any provision therein conflicts with any provision herein, the Depository Contract will control.
4. In keeping with the bid/ application filed by the Bank with the Commissioners' Court, the Bank agrees to pay interest to the County on collected funds accepted for deposit pursuant hereto for the period of four (4) years effective June 1, 2017, through May 31, 2021 (at which time renegotiations shall be made allowing for an extension of contract between Bank and Jack County). The Bank agrees to provide and shall furnish to Jack County all banking services to Jack County at the stated fees set forth in the bid/ application and any services not delineated are provided without change.
5. All County funds shall be fully collateralized or insured consistent with federal and state laws. To anticipate possible market changes and insure the security of funds, the collateralization level shall be 110% of **market value** of principal and accrued interest on deposits less the amount provided by the Federal Deposit Insurance Corporation. All securities pledged by the Depository shall be held in a safekeeping account subject to the control and custody of the County, specifically a third party financial institution with the Federal Reserve Bank or the Federal Home Loan Bank,

with receipts of such safekeeping to be delivered immediately to the Jack County Treasurer.

6. Bank shall execute and deliver to the Commissioners' Court, for the purpose of securing the funds accepted for deposit pursuant hereto, a County Depository Pledge Contract in the form of Exhibit "B" attached hereto and made a part hereof covering such securities as are permitted by law to be pledged for such purposes.
7. When the securities pledged hereunder shall be in excess of the amount required under this Contract, the Commissioners' Court shall permit the release of such excess and such excess shall be surrendered to the Bank. When the funds on deposit with the Depository shall for any reason increase beyond the amount of security of such deposits, the Bank shall immediately pledge additional securities with the Commissioners' Court hereunder to the end that securities pledged on deposit in the Depository 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 are approved by the Commissioners' Court.
8. Jack County reserves the right to invest or deposit a portion of its funds in government securities and financial instruments of other financial institutions as allowed by state law covering the investment of County funds.
9. The Bank acknowledges that a qualified representative of the Bank has received and reviewed the County's Investment Policy and the Bank has implemented reasonable procedures and controls in an effort to preclude investment transactions conducted between the entity and the organization that are not authorized by the entity's investment policy, except to the extent that this authorization is dependent on an analysis of the makeup of the entity's portfolio or requires an interpretation of subjective investment standards.
10. If the Bank shall faithfully do and perform all the duties and obligations devolving on it by law as the County Depository of Jack County and shall, upon presentation, pay checks drawn on it against collected funds by both the County Auditor and County Treasurer of Jack County, Texas, or another proper authorized official in the case of trust or agency accounts, on "demand deposit," and shall faithfully keep said County funds and account for same according to law, and shall faithfully keep and account for all funds belonging to Jack County which are accepted by it for deposit under the requirements of Chapter 116 V.T.C.A. Local Government Code, and shall include State funds and all funds of governmental agencies authorized by law to be collected

by the Tax Assessor-Collector, and shall pay the interest at the time and at the rate hereinabove stipulated on "time deposits" and "demand deposits," and shall turn over to its successor all the funds, property, and other things of value coming into its hands as Depository, then, in that event, this Contract as to pledge of securities shall, to that extent, become null and void and the securities so pledged shall be returned to the Bank; otherwise to remain in full force and effect, hereby specially authorizing the Jack County Commissioners' Court, in the event of Bank's default in the performance of such duties and obligations, to sell at public or private sale, with or without notice, the securities, or any part thereof, and apply the proceeds of the sale to the satisfaction of any indebtedness or other claim arising by virtue of the violation of any or all of the conditions of this Contract. The above provision is given in addition to any remedy the pledge may have in any suit brought on this Contract in any court in this State.

11. If the Bank closes and reopens under another name, this contract will be assigned to that successive bank for all purposes.
12. The pledge of the securities pursuant hereto shall extend to, cover, and secure all funds accepted for deposit pursuant hereto.
13. Furthermore, the pledge of the securities pursuant hereto shall extend to, cover, and secure all funds of governmental agencies authorized by law to be collected by the County Tax Assessor-Collector, which he may collect and deposit as authorized by law with the Bank as County Depository.
14. The Bank certifies that no officer or director thereof is a member of the Commissioners' Court of Jack County, Texas.
15. This contract is subject to, and incorporates, the current laws governing the relationships between counties, depositories and custodians/trustees and related entities as established by the Texas Local Government Code and the Vernon's Annotated Texas Civil Statutes and any amendments or revisions thereto. Bank warrants and represents that it shall comply with all applicable laws, rules and regulations which govern or apply to this Contract.
16. All notices, demands, or other writings may be delivered by any party hereto to the other, by United States Mail or other reliable courier at the following address:

To Depositor: Jack County, Texas
 Attention: Judge Mitchell G. Davenport

100 N. Main St., Ste. 206
Jacksboro, TX 76458

To Bank: _____

To Trustee(s): _____

The address to which any notice, demand, or other writings may be delivered to any party as above provided may be changed by written notice given by such party as above provided.

- 17. Bank represents that the collateral pledged to Depositor is not otherwise assigned, pledged or encumbered and that no lien, or security interests exist other than the security interest held by the Depositor pursuant to this agreement. Possession of the collateral by the Trustee is intended as perfection of Depositor's security interest therein. Bank warrants that the collateral (in the form and amount required by law) is held by Trustee(s) for the benefit of Depositor and as security for Depositor's funds.
- 18. The parties agree to comply with all the requirements set forth in the Financial Institution Reform Recovery and Enforcement Act (FIRREA) of 1989, Federal P.L. 101-73.
- 19. This agreement shall be approved in writing at a meeting of the Bank's Board of Directors or loan committee and documented in the minutes of the meeting. A certified copy of a resolution from the minutes of the meeting that documents its approval of Contract must be provided to Jack County Commissioners' Court.

IN TESTIMONY WHEREOF, witness the signatures this ____ day of _____ 2017, of the Bank's Board of Directors for _____; and of the County of Jack, State of Texas, acting by and through its County Judge and Commissioners' Court, and pursuant to the resolution of said Commissioners' Court dated the ____ day of _____ 2017.

Bank: _____

By: _____ Title: _____

Jack County

By: _____ Jack County Judge

Mitchell G. Davenport

Attest:

By: _____ Jack County Clerk

Vanessa James

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF JACK

BEFORE ME, on this day personally appeared _____, of _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he (she) executed same as the act and deed of _____, a state banking association, for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said state banking association.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this _____ day of _____, 2017.

Notary Public in and for the State of Texas

My Commission Expires:

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF JACK

BEFORE ME, on this day personally appeared MITCHELL G. DAVENPORT, JACK COUNTY JUDGE, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he (she) executed same as the act and deed of the County of Jack, State of Texas, for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said County of Jack, State of Texas.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this _____ day of _____, 2017.

Debra Tillery, Texas Notary Public
My commission expires: May 4, 2020

Exhibit "A"

[Attach Bank's Application /Bid for Depository Contract is attached hereto and labeled as Exhibit "A"]

EXHIBIT "B"

STATE OF TEXAS §

COUNTY OF JACK §

KNOW ALL MEN BY THESE PRESENTS:

COUNTY DEPOSITORY PLEDGE CONTRACT

THIS AGREEMENT, made and entered by and between _____, hereinafter called "Bank", and Jack County, a body corporate and politic under the laws of the State of Texas, hereinafter called "County".

WITNESSETH:

WHEREAS, the Bank has submitted its application for bank depository for funds of the County; and

WHEREAS, the Bank was on the ___ day of _____, 2017, duly and legally chosen by the Commissioners' Court of Jack County, Texas, as County Depository for said County for the period of four (4) years commencing on June 1, 2017, ending sixty (60) days from the time fixed by law for the next selection for depository, upon its bidding and agreeing to pay the County of Jack interest on "time deposits" and "demand deposits" (as these terms are defined in V.T.C.A. Local Government Code, section 116.001), as more fully set forth in that certain Depository Contract dated _____, 2017 executed by and between the Bank and Jack County, reference to same being herein made for the terms and provisions thereof;

WHEREAS, the Bank desires to qualify as the Depository for funds of the County;

NOW, THEREFORE, KNOW ALL MEN BY THESE PRESENTS: that in consideration of the mutual covenants, agreements and benefits to both parties, It is agreed as follows:

That _____, Jack County, Texas, hereby pledges, assigns, transfers, delivers, and deposits the securities set forth on Exhibit "A" attached hereto, and incorporated by reference in this Contract as though fully and correctly set forth herein, with the Commissioners' Court of Jack County, Texas, upon the terms and conditions and for the purposes hereinafter set forth.

For the purpose of safekeeping, the pledged securities in Exhibit "A" have been deposited in the _____ (hereinafter "Trustee"), under the control of the County, subject to the terms and conditions hereof. All rights, title and interest that the Bank may have in and to the securities pledged hereunder, by substitution or otherwise, that the Bank may have under or pursuant to an agreement with the Trustee or any other bank are hereby assigned and transferred to the County. Furthermore, in the event of any conflict between the provisions of this contract and any agreement between the County, the Bank and Trustee, whether made prior to or subsequent to this contract, relating to said securities or the safekeeping thereof by Trustee or any other bank, the provisions of this contract shall control. It is understood, however, that the provisions of this contract are not intended to contradict or conflict with any state or federal regulation which the Bank may be subject to, and in the event of any such conflict, said regulations will prevail. In addition to or in lieu of the securities hereby pledged, the Bank may furnish to the County one or more surety bonds to secure the funds of the County. All securities, now and hereafter pledged, assigned and transferred by the Bank to County under or pursuant to this contract, shall be security for funds which county may have on deposit with the Bank and secure all other duties and obligations of the Bank to County regardless of whether such deposits were made under the hereinabove-mentioned application and bidding process or were made pursuant to this depository pledge contract, any other depository pledge contract between County and Bank or otherwise, with the same force and effect as if all such deposits had been made under and pursuant to the above-mentioned application and bidding process and this contract.

This Agreement shall remain in full force and effect so long as the Bank shall faithfully do and perform all the duties and obligations devolving by law upon such depository and shall pay against collected funds upon presentation, all checks drawn upon and "demand deposit" account in such depository by both the County Auditor and County Treasurer of Jack County, or another proper authorized official in the case of trust or agency accounts, and pay over, at maturity, all collected funds held on "time deposit", and that said County funds accepted by it for deposit shall be faithfully kept by said depository and accounted for according to law, and shall include State funds and all funds of governmental agencies authorized by law to be collected by the Tax Assessor-Collector, and shall pay the interest at the time and at the rates specified in the Depository Contract for "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 hand as depository, then, and in that event, this Contract shall be null and void and the securities pledged pursuant thereto shall be returned to the Bank. It is expressly understood and agreed that if the Bank fails to faithfully do or perform any of the duties or obligations devolving on it by law as depository of the County, or fails on presentation to pay any check drawn on collected funds by the duly authorized officers of the County, or fails to faithfully keep or account for all funds deposited with it under the provisions of Chapter 116, Texas Local Government Code, and amendments thereto, or fails to pay interest at the time or at the rates hereinbefore stipulated, or shall otherwise fail to comply with any of the requirements of the depository law governing county depositories in Texas, or fails at the expiration of the

term for which it was chosen to turn over to its successor, or successors, all funds, property and things of value coming into its hands as depository, or otherwise defaults in the performance of this contract, then in that event, the Commissioners' Court of Jack County shall be authorized and have the power to sell at public or private sale all of the securities pledged hereunder, by substitution or otherwise, or any part thereof and to apply the proceeds of sale to the satisfaction of any indebtedness arising by virtue of the violations of any or all of the conditions of this contract. Without limiting the above right and power of the County to sell at public or private sale the securities pledged hereunder, by substitution or otherwise, but to facilitate such sale, the Bank hereby appoints and designates Jack County as its agent and attorney-in-fact to sign, endorse, execute, acknowledge and deliver such securities, all checks and other documents evidencing the payment of interest on such securities and other instruments in writing of whatever kind and nature as may be necessary or proper in the exercise of the rights and powers herein granted, to do any all things reasonable necessary or desirable to expedite or facilitate a transfer or any such security and to obtain the transfer thereof on the books of the registrar of any such security of the County. It is the intention of the bank to hereby assign, transfer and deliver the securities pledged hereunder, by substitution or otherwise, and to authorize and empower the County to sell at public or private sale, said securities, with or without notice without any further authority or act of any kind whatsoever on the part of the Bank. However, should the County determine that some act on the part of the Bank would in any manner expedite or facilitate the transfer of such securities, then and in that event, the Bank will do each and every act that the County may request of the Bank to expedite or facilitate such transfer. It is expressly understood that all the rights, powers and authority herein conferred upon the County are cumulative with, and not in lieu of, any and all remedies provided by law. It is further expressly understood that the County may exercise any of the rights and remedies hereunder as to each and every security, and that the exercise of any right or remedy in regard to any one security shall not be deemed an election of rights or remedies as to any other security. Said securities shall stand as security for funds deposited in the Bank under the preceding depository pledge contract, if any, until said funds are accounted for by the Bank.

The Bank shall have the right to substitute eligible securities or any other form of security authorized by law for all or any part of the securities pledged hereunder. When an exchange is desired by the Bank, it shall make application to the Commissioners' Court of Jack County and submit a list of the securities proposed to be exchanged and the securities which it desires to withdraw. If the securities so proposed and tendered for substitution are of the kind, character, amount and value required by law, the Commissioners' Court shall enter its order granting such application and permitting such substitution. If such permission is granted and securities are substituted, the substituted securities shall thereafter be subject to all of the terms and conditions of this contract as fully as if originally pledged hereunder.

It is further understood by the County that some or all of the securities pledged under this agreement may pay certain sums of principal sequentially prior to final maturity ("paydowns"). Such paydowns should not be construed as maturities under the terms of this agreement, and the proceeds will be credited to the account of the Bank as received by the Trustee. It is the express responsibility of the Bank, however, to anticipate the effect of such payments upon total amounts pledged and assure that an adequate amount of securities are pledged at all times.

Any suit arising out of or in any way connected with this Contract shall be tried in the County of Jack and State of Texas in any court herein having jurisdiction of the subject matter thereof and this Contract is performable in Jack County, Texas.

The parties agree to comply with all the requirements set forth in the Financial Institution Reform Recovery and Enforcement Act (FIRREA) of 1989, Federal P.L. 101-73.

This agreement shall be approved in writing at a meeting of the Bank's Board of Directors or loan committee and documented in the minutes of the meeting. A certified copy of a resolution from the minutes of the meeting that documents its approval of this Contract must be provided to Jack County Commissioners' Court.

IN WITNESS WHEREOF, we have hereunto set our hands and the said Bank,
_____ has caused these presents to be signed with its name and by its
authorized officers and attested to and sealed with its corporate seal on this _____ day of
_____, 2017.

Bank: _____

By: _____ Title: _____

By: _____ Title: _____

THE WITHIN CONTRTACT is hereby approved this _____ day of _____, 2017, by Jack County Commissioners' Court granting the County Judge the authority to execute the agreement.

Jack County, Texas

By: _____ Jack County Judge

Mitchell G. Davenport

Attest:

By: _____ Jack County Clerk

Vanessa James

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF JACK

BEFORE ME, on this day personally appeared _____, of _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he (she) executed same as the act and deed of _____, a state banking association, for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said state banking association.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this _____ day of _____, 2017.

Notary Public in and for the
State of Texas

My Commission Expires:

ACKNOWLEDGEMENT

STATE OF TEXAS

COUNTY OF JACK

BEFORE ME, on this day personally appeared MITCHELL G. DAVENPORT, JACK COUNTY JUDGE, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that he (she) executed same as the act and deed of the County of Jack, State of Texas, for the purposes and consideration therein expressed, in the capacity therein stated, and as the act and deed of said County of Jack, State of Texas.

GIVEN UNDER MY HAND AND SEAL OF OFFICE on this _____ day of _____, 2017.

Debra Tillery, Texas Notary Public
My commission expires: May 4, 2020