

LEGEND BANK
Effective Date: 3-1-2017
INTEREST RATES SUBJECT TO CHANGE

RATE CODE	PRODUCTS	MINIMUM DEPOSIT TO OPEN	MINIMUM BALANCE TO EARN INTEREST	INTEREST RATE	ANNUAL PERCENTAGE YIELD (APY)*
CHECKING PRODUCTS					
11	Int Bearing/Individual, Business Interest, Pol. Subdivision, Com. Non-Profit, Legend Club Interest Checking, Senior Interest Checking	\$100.00	\$0.00 - \$25,000 \$25,001 - \$50,000 \$50,001 & GREATER	0.01% 0.01% 0.01%	0.01% 0.01% 0.01%
13	Money Fund/Individual, Commercial	\$2,500	\$2,500 - \$25,000 \$25,001 - \$50,000 \$50,001 & GREATER	0.05% 0.05% 0.05%	0.05% 0.05% 0.05%
70	Ultimate Checking (Non-Qualifying Rate)	100.00	\$0.00 & GREATER	0.01%	0.01%
71	Ultimate Checking (Qualifying Rate)	100.00	\$0.00 - \$10,000 \$10,001 & GREATER	1.01% 0.10%	1.01% 0.10%
72	Ultimate Saver (Non-Qualifying Rate)	100.00	\$0.00 & GREATER	0.01%	0.01%
73	Ultimate Saver	100.00	\$0.00 - \$10,000 \$10,001 & GREATER	0.40% 0.10%	0.40% 0.10%
76	Legendary Checking (Non-Qualifying Rate)	100.00	\$0.00 - GREATER	0.01%	0.01%
77	Legendary Checking (Qualifying Rate)	100.00	\$0.00 - \$25,000 \$25,001 & GREATER	1.98% 0.10%	2.00% 0.10%
28	Cash Management	\$10,000	LESS THAN \$10,000 \$10,001 - \$25,000 \$25,001 - \$50,000	N/A 0.10% 0.10%	N/A 0.10% 0.10%
37	Cash Management Pol. Subdivision	\$10,000	\$50,001 - \$500,000 \$500,001 & GREATER	0.10% 0.10%	0.10% 0.10%
SAVINGS PRODUCTS					
21	Regular Savings	\$250.00		0.05%	0.05%
	Minor Savings (17 years or less)	\$100.00		0.05%	0.05%
	Business Savings	\$500.00		0.05%	0.05%
11	Transaction Savings	n/a	\$0.00 - \$25,000 \$25,001 - \$50,000 \$50,001 & GREATER	0.01% 0.01% 0.01%	0.01% 0.01% 0.01%
IRA PRODUCTS					
19	6 MONTHS	\$500.00		0.30%	0.30%
20	12 MONTHS	\$500.00		0.45%	0.45%

27	18 MONTHS	\$500.00	0.60%	0.60%
22	18 MONTH VARIABLE	\$500.00	0.60%	0.60%
23	24 MONTHS	\$500.00	0.70%	0.70%
24	36 MONTHS	\$500.00	0.90%	0.90%
25	48 MONTHS	\$500.00	1.00%	1.00%
26	60 MONTHS	\$500.00	1.50%	1.50%

CERTIFICATE OF DEPOSIT (\$1,000.00 - \$99,999.00)**

RATE CODE	TERM	MINIMUM DEPOSIT TO OPEN	ANNUAL	
			INTEREST RATE	PERCENTAGE YIELD (APY) [‡]
8	7-31 DAYS	\$2,500.00	0.05%	0.05%
9	90 DAYS	\$2,500.00	0.10%	0.10%
10	6 MONTHS	\$2,500.00	0.30%	0.30%
1	12 MONTHS	\$1,000.00	0.45%	0.45%
6	18 MONTHS	\$1,000.00	0.60%	0.60%
2	24 MONTHS	\$1,000.00	0.70%	0.70%
3	36 MONTHS	\$1,000.00	0.90%	0.90%
4	48 MONTHS	\$1,000.00	1.00%	1.00%
5	60 MONTHS	\$1,000.00	1.50%	1.50%

CERTIFICATE OF DEPOSIT (\$100,000.00 & ABOVE)**

30	30 DAYS	\$100,000.00	0.05%	0.05%
31	60 DAYS	\$100,000.00	0.05%	0.05%
32	90 DAYS	\$100,000.00	0.10%	0.10%
33	6 MONTHS	\$100,000.00	0.30%	0.30%
34	12 MONTHS	\$100,000.00	0.45%	0.45%
38	18 MONTHS	\$100,000.00	0.60%	0.60%
39	24 MONTHS	\$100,000.00	0.70%	0.70%
40	36 MONTHS	\$100,000.00	0.90%	0.90%
41	48 MONTHS	\$100,000.00	1.00%	1.00%
42	60 MONTHS	\$100,000.00	1.50%	1.50%

SPECIAL 15 MONTH CD **(\$10,000 & ABOVE)

59	15 MONTHS	\$10,000.00	0.45%	0.45%
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BUMP RATE CERTIFICATE OF DEPOSIT ** (1,000.00 - \$99,999.00 AND \$100,000.00 & ABOVE)

Rate may change after the account is opened

2	24 MONTHS	\$1,000.00	0.70%	0.70%
39	24 MONTHS	\$100,000.00	0.70%	0.70%

TREASURY BILL RATE

TERM	DISCOUNT RATE	COUPON RATE
3 MONTHS	0.53	0.53
6 MONTHS	0.69	0.69

EARNINGS CREDIT RATE

29	0.44%
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MINIMUMS REQUIRED TO OPEN MOST ACCOUNTS. PLEASE SEE TERMS AND CONDITIONS FOR MORE INFORMATION ON ALL ACCOUNTS.

FOR ACCOUNTS WITH QUALIFYING RATES, CERTAIN RESTRICTIONS MUST BE MET--CONTACT US FOR MORE INFORMATION.

*ANNUAL PERCENTAGE YIELD (APY) - ACCURATE AS OF THE DAY OF POSTING AND SUBJECT TO CHANGE WITHOUT NOTICE.

APY ASSUMES THE PRINCIPAL AND EARNED INTEREST REMAIN ON DEPOSIT UNTIL MATURITY. FEES MAY REDUCE EARNINGS.

**THERE IS A PENALTY FOR EARLY WITHDRAWAL. RATES MAY CHANGE AFTER THE ACCOUNT IS OPENED. MEMBER FDIC

COUNTY OF CLAY, TEXAS

**INVITATION TO BID
FOR
DEPOSITORY BANKS
FOR CLAY COUNTY**

**Debra Alexander
Treasurer
Clay County
214 North Main Street
Henrietta, Texas 76365**

**Email: cctreasurer@claycountytx.com
Voice: 940-538-5911
Fax: 940-538-5991**

INSTRUCTIONS TO BIDDERS

Bid Title.....Depository Bank Contract
Bid Opening Date..... March 13 2017
Bid Opening Time..... 10:00 a.m.
Mark Envelope.....Depository Bids
Contact Person.....Debra Alexander, County Treasurer
Contact Number.....940-538-5911

Bids must be received in the County Judge's Office, ATTN: Judge Kenneth Liggett at the Clay County Annex, 214 North Main Street, Henrietta, Texas 76365 no later than the date and time specified above. Public opening of the bids will be held in the Clay County Commissioners Courtroom at that time.

The Commissioners Court of Clay County reserves the right to reject in part or in whole any or all bids, waive minor technicalities, and award the bid which best serves the interest of Clay County. Late bids will be returned to the Bidder unopened.

Bids may be withdrawn at any time prior to the official opening. Alterations made before the opening time must be initialed by Bidder to guarantee authenticity.

The undersigned agrees, if this bid is accepted, to furnish any and all services upon which fees or interest rates are offered and upon the terms and conditions contained in the specifications. The period for acceptance of this bid will be thirty (30) calendar days unless a different period is noted by Bidder.

Bids must be submitted on the attached Bid Worksheet. By returning the Bid Worksheet, the Bank certifies that:

- 1. All rates and fees bid are firm for one (1) month.
- 2. Award of contract(s) will be executed by the Clay County Commissioners Court and will be confirmed by an award letter.
- 3. Any deviation from these terms and conditions must be stated as such when returning the Bid Worksheet.

SPECIFICATIONS FOR DEPOSITORY BANKS

It is the intent of Clay County to execute a contract with a bank desiring to be designated as the County Depository Bank and or sub depository bank for our satellite locations if necessary. By returning the Bid Worksheet, Bank acknowledges that it understands the Revised Civil Statutes of Texas (Article 2544, et.seq. of the Revised Civil Statutes of Texas, as revised by Local Government Code, Chapter 116.000 through 116.155 as passed by the 70th leg. 1987; Article 2547 a, b, c; and Article 2558a et.seq.) that pertain to the managing and safekeeping of County funds and will comply with those statutes.

Duration: The Bank contract will be effective for a period of two (2) years or four (4) years, as awarded by Commissioners Court, and ending sixty (60) days from the time fixed by law for the next selection of a depository, with an option to renew for the same period as originally awarded if in the best interest of Clay County. If a timed deposit maturity extends beyond the expiration date of the depository contract, the depository will pledge sufficient securities required by law for public funds to Clay County to provide for the maturity of the time deposit.

Awarding Contract: Clay County will award the Bank Contract based on the following criteria:

1. Bank's past and prospective financial condition.
2. Net rate of return on county funds.
3. Ability to meet service requirements.
4. Cost of services.

Investments and Credit Card Services Made outside Depository Banks: Clay County reserves the right to make external investments and credit card services in accordance with the laws of the State of Texas and the Investment Policy of Clay County.

Submitting Financial Statements: All banks wishing to be designated as a Depository Bank must state the amount of the bank's paid-up capital stock and permanent surplus and must submit a statement showing the financial condition of the bank on the date of the application.

Good Faith Guarantee: Bank must submit with the Bid Worksheet a certified cashier's check in the amount of \$ 24291.78 (one-half of one percent of the county's revenue for the preceding year and one-half of one percent of the average daily balances of the County and District Clerk's Trust Accounts) payable to Kenneth Liggett, County Judge as guarantee of good faith. The check will be held by the County until a depository Bank is selected and the bond and/or security has been filed.

Payment for Services: Bank will specify fees required for services. Banking services not detailed on worksheet will be provided at no cost.

Amount to be Pledged: The initial amount of securities to be pledged against Clay County funds shall be adequate to fully collateralize the funds of Clay County and be no less than 110% of total deposits at market value and according to the laws of the State of Texas and shall continuously remain as such. This amount is subject to change as deposits fluctuate, with the approval of the Clay County Treasurer. Securities pledged must be held by a Third Party Bank approved by Commissioners Court or at the Federal Reserve Bank.

Interest and Interest Rate: Variable interest rate bids and fixed interest rate bids on accounts and certificates of deposit shall be quoted by bank. Clay County reserves the right to select the rate most favorable to the county at any time during the term of the contract, subject to banking laws.

Types of Interest Bearing Account:

Interest Bearing Checking Accounts: Clay County will have approximately thirty-five (35) accounts established under these specifications for disbursing checks written on Clay County funds. Checks and transfers will be written from these accounts. These estimates may vary in the duration of the contract.

Money Market Accounts: Separate accounts are established under these specifications for daily operating transactions. The accounts will be used when their rates exceed IBCAs. The number of money market accounts used by the County will be less than six (6). These estimates may vary in the duration of the contract.

Services Provided:

Reports:

1. A detailed monthly collateral-to-deposit report is required. The report shall contain security descriptions, par value/current face and current market value. To compensate for increases or decreases in county deposits and fluctuation of market value of pledged collateral, the minimum market value of collateral will be 110% of county deposits based on market value.
2. Monthly account analysis reports will be provided for each account and on a total account basis. The account will contain, at a minimum, the following:
 - daily average ledger balance
 - daily average float
 - average collected balance
 - reserve requirements
 - price levels for each activity
 - monthly volumes by type
 - earnings allowance

A sample account analysis format must be provided as part of the bid.

Statement: Monthly statements will include (original or photo copies) of checks, deposit slips, transfer slips and debit and credit memos, processed for ALL accounts. The daily ledger balances, average daily collected balances, number of debits, number of credits, and other items on which charges are based, should also be included in each monthly statement. All checks will be sorted in numerical order.

Statements should be processed and mailed no more than five (5) business days after the close of each month.

A sample statement format will be included as part of the bid.

Contact Person: Bank will specify an Officer of the Bank who will be responsible for attending to inquiries, requests for services, and daily activities regarding the managing of Clay County accounts.

Online Services: Please provide details on all online banking features.

Daylight Overdraft Provisions: The proposal should include any bank policy regarding daylight overdraft charges or handling.

Stop Payments: The bank will be required to process stop payments on verbal instructions from the County Treasurer or his/hers Assignee with follow-up written confirmation, or allow the treasurers' office to process stop payments on line.

Stale Dated Checks: The bank will agree not to honor stale dated checks on Clay County accounts which are not endorsed as acceptable after the 90-day limit.

Standard Disbursement Services: Standard disbursing services for all accounts are required to include the payment of all county checks upon presentation.

Standard Deposit Services: The bank will guarantee immediate credit on all wire transfers, ACH transactions and government checks upon receipt and all other checks based on the Bank's availability schedule. All deposits received before the bank's established deadline will be credited daily.

Other Specific Services: As described on the Bid Worksheet, the bank will acknowledge services provided and attendant fees for such.

Direct Deposit Services are required.

Borrowings:

The Commissioners Court of Clay County must, from time to time, issue debt to enable the county to make a capital expenditure which is not feasible or not appropriate to fund in one budget year. The means most often used to meet such a capital requirement is a "time warrant", which is defined as "any warrant issued by a county that is not payable out of current funds" (L.G.C., Section 262.022 (5)).

Bid Worksheet for Depository Bank Bid

Interest Bearing Checking Accounts:

Variable
Interest Margin
*

Fixed
Interest Rate
*

Money Market Accounts:

Variable
Interest Margin
*

Fixed
Interest Rate
*

~~*Variable Rate = 91 day US T-bill Effective Rate (as determined by latest T-Bill Auction) + Margin (based on basis points).~~

~~Example: If 91 Day US T-Bill effective rate is 3.3% and basis points are 1.0, then the variable rate is 4.3%.~~

Minimum balance requirement per account will be listed below:

Certificates of Deposit – The bank will pay the Bank’s stated rates from the Bank’s rate Sheet, subject to change daily.

	Less than \$100,000	More than \$100,000
1. Maturity 7 - 29 days	+ _____ basis points	+ _____ basis points
2. Maturity 30 - 59 days	+ _____ basis points	+ _____ basis points
3. Maturity 60 - 89 days	+ _____ basis points	+ _____ basis points
4. Maturity 90 - 179 days	+ _____ basis points	+ _____ basis points
5. Maturity 180 days-less than 1 year	+ _____ basis points	+ _____ basis points
6. Maturity 1 year or more	+ _____ basis points	+ _____ basis points

Certificates of Deposit - Fixed Interest Rate

1. Maturity 7 - 29 day’s	_____ %
2. Maturity 30 -59 day’s	_____ %
3. Maturity 60 - 89 day’s	_____ %
4. Maturity 90 - 179 day’s	_____ %
5. Maturity 180 days - less than 1 year	_____ %
6. Maturity 1 year or more	_____ %

13). On-line Banking Services included in fee

Statements and Images included in fee

14). EFT for Direct Deposit of County employee payroll checks included in fee

15). Provide safe-keeping for outside purchases of securities by Clay County at a Third Party Financial Institution, or with the Federal Reserve Bank. N/A

16). Additional Services and Charges:
Are there any additional charges for the requested collection, disbursement, investment or miscellaneous services? If so, please describe and indicate the fee per unit.

Service Charge

Other Services:

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Comment:

Banks should be prepared to provide the treasurer's office an opportunity to physically work with this technology before the bid is awarded.

Do you offer Remote Capture? If yes, describe services. Yes

Payment for Services:

The county may elect to pay for services either by direct fee payment or by compensating balance.

a. Direct fee

It may be the county's request that the bank bill and accept direct payment for services at the unit prices indicated in the previous section. Please indicate whether the bank will accept this method of payment.

Yes	No
<u> </u>	<u> X </u>

The bank will set up a debit for the service charge from an account of the customer's choice.

If the County elects to pay the bank for services, each account billing will be presented monthly in hard copy with charges being on a straight fee basis with account balances not being a factor in determining the fees that are due.

b. Compensating Balance **N/A**

In lieu of direct payment the county may request that a compensating balance be maintained at the managing bank in a zero-interest rate Certificate of Deposit within the control account only to cover services. The level of compensating balance will be determined as a result of:

- a. Services required (per bid)
- b. Service Price (per bid)
- c. Monthly activity (actual)
- d. Collected balances (actual)
- e. Legally required reserves (actual)

f. Earnings allowance rate (per bid)

Please specify calculation of the earnings allowance rate. The formula for computing the earnings credit will use current reserve requirements. An example is as follows:


EXAMPLE

Collected bank balance (control account)	\$1,000,000.
(Less reserves required - 10% presumed)	<u>100,000.</u>
	900,000.
X Earnings Allowance	
(Assume 91 day T-Bill rate)	x <u>3.3%</u>
Annual Earnings Credit	29,700
	12
Divided by	2475
Total earnings credit for the month	<u>2475</u>
Please specify bank's calculation	

Bank **must** complete the information below to validate the bid for Depository Bank.

The undersigned affirms that they are fully authorized to execute this contract by providing the county with a resolution from the Board of Directors of the submitting bank authorizing or empowering the undersigned to execute this contract; that this bank has not prepared this bid in collusion with any other bidder; and that the contents of this bid as to fees, interest rates, terms, or conditions of said bid have not been communicated by the undersigned, nor by any employee or agent, to any other bidder or to any other person(s) engaged in this type of business prior to the official opening of this bid.

Name and address of Bidder: All unsigned Bids will be disqualified

Signature:  _____
Name: **Danny Allen**
Title: Bank President
Telephone Number: (940) 538-5112

LEGEND BANK, N.A.
Statements of Financial Condition
December 31, 2016 and 2015

Assets	2016	2015
Cash and due from banks	\$ 10,237,275	\$ 9,150,972
Federal funds sold	2,000,000	1,000,000
Cash and cash equivalents	12,237,275	10,150,972
Interest bearing deposits in banks	-	5,575
Securities available for sale	140,988,612	177,093,685
Loans receivable, net of allowance for loan losses	407,768,350	388,322,730
Accrued interest receivable	3,808,111	4,043,619
Premises and equipment	17,189,046	13,411,409
Foreclosed assets	131,050	1,730,650
Goodwill	11,294,192	11,294,192
Other intangible assets	290,000	530,000
Restricted investment carried at cost	3,524,362	3,855,494
Bank-owned life insurance	15,140,202	14,728,056
Other assets	996,208	1,157,014
	\$ 613,367,408	\$ 626,323,396
Liabilities and Shareholders' Equity		
Noninterest bearing	\$ 170,205,875	\$ 171,893,415
Interest bearing	357,353,315	356,440,871
Total deposits	527,559,190	528,334,286
Accrued expenses and other liabilities	5,957,665	5,371,205
Advances from Federal Home Loan Bank	10,000,000	20,000,000
Total liabilities	543,516,855	553,705,491
Shareholders' equity		
Common stock	2,000,000	2,000,000
Capital surplus	12,000,000	12,000,000
Undivided profits	58,631,827	57,868,689
Net unrealized (depreciation) appreciation		
on available for sale securities	(2,781,274)	749,216
Total shareholders' equity	69,850,553	72,617,905
	\$ 613,367,408	\$ 626,323,396

LEGEND BANK, N.A.
Statements of Income
Years Ended December 31, 2016 and 2015

	<u>2016</u>	<u>2015</u>
Interest income		
Loans, including fees	\$ 21,369,942	\$ 20,166,329
Debt securities		
Taxable	1,462,519	2,028,241
Tax exempt	2,418,002	2,682,038
Federal funds sold	11,999	24,876
Interest bearing deposits	19	3,559
Other restricted investments	417,701	117,741
Total interest income	<u>25,680,182</u>	<u>25,022,784</u>
Interest expense		
Deposits	941,006	880,584
Other	28,714	10,537
Total interest expense	<u>969,720</u>	<u>891,121</u>
Net interest income	24,710,462	24,131,663
Provision for loan losses	<u>834,700</u>	<u>543,600</u>
Net interest income after provision for loan losses	23,875,762	23,588,063
Noninterest income		
Service charges on deposit accounts	2,071,601	2,010,780
Other service charges and fees	2,590,724	2,448,857
Net realized gain on sales of available for sale securities	317,090	8,291
Other income	845,462	563,747
Total noninterest income	<u>5,824,877</u>	<u>5,031,675</u>
Noninterest expenses		
Salaries and employee benefits	11,661,506	11,236,988
Occupancy and equipment expense	1,888,994	1,635,532
IT and data processing	3,435,369	3,057,583
Legal, accounting and examination fees	757,077	755,487
Directors' fees and expenses	431,879	385,085
Loss on sale of foreclosed assets	35,975	44,011
Loss on disposal of fixed assets	-	14,340
Writedown on foreclosed assets	-	10,410
Amortization of intangibles	240,000	240,000
Other expense	1,526,583	1,544,843
Total noninterest expenses	<u>19,977,383</u>	<u>18,924,279</u>
Net income	<u>\$ 9,723,256</u>	<u>\$ 9,695,459</u>

LEGEND BANK

March 10, 2017

Clay County Treasurer
Debra Alexander
214 North Main Street
Henrietta, TX. 76365

RE: Clay County Depository for Clay County Funds

On behalf of Legend Bank, I want to thank Clay County for allowing the opportunity to bid to serve as the depository for Clay County for 2017-2019.


Based on our recent annual account analysis review, the monthly fee and service charges will be as follows:

1. \$500.00 per month Service Charge will cover all Clay County deposit accounts. (This monthly fee includes E-Corp fees) This fee must be auto-debited on a monthly basis from an account selected by Clay County. **These charges are subject to review after two years.**
2. Deposit Slips and Checks included
3. Cashiers Checks-waive fees.
4. Interest Bearing Accounts/Certificates of Deposits- stated Legend Bank rates at closest to or like maturity.
5. Paper statement fees waived on all accounts.

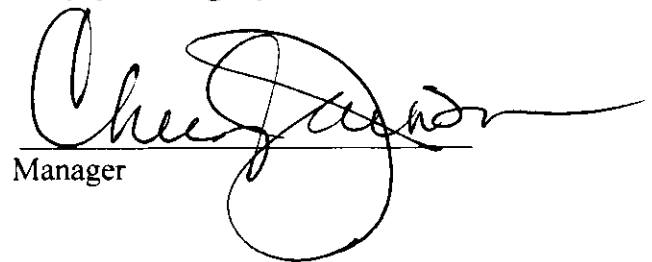
For further questions or concerns, please feel free to contact:

Danny Allen, President 940-235-1626
Cheryl Jackson, Manager 940-235-1629

danny.allen@legend-bank.com
cheryl.jackson@legend-bank.com



President



Manager

Accepted this _____ day of _____, 2017

By: _____

This contract will run for a term of two (2) years.