

Exhibit A

COLLATERAL SECURITY AGREEMENT

This COLLATERAL SECURITY AGREEMENT (this “Agreement”) is made and entered into on the date last herein written by and between **Johnson County**, hereinafter called “**Depositor**”, and First Financial Bank, N.A., a national association organized under the laws of the United States and authorized by law to do banking business in the State of Texas, hereinafter called “**Bank**”.

Background:

Depositor, through action of its governing body has designated **Bank** as a depository for funds of **Depositor**. During the continuation of this Agreement, **Depositor** will through appropriate actions of its governing body designate the officer, or officers, who singularly or jointly will be authorized to represent and act on behalf of **Depositor** in any and all matters of every kind arising under this Agreement. **Bank’s** Depository Contract is incorporated herein for all purposes, however to the extent that any provision therein conflicts with any provision herein, to the extent of such conflict, this Agreement will control. All funds on deposit with **Bank** to the credit of **Depositor** are required to be secured by collateral meeting the requirements of Chapter 2257 of the Texas Government Code, hereinafter referred to as the “Public Funds Collateral Act” which may include a letter of credit issued by a federal home loan bank (“FHLB”).

To perfect the security interest of **Depositor** in the collateral pledged by **Bank**, **Bank** will identify such collateral to Frost Bank, hereinafter called “**Custodian**,” to be held by **Custodian** for the benefit of **Depositor**.

NOW, THEREFORE, in consideration of the foregoing, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, it is agreed as follows:

1.

Bank has heretofore or will immediately hereafter identify to **Custodian** Eligible Securities owned by **Bank** of sufficient amount and market value (hereinafter called the “Collateral”) to adequately secure the funds of **Depositor** deposited with **Bank**. As used in this Agreement, “Eligible Securities” are as defined in the Public Funds Collateral Act, as limited by any applicable written collateral policy delivered by **Depositor** to **Bank**. To the extent **Depositor** approves of and uses a letter of credit or letters of credit issued for its benefit by the FHLB to secure the funds of **Depositor** deposited with **Bank**, the obligation of **Bank** to pledge Eligible Securities owned by **Bank** as Collateral hereunder shall be reduced.

2.

As a result of this Agreement, **Bank** hereby pledges to **Depositor** and hereby grants to **Depositor** a security interest in the Collateral to the extent needed to secure the deposits held by **Bank** for **Depositor** as required by the Public Funds Collateral Act. **Depositor** hereby agrees and certifies that the Collateral listed in **Exhibit A** to this Agreement as pledged by **Bank** is eligible to be used as collateral to secure **Depositor's** funds on deposit with **Bank**.

3.

To the extent needed, the Collateral, including any substitute Collateral, shall be held by **Custodian** so long as **Depositor** relationship between **Depositor** and **Bank** shall continue.

4.

The total of the market value of the Collateral needed to secure **Depositor's** funds on deposit with **Bank** after considering the value of **Depositor's** undrawn beneficial interest in the letter of credit or letters of credit issued by the FHLB for its benefit will be maintained in an amount at least equal to **one hundred and three percent (103%)** of the aggregate value of **Depositor's** funds on deposit, plus accrued interest thereon, and reduced to the extent that such deposits are insured by an agency or instrumentality of the United States Government.

5.

Should **Bank** become insolvent, or fail to maintain adequate Collateral as required by this Agreement, or in any manner breach this Agreement with **Depositor**, **Depositor** shall give written notice of such insolvency, failure or breach to **Bank**, and **Bank** shall have three (3) business days to cure such insolvency, failure or breach. In the event **Bank** shall fail to cure such insolvency, failure or breach within three (3) business days, **Bank** authorizes **Depositor** (supported by proper evidence of any of the above listed circumstances), to make demand on **Custodian** to surrender control of the Collateral to the **Depositor**. In such event, **Depositor** may sell, or direct **Custodian** to sell, all or any part of the Collateral, and out of the proceeds thereof pay **Depositor** all losses sustained by it, together with its reasonable expenses incurred as a direct result of such insolvency, failure, or breach, accounting to **Bank** for the remainder, if any, of such proceeds or of the Collateral remaining unsold.

6.

Any sale of the Collateral, or any part thereof, made by (or under the direction of) **Depositor** hereunder may be either at public or private sale upon three (3) business days prior written notice to **Bank**. **Depositor** and **Bank** shall each have the right to bid at such sale.

7.

Bank may substitute the Collateral at any time so long as the market value of the Eligible Securities being substituted is at least equal to the market value of the Eligible Securities being

replaced. Such right of substitution shall remain in full force and may be exercised by **Bank** as often as it may desire, provided, however, that the aggregate market value of the Collateral pledged hereunder shall be at least equal to the amount of the Collateral required hereunder. If at any time, the aggregate market value of the Collateral identified to **Custodian** to secure **Depositor's** funds on deposit when coupled with the value of **Depositor's** undrawn beneficial interest in the letter of credit or letters of credit issued by the FHLB for its benefit is less than **one hundred and three percent (103%)** of the total amount of **Depositor's** funds on deposit with **Bank**, **Bank** shall promptly identify to **Custodian** such additional Collateral as may be necessary to cause the value of all collateral held for the benefit of **Depositor** to equal **one hundred and three percent (103%)** of the total amount of **Depositor's** funds on deposit with **Bank**. **Bank** shall be entitled to interest and earnings on the Collateral, and **Custodian** may deliver such income and earnings as directed by **Bank** without approval of **Depositor**.

8.

Bank shall deliver a copy of the "trust receipt" (as defined under the Public Funds Collateral Act) initially generated by **Custodian** to **Depositor**. Thereafter, **Bank** shall deliver monthly collateral statements to **Depositor** describing the Collateral then held by **Custodian**. With respect to additional, substitute or a reduction in the Collateral, **Bank** shall deliver a copy of the trust receipt describing such additional, substitute or released Collateral to **Depositor** within ten (10) business days of such addition, substitution, or release. All monthly statements and trust receipts which are furnished by **Bank** from time to time shall be deemed to be a part of this Agreement without further action on the part of any party.

9.

If at any time the Collateral held by **Custodian** for the benefit of **Depositor** shall have a market value in excess of the sum of **one hundred and three percent (103%)** of the amount of **Depositor's** funds on deposit with **Bank**, **Bank** may withdraw the excess amount of the Collateral without the consent of **Depositor**, and **Custodian** may release this amount of the Collateral (and no more) to **Bank**, taking receipt therefore, and **Custodian** shall have no further liability for the amount of the Collateral so delivered to **Bank**.

10.

Except in cases of Custodian's gross negligence or willful misconduct, Bank hereby agrees to indemnify Custodian and hold it harmless from any and all claims, liabilities, losses, actions, suits or proceedings at law or in equity (collectively, "Claims"), or any other expenses, fees or charges of any character or nature which Custodian may incur or with which it may be threatened by reason of Custodian's actions under this Agreement, including but not limited to, any Claims caused or alleged to be caused by the sole or concurrent negligence of Custodian, its employees or agents; and, in connection therewith, to indemnify Custodian against any and all expenses, including without limitation, reasonable attorneys' fees and expenses incurred by Custodian. **Custodian** may itself defend any suit brought against it and shall be equally entitled to receive reimbursement from **Bank** for its reasonable attorneys' fees, expenses, and

all reasonable fees and costs incident to any appeals which may result. **Bank and Depositor agree that Custodian shall have no liability to either of them for any loss or damage that either or both may claim to have suffered or incurred, either directly or indirectly, by reason of this Agreement or any transaction or service contemplated by this Agreement, regardless of whether such loss or damage is caused or alleged to be caused by the sole or concurrent negligence of Custodian, its employees or agents, unless occasioned solely by the gross negligence or willful misconduct of Custodian.** In no event shall Custodian be liable for losses or delays resulting from computer malfunction, interruption of communication facilities, labor difficulties or other causes beyond Custodian's reasonable control or for indirect, special or consequential damages.


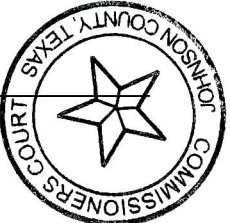
When the relationship of Depositor and Bank shall have ceased to exist, and when Bank shall have properly paid out all deposits of Depositor, Bank shall give Custodian written notice to that effect and Custodian shall release the Collateral to Bank at its direction.

Executed by the undersigned duly authorized officers of the parties hereto to be effective as of the last date of signature below.

DEPOSITOR

By:  Date: 11-27-23
Printed Name: Christopher Boedeker
Title: County Judge

ATTEST:

By:  Date: 11-27-23


BANK

By:  Date: 11/16/2023
Printed Name: Austin Elsner
Title: Cleburne Region President & CEO

ATTEST:

By:  Date: 11/16/2023
Printed Name: Jaye Weishuhn
Title: Cleburne Region SVP | COO

Exhibit A

Collateral

The Collateral shall be Eligible Securities which as of the latest reporting date includes the Collateral described in the pages attached to this **Exhibit**.

Reportfolio

First Financial Bankshares Inc, Abilene, TX

Published: 11/6/2023 12:18:37 PM

Management Report

Pledged To: COMMISSIONERS COURT OF JOHNSON COUNTY

Section V-C

Date: 31-Oct-23

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Safekeeping

Code	Cusip Trans#	Description Maturity Prerefund	Pool Coupon	Moody StdPoor	Original Face Pledged Percent	Pledged Original Face Value	Pledged Par Value	Pledged Book Value	Pledged Market Value
FNBK1	9128286A3 643244202111241	U.S. Treasury Note 1/31/2026	2.625	Aaa	\$10,000,000.00 100.00%	\$10,000,000.00	\$10,000,000.00	\$10,308,703.63	\$9,493,750.00
FROST NATIONAL BANK		AFS							
<u>1 US Treasury Notes & Bonds</u>						<u>\$10,000,000.00</u>	<u>\$10,000,000.00</u>	<u>\$10,308,703.63</u>	<u>\$9,493,750.00</u>
FNBK1	3133L8ED3 633242202110121	FHLMC Pool #RC1932 4/1/2036	RC1932 2.000		\$25,000,000.00 32.00%	\$8,000,000.00	\$5,544,349.12	\$5,720,395.38	\$4,719,128.20
FROST NATIONAL BANK		AFS							
FNBK1	3133KTM98 589169202101150	FHLMC Pool #RB0384 11/1/2040	RB0384 2.500		\$24,633,935.00 100.00%	\$24,633,935.00	\$17,221,994.11	\$18,101,692.04	\$14,018,014.33
FROST NATIONAL BANK		AFS							
FNBK1	3140QHA21 592431202102041	FNMA Pool #CA9024 2/1/2041	CA9024 2.500		\$15,914,773.00 100.00%	\$15,914,773.00	\$12,615,019.72	\$13,312,670.42	\$10,267,869.15
FROST NATIONAL BANK		AFS							
<u>3 MBS - Fixed Rate</u>						<u>\$48,548,708.00</u>	<u>\$35,381,362.95</u>	<u>\$37,134,757.84</u>	<u>\$29,005,011.68</u>
FNBK1	23542JSB2 565847202007301	DALLAS TX WTRWKS & SWR SYS REV 10/1/2045	5.000	AAA	\$7,625,000.00 100.00%	\$7,625,000.00	\$7,625,000.00	\$9,319,448.91	\$7,770,637.50
FROST NATIONAL BANK		AFS							
FNBK1	4140188D6 573818202009251	HARRIS CNTY TX FLOOD CONTROL D 10/1/2045	4.000	Aaa	\$4,950,000.00 100.00%	\$4,950,000.00	\$4,950,000.00	\$5,554,242.42	\$4,272,295.50
FROST NATIONAL BANK		AFS							
FNBK1	882854Q70 546051202003201	TEXAS ST WTR DEV BRD 4/15/2049	5.000	AAA	\$23,660,000.00 100.00%	\$23,660,000.00	\$23,660,000.00	\$25,275,720.88	\$23,494,380.00
FROST NATIONAL BANK		AFS							
<u>3 Muni Tax Exempt - Fixed Rate</u>						<u>\$36,235,000.00</u>	<u>\$36,235,000.00</u>	<u>\$40,149,412.21</u>	<u>\$35,537,313.00</u>
FNBK1	3136AXK53 474480201709251	FNR 2017-67 BA 9/25/2042	3.000		\$20,000,000.00 50.00%	\$10,000,000.00	\$3,563,956.00	\$3,596,690.62	\$3,250,385.97
FROST NATIONAL BANK		AFS							
FNBK1	3137F2ZF6 482416201712220	FHR 4712 PA 12/15/2045	3.000		\$21,337,000.00 5.86%	\$1,250,000.00	\$401,431.74	\$403,455.72	\$358,096.94
FROST NATIONAL BANK		AFS							

** If no data is shown, then there are no pledges for the current period.

Reportfolio

First Financial Bankshares Inc, Abilene, TX

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Management Report

Pledged To: COMMISSIONERS COURT OF JOHNSON COUNTY

Section V-C

Date: 31-Oct-23

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Safekeeping

Code	Cusip	Description	Pool	Moody	Original Face	Pledged	Pledged	Pledged	Pledged
Location	Trans#	Maturity	Coupon	StdPoor	Pledged Percent	Original Face Value	Par Value	Book Value	Market Value
FNBK1	3136AU6D8	FNR 2017-2 JA			\$29,208,000.00	\$15,208,000.00	\$2,809,536.41	\$2,884,460.31	\$2,654,362.62
	484866201801251	4/25/2053	4.500		52.07%				
FROST NATIONAL BANK AFS									
FNBK1	3137FHFM0	FHR 4821 MA			\$20,000,000.00	\$5,500,000.00	\$1,513,685.58	\$1,514,129.27	\$1,419,336.80
	500675201809211	10/15/2053	3.500		27.50%				
FROST NATIONAL BANK AFS									
FNBK1	3137FHFM0	FHR 4821 MA			\$23,000,000.00	\$4,000,000.00	\$1,100,862.24	\$1,097,737.91	\$1,032,244.95
	500724201809241	10/15/2053	3.500		17.39%				
FROST NATIONAL BANK AFS									
<u>5 CMOs - Fixed Rate</u>						<u>\$35,958,000.00</u>	<u>\$9,389,471.97</u>	<u>\$9,496,473.83</u>	<u>\$8,714,427.28</u>
<u>Total Pledged</u>	<u>12</u>	<u>To: CCJC COMMISSIONERS COURT OF JOHNSON COUNTY</u>				<u>\$130,741,708.00</u>	<u>\$91,005,834.92</u>	<u>\$97,089,347.51</u>	<u>\$82,750,501.96</u>
		\$0.00	Munis with Maturity Under 2 Years		\$0.00	Other securities with Stated Maturity Under 2 Years			
		\$36,235,000.00	Munis with Maturity Over 2 Years		\$54,770,834.92	Other securities with Stated Maturity Over 2 Years			

** If no data is shown, then there are no pledges for the current period.

Reportfolio

First Financial Bankshares Inc, Abilene, TX

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Management Report
Pledged To: JOHNSON COUNTY

Date: 31-Oct-23
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Safekeeping

Code	Cusip Trans#	Description Maturity	Prerefund	Pool Coupon	Moody StdPoor	Original Face Pledged Percent	Pledged Original Face Value	Pledged Par Value	Pledged Book Value	Pledged Market Value
FNBK1	91282CED9 671734202206061	U.S. Treasury Note 3/15/2025		1.750	Aaa	\$10,000,000.00 15.00%	\$1,500,000.00	\$1,500,000.00	\$1,478,682.71	\$1,430,390.70
FROST NATIONAL BANK		AFS								

1 US Treasury Notes & Bonds

\$1,500,000.00 \$1,500,000.00 \$1,478,682.71 \$1,430,390.70

Total Pledged 1 To: JOHN JOHNSON COUNTY

\$1,500,000.00 \$1,500,000.00 \$1,478,682.71 \$1,430,390.70

\$0.00 Munis with Maturity Under 2 Years \$1,500,000.00 Other securities with Stated Maturity Under 2 Years
 \$0.00 Munis with Maturity Over 2 Years \$0.00 Other securities with Stated Maturity Over 2 Years

** If no data is shown, then there are no pledges for the current period.