

**AGENDA PLACEMENT FORM**

(Submission Deadline – Monday, 5:00 PM before Regular Court Meetings)

Date: 05.05.25Meeting Date: 05.12.25Submitted By: Lance AndersonDepartment: Purchasing

Signature of Elected Official/Department Head:

**Court Decision:**

This section to be completed by County Judge's Office



5-12-25

**Description:**Consider and approve with Authorization for County Judge to sign:1. Bank Depository Agreement with First Financial Services2. Safekeeping Agreement3. Collateral Security Agreement4. RFP 2025-302 response from First Financial Services

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(May attach additional sheets if necessary)

Person to Present: Lance Anderson

(Presenter must be present for the item unless the item is on the Consent Agenda)

Supporting Documentation: (check one) ☒ PUBLIC ☐ CONFIDENTIAL

(PUBLIC documentation may be made available to the public prior to the Meeting)

Estimated Length of Presentation: 5 minutes

Session Requested: (check one)

☒ Action Item ☐ Consent ☐ Workshop ☐ Executive ☐ Other \_\_\_\_\_

Check All Departments That Have Been Notified:

☒ County Attorney ☐ IT ☐ Purchasing ☒ Auditor☐ Personnel ☐ Public Works ☐ Facilities ManagementOther Department/Official (list) Treasurer**Please List All External Persons Who Need a Copy of Signed Documents  
In Your Submission Email**

Approved in CC on 9/11/2023

**BANK DEPOSITORY AGREEMENT**

This Bank Depository Agreement (this "Agreement") is made and entered into effective June 1, 2025 (the "Effective Date"), by and between Johnson County, Texas, ("Depositor") and First Financial Bank, a Texas state banking association ("Bank").

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

**1. Appointment of Depository and Term.**

Depositor designates Bank as a depository for the period beginning June 1, 2025 and continuing until this Agreement has been canceled in accordance with the provisions hereof, for certain accounts established by Depositor with Bank. The term of this Agreement (the "Term") shall be Four (4) years with 1 possible extension for two (2) years as defined in Depositor's Request for Proposal dated March 18, 2025 (the "RFP") unless the parties mutually agree to an extension of the Term of this Agreement if such extension is allowed by applicable law. If the parties agree to such an extension of the Term, then the parties shall either execute an addendum to this Agreement or other written evidence stating that the parties have agreed to an extension, the statutory or other legal authority for such extension and the date upon which such extension of the Term expires.

During the Term of this Agreement, Depositor will, through appropriate action of its governing body, designate the officer or officers who, individually 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.

**2. Establishment of Accounts.**

Depositor shall deposit such of its funds as it may choose with Bank, and Bank shall receive such deposits as interest or non-interest bearing demand deposit accounts, limited transaction accounts, and/or time deposit accounts, as designated by Depositor. Each account type is subject to payment in accordance with Bank's terms and conditions for such account type unless varied by an agreement with Depositor.

**3. Depository Services; Depositor Records; Fees.**

Subject to the particular terms and conditions of the account type chosen, Bank shall pay to the order of Depositor upon proper presentation of checks, drafts or vouchers lawfully drawn, all or any portion of the available funds of Depositor on deposit with Bank.

Bank statements, check images, deposit slips, debit and credit notices, notices of interest earned, and any other related documentation, or images thereof, shall be retained by Bank for a period of 7 years after the date of receipt of the items. To the extent permitted by law, Bank shall make all records, books, and supporting documents, or images thereof, pertaining to services applicable to Depositor accounts and transactions pursuant to this Agreement available upon reasonable notice at any reasonable time during

the term of this Agreement, to Depositor and its designated representatives. To the extent permitted by law, Depositor shall have the right to receive copies of any of such documents.

To determine charges for services rendered, Bank may utilize an earnings credit rate on Bank's account analysis system, determined and calculated in a manner specified in Bank's proposal/offer. The Bank's account analysis system is used to calculate and account for all Bank-performed deposit and treasury management service charges. Bank will calculate Depositor's combined average daily collected balances less combined average daily Federal Reserve requirements, and using the earnings credit rate, number of days in the year, and number of days in the month calculate the earnings credit of Bank and use those earnings credit to offset the charges to Depositor of combined services rendered by Bank. In the event there is a charge for services, and the amount of charge for services is not offset by Depositor's earnings credit as described above, Bank will auto-debit Depositor's accounts on a monthly basis. Any interest paid on an account in account analysis that is also receiving earnings credit is considered an expense on the account analysis statement.

Notwithstanding the above paragraph, Bank shall waive all gross or net Account Analysis Fees with the exception of services such as Merchant Services, Lockbox, RemitPlus Express, and Smart Safes, which are billed separately. The County shall also earn interest on all deposited funds at a rate equal to 85% of the average 91 Day T-Bill rate during the prior month with a cap of 3.50%. The interest is accrued daily and paid monthly.

Bank agrees to cover the cost of Remote Deposit Capture check scanners up to \$10,000.00 and will provide checks and deposit slips free of charge provided the order is placed through the Bank's provider.

**4. Security of Funds; Acceptable Security; Appointment of Custodian; Increases in Collateral Amounts.**

All uninsured funds on deposit with Bank to the credit of Depositor shall be secured pursuant to either or both of (i) an Irrevocable Standby Letter of Credit issued by the Federal Home Loan Bank of Dallas for the benefit of Depositor (a "FHLB Letter of Credit") in the form attached hereto as Exhibit A or/and (ii) Bank's Collateral Security Agreement or similar agreement (the "Security Agreement") and any agreement required by Custodian (defined below). In the event of any conflicts between the Security Agreement and this Agreement regarding provisions and topics addressed in both agreements, the provisions of the Security Agreement shall control.

In the event a Security Agreement is used, Depositor and Bank, by execution of this Agreement, designate the custodial bank identified to Depositor by Bank (the "Custodial Bank") as "Custodian," to hold collateral in an account maintained by Custodian in the name of Bank and subject to the terms and conditions of this Agreement, the Security Agreement, and any agreement required by Custodian to document such relationship.

Depositor recognizes that the Federal Deposit Insurance Corporation (or its successor) (the "FDIC") provides insurance for Depositor's funds deposited at any one financial institution, including accrued interest on such funds, only up to maximum regulatory limits as set by the FDIC. All uninsured funds on deposit with Bank to the credit of Depositor shall be secured by collateral as provided for in the Texas Public Funds Collateral Act and in other applicable law. In the event a Security Agreement is

used, Depositor agrees and certifies that the securities listed in Exhibit B to the Security Agreement shall be eligible to be used as collateral to secure Depositor's funds on deposit with Bank consistent with Depositor's collateral policy as such policy has been varied by Depositor's approval and execution of this Agreement. The market value of the collateral securing Depositor's uninsured funds must at all times equal or exceed 103% of the daily ledger balance (amount of funds plus the amount of any accrued interest on the funds) of all Depositor's accounts, less the Credit Amount reflected in a FHLB Letter of Credit, if any, and further, less the total available FDIC standard maximum deposit insurance amount applicable in the aggregate to all funds of Depositor on deposit with or under Bank and credited to Depositor (the "Collateral Requirement"). The market value with respect to any collateral as of any date and priced on such date will be obtained by Bank from a generally recognized pricing source.

When Depositor anticipates the need for collateral with Bank will increase on any given day or over a series of days, Depositor agrees to notify Bank of such anticipated increase at least 1 business day prior to the date the additional deposits are expected to be received.

**5. Delivery of Collateral to Custodian.**

In the event a Security Agreement is used, Bank already has delivered, or will immediately after the Effective Date, identify or deliver to Custodian collateral of the kind and character above mentioned of sufficient market value to provide adequate collateral for the uninsured funds of Depositor deposited with Bank.

**6. Custodian Safekeeping Account.**

In the event a Security Agreement is used, Bank shall cause Custodian to accept said collateral and hold the same in trust for the purposes stated in this Agreement, in a safekeeping account with Custodian to be managed pursuant to the Security Agreement, and the operating agreements, guidelines, and procedures as stated in this Agreement and pursuant to the terms of any separate agreement with Custodian.

**7. Duties and Liabilities of Custodian.**

In the event a Security Agreement is used, it is distinctly understood by all the parties that Custodian shall not be required to ascertain the amount of funds on deposit by Depositor with Bank, nor the validity, authenticity, genuineness, or negotiability of the securities deposited with Custodian by Bank pursuant to this Agreement, and Custodian is not liable to anyone for performing in accordance with this Agreement, except for the safekeeping of securities delivered to Custodian, and for any gross negligence or willful misconduct of Custodian's own officers, agents, and employees.

**8. Right of Depositor Upon Bank's Breach of Duties Under Agreement or Bank's Insolvency.**

To the extent of the available funds of Depositor on deposit with Bank, should Bank fail at any time to pay immediately and satisfy upon proper presentation any check, draft or voucher lawfully drawn upon any demand deposit account, or fail at any time upon proper presentation or authorization to timely pay and satisfy, when due, any check, draft or voucher lawfully drawn against any other account type, or in case Bank becomes insolvent or in any other manner breaches its contract with Depositor, Depositor shall give written notice of such failure, insolvency or breach to Bank, and Bank shall have

10 business days to cure such failure, insolvency or breach. In the event Bank shall fail to cure such failure, insolvency or breach within 10 business days, and in the further event a Security Agreement is used, Bank authorizes Depositor (supported by proper evidence of any of the above listed circumstances) to enforce its security interest and lien in the collateral securing Depositor's funds and to make demand on Custodian to surrender control of such collateral to Depositor. In such event, Depositor may sell, or direct Custodian to sell all or any part of such 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 failure, insolvency or breach, accounting to Bank for the remainder, if any, of such proceeds or of the collateral remaining unsold.

**9. Collateral Substitutions by Bank.**

In the event a Security Agreement is used, if Bank shall desire to sell or otherwise dispose of any of such collateral held by Custodian for the benefit of Depositor, it may, with or without prior approval of Depositor, substitute for any of such collateral other collateral of the same market value and of the character authorized in this Agreement, and such right of substitution shall remain in full force and be exercised by Bank as often as it may desire to sell or otherwise dispose of any such collateral; provided, however, that at all times, the aggregate amount of such collateral or substituted collateral held by Custodian for the benefit of Depositor shall always be such that it meets the Collateral Requirement. If at any time the aggregate amount of such collateral held by Custodian for the benefit of Depositor is less than the Collateral Requirement, then in that event, Bank shall immediately identify to or deposit with Custodian additional collateral as may be necessary to meet the Collateral Requirement.

Bank shall be entitled to income on collateral held by Custodian, and Custodian may dispose of such income as directed by Bank without approval of Depositor, to the extent such income is not needed to secure Depositor's deposits, and provided that retention of such income does not otherwise violate this Agreement.

**10. Trust Receipts For Collateral; Depositor's Right To Itemized List of Collateral.**

In the event a Security Agreement is used, Bank shall promptly forward to Depositor trust receipts via regular mail, or other agreed upon electronic means, covering all such collateral held by Custodian for the benefit of Depositor, including collateral substituted in accordance with this Agreement. Bank shall also maintain records relating to all such collateral held for the benefit of Depositor. Upon written request of Depositor, Bank will produce an itemized list of collateral held as security for Depositor.

**11. Collateral Value In Excess of Collateral Requirement.**

In the event a Security Agreement is used, if at any time the collateral held by Custodian for the benefit of Depositor has a market value in excess of the Collateral Requirement, then upon the written authorization of an authorized representative of Bank, confirmed by an authorized representative of Depositor, Bank may request withdrawal of such excess amount of collateral. Custodian shall deliver this amount of collateral (and no more) to Bank, and Custodian shall have no further liability for the collateral so redelivered to Bank.

All substitutions, releases, and additional pledges of collateral pursuant to the terms hereof and of the Security Agreement shall be completed at the earliest time as is commercially reasonable.

**12. Termination; Amendment of Agreement.**

Either Depositor or Bank shall have the right to terminate this Agreement prior to the expiration date by providing the other party with 90 days prior written notice of its election to terminate. This Agreement shall terminate 90 days after delivery of such written notice, provided that all provisions of this Agreement have been fulfilled.

In addition to any other remedy that Depositor may have at law or in equity, if Bank breaches this Agreement in any manner or defaults on its obligations hereunder and does not cure such breach or default within 30 days of Bank receiving notice of such breach or default from Depositor, then after expiration of such 30 day cure period, Depositor may terminate this Agreement and withdraw its funds by giving Bank written notice of termination and withdrawal.

In the event that Depositor fails to comply with any of its promises in this Agreement, or if any of its representations are untrue or any of its warranties is breached, and Depositor does not cure such breach or default within 30 calendar days of Depositor receiving notice of such breach or default from Bank, then after expiration of such 30 calendar day cure period, Bank may terminate this Agreement by sending written notice to Depositor of Bank's decision to terminate. Upon receipt of such notice, Depositor shall make provisions for the immediate withdrawal of Depositor's funds from Bank.

This Agreement may be amended in a writing executed by both Depositor and Bank.

**13. Post-Termination/Expiration Obligations.**

In the event a Security Agreement is used, when the relationship of Depositor and Bank shall have ceased to exist, and when Bank shall have properly paid out all deposits of Depositor, it shall be the duty of Depositor to give Bank an authorization to release the collateral, the form of which shall be reasonably acceptable to Bank and Custodian. Upon Bank's delivery of such authorization to Custodian, Custodian shall release to Bank all collateral then in its possession belonging to Bank to the extent held for the benefit of Depositor. Upon release of such collateral to Bank, as to such collateral, Custodian shall not have any further liability to Depositor or Bank, except for liability as set forth in Section 7 above, where such liability arose while the collateral was in Custodian's control.

**14. Representations and Warranties of the Parties.**

Bank represents and warrants that:

- (a) Bank is the sole legal and actual owner of any securities or of a beneficial interest in any securities utilized to collateralize deposits;
- (b) other than any security interest granted to Depositor herein, no other security interest has been, nor will be, granted in the securities utilized to collateralize deposits;
- (c) Bank accounts are insured to the regulatory limits of the FDIC;

(d) this Agreement has been authorized by Bank's Board of Directors, and such authorization is evidenced by a resolution of Bank's Board of Directors adopted at a duly called meeting; and

(e) this Agreement is an official record of Bank, and has been, and will continue to be, an official record of Bank from the date of its approval by Bank's Board of Directors.

Depositor represents, warrants and promises that:

(a) Depositor has complied with all applicable law governing the selection of a depository bank, that Depositor has full power and authority to enter into this Agreement, this Agreement is a valid and binding agreement enforceable against Depositor pursuant to its terms, and does not and will not violate any statute or regulation applicable to Depositor;

(b) all acts, conditions, and things required to exist, happen, or to be performed on Depositor's part precedent to and in the execution and delivery of this Agreement exist or have happened or have been performed; and

(c) Depositor will comply with the terms of the Security Agreement, if any, and any other agreements it may have with Bank in connection with this Agreement.

**15. Incorporation of Request For Proposal and Response; Conflicting Provisions.**

The RFP and Bank's response to the RFP (the "Response"), are incorporated into this Agreement by reference. In the event of any conflicts between the RFP and the Response, the provisions of the Response control. In the event of any conflicts between the Response and this Agreement regarding provisions and topics addressed in both documents, the provisions of this Agreement control. In the event of any provisions and topics addressed in the Response and not addressed in this Agreement, the Response controls.

**16. Liability of the Parties.**

Bank's and Depositor's duties and responsibilities to each other are limited as set forth in this Agreement, except with respect to any provisions of the law which cannot be varied or waived by agreement. **TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, NEITHER BANK NOR DEPOSITOR WILL BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES (INCLUDING WITHOUT LIMITATION, LOSS OF REVENUE OR ANTICIPATED PROFITS), OR FOR ANY INDIRECT LOSS THAT THE OTHER PARTY MAY INCUR OR SUFFER IN CONNECTION WITH THE SERVICES PROVIDED HEREUNDER (EVEN IF THE SUCH PARTY HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES), INCLUDING WITHOUT LIMITATION, ATTORNEYS' FEES.**

**17. Invalidity; Severability.**

If any clause or provision of this Agreement is for any reason held to be invalid, illegal, or unenforceable, such holding shall not affect the validity, legality, or enforceability of the remaining clauses or provisions of this Agreement.

**18. Governing Law; Venue.**

This Agreement shall be construed in accordance with the substantive laws of the State of Texas, without regard to conflicts of law principles thereof. Bank and Depositor consent to the jurisdiction of a state district court in Johnson County, Texas or federal district court in Dallas County, Texas in connection with any dispute arising from or relating to this Agreement. **BANK AND DEPOSITOR EACH IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.**

**19. Notices.**

Any communication, notice, or demand to be given hereunder shall be duly given when delivered in writing or sent by facsimile to a party at its address indicated below.

If to Depositor:                      Johnson County  
   2 N. Main Street  
   Cleburne, TX 76033  
   and via email to: [christopherb@johnsoncountytexas.org](mailto:christopherb@johnsoncountytexas.org)

If to Bank:                              Executive Vice President, Treasury Management  
   First Financial Bank  
   400 Pine Street  
   Abilene, Texas 79601  
   and via email to [notices@ffin.com](mailto:notices@ffin.com)

**20. Security Measures.**

Bank and Depositor agree to implement and follow commercially reasonable measures to protect the privacy and security of Depositor's transactions and information, including communications and information held by Depository or Bank, or transmitted between Depositor and Bank.

**21. Assignment and Binding Effect; Amendment.**

Depositor may not assign all or any part of its rights or obligations under this Agreement without Bank's prior express written consent, which may be withheld in Bank's sole discretion. Bank may assign or delegate all or any part of its rights or obligations under this Agreement, including, without limitation, the performance of the services described herein without Depositor's express written consent only to a financial institution with one or more offices in Johnson County, Texas. This Agreement will be binding on and inure to the benefit of the successors and permitted assigns of either party.

**22. Third Party Service Providers.**



In the normal course of its business, Bank may engage third party vendors or subcontractors to provide or assist in providing all or part of certain services. Any third party vendor or subcontractor used by Bank is an independent contractor and not Bank's agent.

**23. Records, Reports and Audits.**

Bank shall maintain separate, accurate and complete records relating to Depositor's funds and, in the event a Security Agreement is used, the pledged securities and all transactions relating to the pledged securities. In the event a Security Agreement is used, Bank will also take reasonable steps to ensure that Custodian shall maintain separate, accurate and complete records relating to the pledged securities and all transactions relating to the pledged securities. Depositor and its representatives or agents shall have the right to examine and audit at any reasonable time upon 5 days prior written notice all records maintained pursuant to this Section 23.

**24. Captions; Counterparts and Signatures.**

Captions used in this Agreement are for convenience only and are not intended to limit or expand the meaning of any underlying provisions. This Agreement may be executed in counterparts and by use of signatures delivered by electronic means.

IN WITNESS WHEREOF, Bank and Depositor have caused this Agreement to be duly executed as of the Effective Date.

**First Financial Bank**

ATTEST:

By: Charli Koths  
Name: Charli Koths  
Title: Lending Assistant

By: Austin Elsner  
Name: Austin Elsner  
Title: President - Chisholm Trail

"Bank"

**Johnson County**

ATTEST: April Long  
By: \_\_\_\_\_  
Name: April Long  
Title: County Clerk

By: Christopher Boardaker  
Name: Christopher Boardaker  
Title: County Judge

"Depositor"



**Exhibit A**

**Irrevocable Standby Letter of Credit issued by the Federal Home Loan Bank of Dallas  
(See attached)**



IRREVOCABLE STANDBY LETTER OF CREDIT

LETTER OF CREDIT NO: [REDACTED]

EFFECTIVE DATE: September 21, 2023

EXPIRATION DATE: August 29, 2025

BENEFICIARY:

PARTY (.MEMBER"): First Financial Bank

400 Pine St

Abilene, TX 79601

[REDACTED] TX [REDACTED]

Federal Home Loan Bank of Dallas (the "Bank") hereby offers its IRREVOCABLE STANDBY LETTER OF CREDIT ("Letter of Credit") in favor of the above-named Beneficiary for any sum or sums not exceeding in total U.S. \$\_\_\_\_\_ (the "Credit Amount"), on the account of Member.

Subject to the terms and conditions herein, this Letter of Credit shall be honored by the presentment by Beneficiary of a payment request to the Bank at 8500 Freeport Parkway South, Suite 600, Irving, TX 75063-2547, Attention: Member Services Department, on or before the Expiration Date noted above, in the form of Exhibit A (the "Draft") drawn under this Letter of Credit. If such payment request is received by the Bank at or prior to 11:00 A.M. (Central Time) on a business day, and provided that the documents so presented conform to the terms and conditions hereof, payment shall be made to Beneficiary, or to its designee, of the amount specified, in immediately available funds, not later than 3:00 P.M. (Central Time) on the next succeeding business day. If such payment request is received by the Bank after 11:00 A.M. (Central Time) on a business day, and provided that the documents so presented conform to the terms and conditions hereof, payment shall be made to Beneficiary, or to its designee, of the amount specified, in immediately available funds, not later than 3:00 P.M. (Central Time) on the second business day following receipt by the Bank. As used herein "business day" shall mean any Monday, Tuesday, Wednesday, Thursday, or Friday on which the Bank is open for business.

The Draft presented for payment must be fully completed and be accompanied by this Letter of Credit.

Multiple drawings under this Letter of Credit are prohibited. If more than one Draft is presented, only the first properly presented Draft will be honored.

A payment made by the Bank pursuant to the Draft will be made from the Bank's own immediately available funds, and not with any funds that belong to Member. Payments made under this Letter of Credit shall be made by wire transfer in accordance with the instructions specified by Beneficiary in the Draft.

This Letter of Credit is irrevocable and may not be transferred or assigned by Beneficiary, except with the express prior written consent of the Bank. Further, this Letter of Credit is not issued and enforceable until the Effective Date, as set forth above. The Bank's obligation under this Letter of Credit is its individual obligation and is in no way contingent upon reimbursement with respect thereto, or upon the Bank's ability to perfect any lien, security interest or any other reimbursement.

Except as otherwise expressly stated herein, this Letter of Credit and all matters incidental hereto shall be governed by and construed in accordance with the International Standby Practices ("ISP98"), International Chamber of Commerce, Publication No. 590 and any revisions thereof, and as to matters not governed by the ISP98, shall be governed by and construed in accordance with the laws of the State of Texas without giving effect to choice of law principles included therein, the Uniform Commercial Code as adopted by the State of Texas and applicable laws of the United States of America.

Federal Home Loan Bank of Dallas

By: \_\_\_\_\_

Name: Christina Lingaro

Title: Vice President



EXHIBIT A  
DRAFT

The undersigned officer or agent of [REDACTED] (the "Beneficiary") hereby certifies on behalf of the Beneficiary to the Federal Home Loan Bank of Dallas (the "Bank") with reference to Irrevocable Standby Letter of Credit No. [REDACTED] (the "Letter of Credit"), that:

1. By presenting this Draft, the Beneficiary is requesting that payment in the amount of \$\_\_\_\_\_ be made under the Letter of Credit by wire transfer into the account specified in the Payment Instructions below.
2. The undersigned officer or agent is duly authorized to execute this Draft on behalf of the Beneficiary, which has the legal right to draw under the Letter of Credit.
3. The amount of this Draft represents a sum due by \_\_\_\_\_ to the Beneficiary and does not exceed the amount available under the Letter of Credit.
4. Demand has been made by Beneficiary to Member (defined below) for performance of an obligation of Member owed to Beneficiary and such demand has not been satisfied by Member.

PAYMENT INSTRUCTIONS

REMIT TO: \_\_\_\_\_  
ABA NUMBER: \_\_\_\_\_  
ACCOUNT NUMBER: \_\_\_\_\_  
FOR CREDIT TO: \_\_\_\_\_  
FOR FURTHER CREDIT TO: \_\_\_\_\_  
ACCOUNT NUMBER: \_\_\_\_\_  
REFERENCE [EX. INV NUM]: \_\_\_\_\_  
AMOUNT: \_\_\_\_\_

The name and address of the Member against whose account payment of the Draft should be charged are as follows:

Member Name: First Financial Bank, N.A.  
Street Address: 400 Pine St  
City, State, Zip Code: Abilene TX 79601

[REDACTED]

By its undersigned authorized officer or agent:

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_  
Date: \_\_\_\_\_

**Exhibit B**

**"Eligible securities" as defined in Section 2257.002(4) of the Texas Public Funds Collateral Act.**

## **SAFEKEEPING AGREEMENT**

THIS SAFEKEEPING AGREEMENT (this "**Agreement**") is entered into to be effective on June 1, 2025 by and between FIRST FINANCIAL BANK, a Texas banking association (the "**Bank**") and JOHNSON COUNTY, TEXAS (the "**Depositor**"). The Bank and Depositor agree that all securities and/or other property deposited with and accepted by Bank (the "Security" or "Securities") shall be governed by the terms and conditions set forth herein, and agree to the following:

### **WITNESSETH:**

The Bank shall establish and maintain a custody account (the "**Account**") for and in the name of the Depositor and hold therein all Securities deposited with or collected by the Bank in its capacity as custodian for the Account. The terms "**Security**" or "**Securities**" shall mean any negotiable or non-negotiable investment instrument(s) commonly known as a security or securities in banking custom or practice, and so long as held by the Bank, all income therefrom and all cash deposited by, or for the account of, the Depositor. The Bank agrees to open the Account and hold all Securities and other property, from time to time, deposited with or collected by the Bank for the Account, subject to the terms and conditions of this Agreement, as the same may be amended from time to time.

### **SECTION 1 ACCEPTANCE OF SECURITIES**

(a) The Bank shall accept delivery from and on behalf of the Depositor such Securities as shall, from time to time, be acceptable to it and shall hold such Securities pursuant to the terms of this Agreement. Any Securities now held by the Bank for the Depositor under a prior safekeeping or custody agreement shall be deemed to have been deposited hereunder. The Bank shall have no responsibility to (i) determine the validity, genuineness or alteration of the Securities or related instruments delivered pursuant to the terms hereof; (ii) review the Securities; or (iii) advise the Depositor of the purchase, retention, sale, exchange, disposition, call for redemption of the Securities or related instruments.

(b) The Bank shall supply to the Depositor from time to time as mutually agreed by the Bank and the Depositor a written statement with respect to all of the Securities held in the Account. In the event that the Depositor does not inform the Bank in writing of any exceptions or objections to such statement within thirty (30) days after receipt of such statement, the Depositor shall be deemed to have approved such statement.

(c) The Bank shall segregate and identify on its books and records as belonging to the Depositor all Securities delivered by or for the account of the Depositor which are held by the Bank in the Account.

(d) The Depositor authorizes the Bank, for any Securities held hereunder, to use the services of any United States central securities depository it deems appropriate where it may hold any of its own securities, including, but not limited to, the Depository Trust Company and the Federal Reserve Book Entry System. The term "*central securities depository*" shall also include any depository service which acts as a custodian of securities in connection with a Safekeeping Agreement

system for the central handling of securities whereby all securities of a particular class or series of any issuer deposited within the system are treated as fungible and may be transferred by bookkeeping entry without physical delivery of security certificates. Placement by the Bank of Securities into a central securities depository or safekeeping facility neither augments nor diminishes the Bank's duties or obligations under any other paragraph of this Agreement, provided that the Bank shall have no liability for the acts or failure to act of any such central securities depository.

(e) The Bank is authorized (in its discretion) to acquire, place, hold, register and re-register the Securities in the name of the Depositor, the Bank or the Bank's nominee unless alternative and acceptable registration instructions are promptly furnished by the Depositor.

## **SECTION 2 COLLECTION OF INCOME**

The Bank agrees to collect and receive the dividends, interest and other income from the Securities, as directed by the Depositor, and will credit the Depositor's designated deposit account or submit payment directly to Depositor for such items. Charges, if any, will be charged to the Depositor's designated deposit account or, in Bank's sole discretion, billed to Depositor. The Depositor expressly agrees that the Bank will not be liable for failure to perform this service, as it is intended merely as an aid to the Depositor and does not relieve the Depositor of its own duty to keep itself informed of information affecting its own portfolio. The Bank is hereby authorized to sign, on the Depositor's behalf, any declarations, affidavits, certificates of ownership, or other documents which are now or may hereafter be required with respect to coupons, registered interest, dividends or other income on the Securities. **TO THE EXTENT ALLOWED BY TEXAS LAW, THE DEPOSITOR HEREBY AGREES TO REIMBURSE, INDEMNIFY, AND HOLD HARMLESS, THE BANK, ITS OFFICERS, DIRECTORS AND EMPLOYEES FROM ANY LIABILITY, CLAIM, LOSS, DAMAGE OR EXPENSE (INCLUDING ATTORNEYS' FEES AND COURT COSTS) THAT MAY ARISE BY REASON OF THE EXECUTION OF ANY SUCH DOCUMENTS BY THE BANK.**

## **SECTION 3 COLLECTION OF PRINCIPAL**

The Bank is authorized to collect, receive and receipt for the principal of all Securities when and as the same may mature, be redeemed, or be sold upon the order of the Depositor. The proceeds of such collections, as well as any other principal payments received for any Securities, will be credited to the Depositor's designated deposit account. The Bank will use commercially reasonable efforts to collect the Securities and other property at maturity and at dates of call for payment, but assumes no responsibility for its failure to do so and shall not be obligated to institute or participate in any legal proceedings relative thereto. The Depositor expressly agrees the Bank will not be liable for the insolvency, or default in the payment of principal or interest or in the performance, of the issuer of any Securities.

## **SECTION 4 WITHDRAWAL OF SECURITIES**

In the event the Depositor is an individual, the Securities will be released upon the Bank's receipt of written instructions from the Depositor. In the event the Depositor is an entity, the Securities will be released upon the instructions of an Authorized Representative (as hereafter defined) of Depositor. The Depositor expressly agrees that the Bank shall not be liable for any loss, damage, or liability resulting from the Bank's actions taken in accordance with instructions given to the Bank by the Depositor or Required Number of Authorized Representatives (as hereafter defined). If the Depositor has delivered to the Bank Securities subject to a pledge, such Securities will be released only upon the receipt of (i) a written notice from the Depositor or an Authorized Representative, if requested by Bank, (ii) a written release of the pledgee, and (iii) a certificate of the Depositor certifying that the signature of the pledgee is authorized and authentic.

## **SECTION 5 STANDARD OF CARE**

The Bank shall exercise commercially reasonable care in receiving, holding and handling the Securities. The Bank will exercise commercially reasonable care expected of a professional custodian for hire with respect to the Securities in its possession or control.

## **SECTION 6 DEPOSITOR DUTIES**

(a) In the event the Depositor is an entity, Depositor shall provide the Bank with a written certificate in a form substantially similar to the document attached hereto as Exhibit A containing the name and specimen signatures of each person who is authorized to act and give direction on behalf of the Depositor with respect to the Account (the "**Authorized Representative**") and the number of Authorized Representatives that are required in order to provide written authorization on behalf of the Depositor and/or to amend Exhibit A (each such number specified on Exhibit A is referred to below as the "**Required Number of Authorized Representatives**"). The Bank is authorized to act upon instructions received from the Required Number of Authorized Representatives. The Bank shall be entitled to rely upon such certificate until otherwise notified in writing by Depositor or the Required Number of Authorized Representatives. In addition, the Depositor agrees to hold the Bank harmless and without liability for any claims or losses in connection with any instructions received from the Required Number of Authorized Representatives. Exhibit A may be amended from time to time in whole or in part in accordance with instructions from the Required Number of Authorized Representatives.

(b) The Bank is further authorized to rely upon any written instructions or instructions received by any other means and identified as having been given or authorized by the Authorized Representative(s), provided that the Bank and the Depositor shall have agreed in writing upon the means of transmission and the method of identification for such instructions. Instructions received by any other means shall include verbal instructions, provided that any verbal instruction shall be promptly confirmed in writing. In the event verbal instructions are not subsequently confirmed in



writing, as provided above, the Depositor agrees to hold the Bank harmless and without liability for any claims or losses in connection with such verbal instructions. Notwithstanding the above, instructions for the withdrawal of securities *'free of payment'* shall be given only in writing, and manually signed by any such authorized persons.

(c) In the event that the Bank shall receive conflicting instructions from the Depositor regarding any particular transaction, the Bank shall have no duty to attempt to resolve such conflict; provided, however, the Bank may rely upon the instruction first received by the Bank and the Bank is hereby held harmless from all consequences of such reliance.

## **SECTION 7 BANK DUTIES**

(a) The Bank shall receive or deliver, or shall instruct any other entity authorized to hold Securities hereunder to receive or deliver, Securities and credit or debit the Account, in accordance with written instructions from the Depositor. The Bank or such entity shall also receive in custody all stock dividends, rights and similar securities issued in connection with the Securities held hereunder, shall surrender for payment, in a timely manner, all items maturing or called for redemption and shall take such other action as the Depositor may direct in properly authorized and timely written instructions to the Bank.

(b) All cash received or held by the Bank as custodian or by any entity authorized to hold the Securities hereunder as interest, dividends, proceeds from transfer, and other payments for or with respect to the Securities shall be (i) held in an account, or (ii) in accordance with written instructions received by the Bank, remitted to the Depositor.

(c) During the Bank's regular banking hours and upon receipt of reasonable notice from the Depositor, any officer or employee of the Depositor, any independent accountant(s) selected by the Depositor and any person designated by any regulatory authority having jurisdiction over the Depositor shall be entitled to examine on the Bank's premises, the Securities held by the Bank on its premises, but only upon the Depositor's furnishing the Bank with properly authorized instructions to that effect, provided, such examination shall be consistent with the Bank's obligations of confidentiality to other parties. The Bank's costs and expenses in facilitating such examinations, including but not limited to the cost to the Bank of providing personnel in connection with examinations shall be borne by the Depositor. The Bank shall also, subject to restrictions under applicable law, seek to obtain from any entity with which the Bank maintains the physical possession of any of the Securities in the Account such records of such entity relating to the Account as may be required by the Depositor or its agents in connection with an internal examination by the Depositor of its own affairs. Upon a reasonable request from the Depositor, the Bank shall use its reasonable efforts to furnish to the Depositor such reports (or portions thereof) of the external auditors of each such entity as related directly to such entity's system of internal accounting controls applicable to its duties under its agreement with the Bank.

(d) The Bank will transmit to the Depositor upon receipt, all financial reports, stockholder communications, notices, proxies and proxy soliciting materials received from issuers of the Securities and all information relating to exchange or tender offers received from offerors with respect to the Securities. Proxies will be executed by the registered holder if the registered holder is other than the Depositor, but the manner in which the Securities are to be voted will not be indicated. Specific

instructions regarding proxies will be provided when necessary. The Bank shall not vote any of the Securities or authorize the voting of any Securities or give any consent or take any other action with respect hereto, except as provided herein. The Bank is authorized to accept and open in the Depositor's behalf all mail or communications received by it or directed to its care.

(e) In the event of tender offers, the Depositor shall mail, email or fax instructions to the Bank as to the action to be taken with respect thereto or telephone such instructions to Depositor's account administrator at the Bank, designating such instruction as being related to a tender offer. The Depositor shall deliver to the Bank, by 4:00 p.m., Abilene, Texas time on the following calendar day, written confirmation of such oral instruction. The Depositor shall hold the Bank harmless from any adverse consequences of the Depositor's use of any other method of transmitting instructions relating to a tender offer. The Depositor agrees that if it gives an instruction for the performance of an act on the past permissible date of a period established by the tender offer or for the performance of such act or that it fails to provide next day written confirmation of an oral instruction, the Depositor shall hold the Bank harmless from any adverse consequences of failing to follow said instructions.

(f) The Bank is authorized to accept and open in the Depositor's behalf all mail or communications received by it or directed to its care and upon receipt will transmit such to the Depositor.

(g) The Bank shall promptly notify the Depositor of any calls for redemption, mergers, tenders, consolidations, reorganizations, recapitalizations, or similar proceedings affecting the Securities (other than those Securities registered in the Depositor's name) held in the Account, provided notice of such proceedings appears in standard New York financial publications or a service to which the Bank subscribes. The Bank shall not be liable for late presentation of such items when the Depositor has failed to timely instruct the Bank in writing. Should any Security held in a central securities depository be called for a partial redemption by the issuer of such Security, the Bank is authorized, in its sole discretion, to allot the called portion to the respective holders in any manner it deems fair and equitable.

(h) The Bank shall present all maturing bonds and coupons for collection and is authorized to receive payment of income and principal on other items in accordance with their terms. All funds so collected shall be credited to the Account or remitted in accordance with the instructions of the Depositor.

(i) The Depositor acknowledges and agrees that the Bank shall not be liable for any loss or damage arising out of a cause beyond the Bank's control.

## **SECTION 8 FOREIGN SECURITIES**

The Bank shall not hold Securities which are issued by foreign governments or foreign companies or for which the principal trading market is located outside the United States hereunder. Should the Bank elect to hold such securities, such activities shall be governed by a separate agreement between the Bank and the Depositor.

## **SECTION 9 FEES AND EXPENSES**

(a) The Depositor agrees to promptly pay upon receipt of an invoice from the Bank the fees and expenses set forth therein. The fees and expenses for the services to be rendered under this Agreement have been provided to the Depositor and are incorporated herein for all purposes, and as such may be amended from time to time, effective upon 30 days' prior written notice by the Bank to the Depositor. In addition, if the Bank advances securities to the Depositor for any purpose or in the event that the Bank or its nominee shall incur or be assessed any taxes, charges, expenses, assessments, claims or liabilities in connection with the performance of its duties hereunder, except such as may arise from or be caused by the Bank's or its nominee's gross negligence or willful misconduct, Depositor shall immediately reimburse the Bank, or its nominee, for such advances, taxes, charges, expenses, assessments, claims or liabilities, or replace such Securities.

(b) The Bank may, in its sole discretion, advance funds on behalf of the Depositor which results in an overdraft if the monies held in the Account are insufficient to pay the total amount payable upon purchase of Securities as instructed. Any such overdrafts shall be deemed to be a loan made by the Bank to the Depositor payable promptly upon demand and bearing interest at the Bank's prime rate plus two percent per annum from the date incurred. Notwithstanding anything contained in this Agreement to the contrary, the Bank shall have no obligation to advance funds on behalf of the Depositor.

(c) The Bank shall have a lien on the Securities in the Account to secure payment of such fees and expenses, taxes, advances and other charges incurred under this Section 9. The Depositor agrees that the Bank's lien shall be a continuing lien and security interest in and on any Securities at any time held by or through it in accordance with this Agreement, for the benefit of the Depositor or in which the Depositor may have an interest which is then in the Bank's possession or control or in possession or control of any third party acting on the Bank's behalf. Upon failure by the Depositor to cure any overdraft amounts, or to reimburse the Bank promptly after the request for payment, the Bank may immediately and without further notice dispose of Securities to the extent necessary to obtain reimbursement. The Bank shall have all of the rights and remedies of a secured creditor under the Uniform Commercial Code as in effect in State of Texas from time to time with respect to the Securities.

(d) The Bank is hereby authorized to charge the Depositor's designated deposit account for all fees and charges incurred or assessed hereunder.

## **SECTION 10 INVESTMENT RESPONSIBILITY**

Unless otherwise agreed in writing by the Depositor and the Bank, the Bank is under no duty to (i) advise the Depositor relative to the investment, purchase, retention, sale, or other disposition of any Securities held hereunder; (ii) supervise the Depositor's investments, purchases or sales; (iii) invest, or see to the investment of, any cash proceeds or other cash deposited hereunder and held by the Bank; or (iv) determine whether any investment or sale made for the Account by Depositor is made in conformity with Depositor's requirements or understandings. The Bank's duties hereunder are strictly ministerial in nature and are limited to those duties expressly

set forth in this Agreement. Nothing in this Agreement shall be construed to impose fiduciary responsibilities on the Bank.

## SECTION 11 LIMITATION OF LIABILITY & INDEMNIFICATION

The Bank undertakes to perform such duties and only such duties as are specifically set forth in this Agreement, it being expressly understood that there are no implied duties hereunder. In addition to other provisions of this Agreement, the Depositor agrees that the Bank (a) will be responsible only for the exercise of reasonable commercial standards of the banking business; (b) will not be liable for any loss or damage to the Securities when such loss or damage is due to any cause other than failure to exercise reasonable commercial standards, and in any event will not be liable for any decline in the market value of the Securities; (c) will not be considered an insurer against risk of loss, damage, destruction or decline in market value of the Securities; and (d) will not have liability to the Depositor with respect to the services rendered by the Bank pursuant to this Agreement until such time as the Securities are actually delivered to the Bank, it being understood and agreed that the Depositor bears the risk of loss with respect to shipment and delivery of the Securities to the Bank. **IN NO EVENT SHALL THE BANK BE LIABLE, DIRECTLY OR INDIRECTLY, FOR ANY (I) DAMAGES OR EXPENSES ARISING OUT OF THE SERVICES PROVIDED HEREUNDER OTHER THAN DAMAGES WHICH RESULT FROM THE BANK'S FAILURE TO ACT IN GOOD FAITH OR IN ACCORDANCE WITH THE REASONABLE COMMERCIAL STANDARDS OF THE BANKING BUSINESS OR (H) SPECIAL OR CONSEQUENTIAL DAMAGES, EVEN IF THE BANK HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.**

In addition to any and all rights of reimbursement, indemnification, subrogation, or any other rights pursuant hereto or under law or equity, the Depositor hereby agrees, to the extent permitted by Texas law, to indemnify and hold harmless the Bank and its officers, directors, employees, agents, affiliates, subsidiaries, and parent companies (the "**indemnified parties**") from and against any and all claims, damages, losses, liabilities, costs, or expenses whatsoever (including attorneys' fees and court costs) which they may incur (or which may be claimed against them by any person or entity whatsoever) by reason of or in connection with (a) any untrue statement or alleged untrue statement of any material fact contained or incorporated by reference in the information supplied by the Depositor to the Bank or its nominee in connection with the performance of their duties under this Agreement or the related documents, or the omission or alleged omission to state in such information a material fact necessary to make such statements, in the light of circumstance under which they are or were made, not misleading; (b) any instruction given by the Depositor to the Bank under this Agreement; or (c) the execution and delivery of this Agreement.

If any proceeding shall be brought or threatened against any indemnified party by reason of or in connection with the events described in clauses (a) through (c) above, such indemnified party shall promptly notify the Depositor in writing and the Depositor shall assume the defense thereof, including the employment of counsel satisfactory to such indemnified party and the payment of all costs of litigation. Notwithstanding the preceding sentence, such indemnified party shall have the right to employ its own counsel and to determine its own defense of such action in any such case, but the fees and expenses of such counsel shall be at the expense of such indemnified party unless (i) the employment of such counsel shall have been authorized in writing

by the Depositor or (ii) the Depositor, after due notice of the action, shall not have employed counsel to have charge of such defense, in either of which events the reasonable fees and expenses of counsel for such indemnified party shall be borne by the Depositor. The Depositor shall not be liable for any settlement of any such action effected without its consent. Nothing under this section is intended to limit the Depositor's payment obligations contained elsewhere in this Agreement. This section shall survive the termination of this Agreement.

## **SECTION 12 BANK POWER OF ATTORNEY**

In addition to other rights granted to the Bank pursuant to the terms of this Agreement, the Bank is authorized and empowered in the name of and on behalf of the Depositor to execute any certificates of ownership or other instruments which are or may hereafter be required by any regulations of the United States or any state or political subdivision thereof, so that the Bank may fulfill its obligations hereunder as required in connection with any Securities.

## **SECTION 13 AMENDMENTS**

Except as otherwise provided hereby, the parties may make amendments to this Agreement from time to time, provided that any such amendment shall be reduced to writing and signed by both parties.

## **SECTION 14 SUCCESSORS & ASSIGNS**

This Agreement shall be binding upon and shall inure to the benefit of the successors and assigns of the respective parties hereto.

## **SECTION 15 COMPLETENESS OF AGREEMENT**

This Agreement, along with a copy of the fee schedule, as may be amended from time to time in writing by Bank and Depositor, and together with the Bank Depository Agreement and the Collateral Security Agreement constitute the full and complete agreement between the Bank and the Depositor, and no other understandings or agreement, whether written or oral shall bind either of the parties hereto. The headings of Sections of this Agreement are for the convenience only and have no effect on a party's responsibilities or liabilities.

## **SECTION 16 GOVERNING LAW**

This Agreement shall be governed by the applicable laws of the State of Texas.

## **SECTION 17 TERMINATION**

This Agreement may be terminated by either Depositor or the Bank upon at least ninety (90) days prior written notice to the other. The Depositor shall have a period of ninety (90) days from the date of the last and final accounting provided by the Bank to make any objection or claim, and failure to do so within the ninety (90) day period shall be deemed by the parties hereto to constitute accord and satisfaction. As soon as practicable following the termination of this Agreement, the Bank shall deliver all Securities to the Depositor in accordance with the Depositor's written instructions.

## **SECTION 18 NOTICES**

Other than communications between Depositor and Bank that are specifically provided for herein, any notice to be given or to be served upon any party hereto in connection with this Agreement must be in writing, and shall be given by certified or registered mail, facsimile transmission ("fax") or express courier and shall be deemed to have been given and received twenty-four (24) hours after a postage prepaid, is deposited in the United States mail. Such notices shall be given to the parties hereto at the following addresses:

If to the Bank:       First Financial Bank  
                              Attn: Safekeeping Department  
                              P.O. Box 701  
                              Abilene, Texas 79604

If to the Depositor: Any notices served by fax shall be deemed to have been given and received by the sender. Any party hereto may, at any time by giving fifteen (15) days' written notice to the other party hereto, designate any other address in substitution of the foregoing address to which such notice shall be given.

## **SECTION 19 MISCELLANEOUS**

(a) This Agreement may be executed in any number of counterparts; each such counterpart hereof shall be deemed to be an original instrument, but all such counterparts together shall constitute but one agreement.

(b) In case any one or more of the provisions contained in this Agreement shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision hereof, and this Agreement shall be construed as if such invalid, illegal, or unenforceable provision had never been contained herein.

IN WITNESS WHEREOF, the parties thereto executed this Agreement as of the day and year first above-written.

**BANK:**

**FIRST FINANCIAL BANK**

By: Austin Elmer  
Name: Austin Elmer  
Title: President - Chisholm Trail

**DEPOSITOR:**

**JOHNSON COUNTY, TEXAS**

By: Chris Boeder  
Name: Christopher Boeder  
Title: County Judge

EXHIBIT A

Safekeeping Agreement Authorized Representative(s)

EXHIBIT A

Safekeeping Agreement Authorized Representative(s)

Depositor (as identified in the foregoing Safekeeping Agreement) hereby designates the following persons as Authorized Representatives with respect to Depositor's Safekeeping Agreement with Bank. Each of these Authorized Representatives is authorized to deliver instructions to Bank regarding the Account, and Bank is fully entitled to act upon such instructions. Each Authorized Representative listed certifies that all of the signatures appearing hereon are true and correct. All written authorizations given by the Depositor must be signed by at least 1 Authorized Representative(s). This Exhibit A may be amended from time to time upon the authorization of at least 1 Authorized Representative(s).

Kathy M. Blackwell  
Signature

Kathy Blackwell - County Treasurer  
Printed Name/Title

Melinda Horn  
Signature

Melinda Horn - Deputy Treasurer  
Printed Name/Title

Steven E. Watson  
Signature

Steven E. Watson - County Auditor  
Printed Name/Title

Jennifer Lyon  
Signature

Jennifer Lyon 1st Asst Aud  
Printed Name/Title

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Printed Name/Title

EXECUTED (OR REVISED) this 12<sup>th</sup> day of May, 2025.

CGH Bank  
Depositor

Christopher Boedeker  
Printed Name/Title  
County Judge

ACCEPTED THIS 5<sup>th</sup> DAY OF May, 2025.

Austin Elana  
Safekeeping Representative  
First Financial Bank



**COLLATERAL SECURITY AGREEMENT**

This Collateral Security Agreement (this "Agreement") is made and entered into effective June 1, 2025 (the "Effective Date"), by and between Johnson County, Texas ("Depositor") and First Financial Bank, Texas state banking association ("Bank").

Pursuant to the terms and provisions of this Agreement, Bank hereby grants a security interest in and a pledge of Eligible Collateral to secure the timely payment of the Uninsured Deposits pursuant to the Depository Agreement.

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

1. **Definitions.** Except as otherwise expressly defined in this Agreement, all terms used herein which are defined in the Uniform Commercial Code as in effect from time to time in Texas (the "Code") have the same meaning as in the Code. All other terms capitalized but not defined herein or in the Code have the meanings assigned to them in the Depository Agreement.

"Account" shall mean that portion of the custodial account established with Custodian in the name of Bank designated by Bank to be held by Custodian for the benefit of Depositor as secured party in accordance with this Agreement.

"Authorized Person" shall be any officer of Depositor or Bank, as the case may be, duly authorized to give Written Instructions on behalf of Depositor or Bank, respectively, such authorized persons for Depositor to be designated in a certificate substantially in the form of Exhibit B, attached hereto, as such exhibit may be amended from time to time, or as designated in such other forms as may be prescribed by Bank.

"Book-Entry System" shall mean the Federal Reserve/Treasury Book Entry System for receiving and delivering U.S. Government Securities.

"Business Day" shall mean any day on which Custodian and Bank are open for business and on which the Book Entry System is open for business.

"Collateral" shall mean the specific amounts and issues of Securities held in the Account and, if applicable, specific amounts of Proceeds held in the Account, securing the timely payment of the Uninsured Deposits of Depositor.

"Collateral Requirement" shall mean the Collateral Requirement as defined in the Depository Agreement.

"Custodian" shall mean the custodial bank identified to Depositor by Bank to hold the Collateral in the Account.

"Depository Agreement" shall mean Bank Depository Agreement made and entered into by and between Depositor and Bank as of the Effective Date.

"Deposits" shall mean all deposits by Depositor in Bank, including all accrued interest on such deposits, that are available for all uses generally permitted by Bank to Depositor for actually and finally collected funds under Bank's account agreement or policies.

"Eligible Collateral" shall mean any Securities of the types enumerated in the Schedule of Eligible Collateral (which types are in compliance with Depositor's collateral policy as verified by Depositor's approval and execution of this Agreement) attached hereto as Exhibit A, as such exhibit may be amended from time to time pursuant to a written amendment signed by each of the parties to this Agreement, and any Proceeds of such Securities.

"Market Value" shall mean: (i) with respect to any Security held in the Account, the market value of such Security as made available to Bank or Custodian by a generally recognized source selected by Bank or Custodian, plus, if not reflected in the market value, any accrued interest on such Security, or, if such source does not make available a market value, the market value shall be as determined by Custodian or Bank in its sole discretion based on information furnished to Custodian or Bank by one or more brokers or dealers; and (ii) with respect to any cash held in the Account, the face amount of such cash.

"Proceeds" shall mean any principal or interest payments or other distributions made in connection with Eligible Collateral and anything acquired upon the sale, lease, license, exchange or other disposition of Eligible Collateral.

"Security" or "Securities" shall include, without limitation, any security or securities held in the Book-Entry System; common stock and other equity securities; bonds, debentures and other debt securities; notes, mortgages, or other obligations; and any instruments representing rights to receive, purchase, or subscribe for the same, or representing any other rights or interests in such security or securities.

"Trust Receipt" shall mean evidence of receipt, identification and recording, including a written or electronically transmitted advice or confirmation of transaction or statement of account. Each advice or confirmation of transaction shall identify the specific securities which are the subject of the transaction. If available, statements of account may be provided by Bank or Custodian at least once each month and when reasonably requested by Depositor, and must identify all Eligible Collateral in the Account and its Market Value.

"Uninsured Deposits" shall mean that portion of the daily ledger balance (amount of funds plus the amount of any accrued interest on the funds) of Depositor's Deposits with Bank which is not otherwise secured by a letter of credit issued by a Federal Home Loan Bank and which exceeds the standard maximum deposit insurance amount ("SMDIA") of the Federal Deposit Insurance Corporation ("FDIC").

"Written Instructions" shall mean written communications actually received by Bank or Custodian from an Authorized Person or from a person reasonably believed by Bank or Custodian to be an Authorized Person.

## **2. Security Requirement.**

- (a) To secure the timely payment of Uninsured Deposits made by Depositor, Bank has identified to or deposited with Custodian certain Securities as more fully described in the initial confirmation or Trust Receipt delivered by Custodian to Bank and Depositor, and if delivered only to Bank, delivered by Bank to Depositor. Pursuant to the Code, Custodian shall act as a bailee or agent of Depositor and, to the extent not inconsistent with such duties, shall hold Securities as a securities intermediary (as such term is defined in Chapter 8 of the Code) in accordance with the provisions of this Agreement, the Depository Agreement, and of any agreement entered into with Custodian further governing the provision of security by Bank for Uninsured Deposits.
- (b)
  - (i) To secure the timely payment of Uninsured Deposits made by Depositor with Bank, Bank agrees to identify to Custodian, or to deliver or cause to be delivered to Custodian for transfer to the Account, Eligible Collateral having a Market Value equal or greater than the Collateral Requirement.
  - (ii) If the Market Value of such Eligible Collateral on any Business Day is less than the Collateral Requirement for such day, Bank shall be required to identify or deliver to Custodian additional Eligible Collateral having a Market Value equal to or greater than such deficiency as soon as possible, but no later than the close of business of Custodian on the Business Day on which Bank determined such deficiency. If on any Business Day, the aggregate Market Value of the Eligible Collateral provided pursuant to this Agreement exceeds the Collateral Requirement for such day, Custodian shall, at the direction of Bank and with the approval of the Authorized Person acting on behalf of Depositor, transfer from the Account to or for the benefit of Bank, Eligible Collateral having a Market Value no greater than such excess amount.
  - (iii) When additional Eligible Collateral is required to cover incremental Deposits, Bank must receive the request for collateral one (1) Business Day prior to the Business Day the incremental Deposits are received, and Bank shall be required to identify or deliver to Custodian additional Eligible Collateral having a Market Value equal to or greater than the deficiency on the Business Day the incremental Deposits are received.
- (c) For any changes made to the Eligible Collateral held in the Account due to releases, substitutions or additions of Eligible Collateral, Custodian shall update its records of the Account accordingly and promptly issue a Trust Receipt to Bank and Depositor, and if delivered only to Bank, said Trust Receipt shall be delivered by Bank to Depositor.
- (d) Bank shall be entitled to income on Securities held by Custodian in the Account, and Custodian may dispose of such income as directed by Bank without approval of Depositor, to the extent such income is not needed to meet the Collateral Requirement.

**3. Custody of Securities.** The parties agree that all Securities held in the Account shall be treated as financial assets. For purposes of the Code, the security interest granted by Bank in the Eligible Collateral for the benefit of Depositor is created, attaches, and is perfected for all purposes under Texas law from the time Custodian identifies the pledge of Eligible Collateral to Depositor and issues a Trust Receipt for such Eligible Collateral. The security interest of Depositor in the Collateral shall terminate upon the transfer of such Collateral from the Account.

**4. Delivery of Securities.** Bank and Depositor agree that the Collateral identified or delivered to Custodian to be held in the Account may be in the form of credits to the accounts of Custodian in the Book Entry System.

Bank acknowledges that to the extent permitted by law, the records of Bank and/or Custodian with respect to the pledge of Eligible Collateral as described in this Agreement: (a) may be inspected by Depositor or by the Texas Comptroller of Public Accounts (the "Comptroller"), at any time during regular business hours of Bank or Custodian; (b) such records may be subject to audit or inspection at any time pursuant to Sections 2257.025 and 2257.061 of the Texas Government Code, as amended; and (c) reports must be filed by Custodian with the Comptroller when requested by Comptroller.

**5. Collection of Securities.** If Depositor certifies in writing to Custodian that (a) Bank is in default under this Agreement or the Depository Agreement, and (b) Depositor has satisfied any notice or other requirement to which Depositor is subject pursuant to the Depository Agreement, then Depositor may, subject to the provisions of Sections 8 and 9, give Custodian and any appointed receiver Written Instructions to transfer the value of the Collateral (up to the amount that Depositor has in its depository account(s) with Bank as of the date of such default) to an account or accounts controlled by Depositor, and to cease releasing to an account of Bank any Proceeds reflecting the income on Securities in the Account as provided in Section 2(d).

**6. Representation and Warranties.**

- (a) **Representations of Bank.** Bank represents and warrants, which representations and warranties shall be deemed to be continuing, that:
  - (i) this Agreement has been authorized by Bank's Board of Directors, and such authorization is evidenced by a resolution of Bank's Board of Directors adopted at a duly called meeting;
  - (ii) this Agreement has been legally and validly entered into and is enforceable against Bank in accordance with its terms;
  - (iii) this Agreement and the pledge of Eligible Collateral under this Agreement do not violate or contravene the terms of Bank's charter documents, by-laws, or any agreement or instrument binding on Bank or its property, or any statute or regulation applicable to Bank;

- (iv) Bank has entered into this Agreement and the Depository Agreement (A) in the ordinary course of business, (B) in good faith and on an arm's-length basis with Depositor, (C) not in contemplation of bankruptcy or insolvency, and (D) without intent to hinder, delay, or defraud Bank's creditors;
  - (v) a copy of each of (A) this Agreement, (B) the Depository Agreement, and (C) the resolution of the Board of Directors of Bank authorizing this Agreement, have been placed (and will be continuously maintained) in the official records of Bank;
  - (vi) Bank is sole legal and actual owner of the Securities or of beneficial interests in Securities deposited in the Account, free of all security interests or other encumbrances, except the security interest created by this Agreement;
  - (vii) this Agreement was executed by an officer of Bank who was authorized by Bank's Board of Directors to do so;
  - (viii) Bank is a bank duly authorized to do business in the State of Texas; and
  - (ix) all acts, conditions, and things required to exist, happen or to be performed on its part precedent to and in the execution and delivery of this Agreement by it exist or have happened or have been performed.
- (b) Representations of Depositor. Depositor represents and warrants, which representations and warranties shall be deemed to be continuing, that:
- (i) this Agreement has been legally and validly entered into, has been approved by Depositor's governing body, and does not and will not violate any statute or regulation applicable to it and is enforceable against Depositor in accordance with its terms;
  - (ii) the appointment of Custodian has been duly authorized by Depositor and this Agreement was executed by an officer of Depositor duly authorized to do so;
  - (iii) (A) all Securities identified on the Schedule of Eligible Collateral, attached hereto as Exhibit A may be used to secure the timely payment of Depositor's Uninsured Deposits under applicable statutes and regulations, (B) the Collateral Requirement meets the requirements of such applicable statutes and regulations, (C) the governing board of Depositor has approved a collateral policy which as verified by Depositor's approval and execution of this Agreement authorizes all such Securities to be used as Eligible Collateral, and (D) such collateral policy complies with all applicable statutes and regulations;
  - (iv) it will not sell, transfer, assign, convey, pledge, or otherwise dispose in whole or in part its interests in or the rights with respect to the Collateral, except as permitted under the provisions of this Agreement;

(v) all approvals, acts, conditions, and things required to exist, happen, or to be performed on its part precedent to and in the execution and delivery of this Agreement exist or have happened or have been performed; and

(vi) Depositor will comply with the terms of any other agreements it may have with Bank in connection with this Agreement.

**7. Continuing Agreement.** This Agreement shall continue and remain in full force and effect and shall be binding upon Bank and its successors and assigns until such time as (a) all Deposits have been paid in full to Depositor or otherwise paid as instructed by Depositor, and (b) the Depository Agreement is no longer in effect.

**8. Rights and Remedies of Depositor.** Depositor's rights and remedies with respect to the Collateral shall be those of a secured party under the Code and under any other applicable law, as the same may from time to time be in effect, in addition to those rights granted in this Agreement, in the Depository Agreement, and in any other agreement in effect between Bank and Depositor. Depositor agrees to provide Bank and Custodian with reasonable notice of the sale, disposition, or other intended action subject to the provisions of this Agreement in connection with the Collateral, whether required by the Code or otherwise.

**9. Application of Proceeds by Depositor.** In the event Depositor, or Custodian on Depositor's behalf, sells or otherwise disposes of the Collateral in the course of exercising the remedies provided for in this Agreement, any amounts held, realized or received by or on behalf of Depositor pursuant to the provisions of this Agreement, including the proceeds of the sale, in whole or in part, of any of the Collateral, shall be applied first toward the payment of any costs and expenses incurred by or on behalf of Depositor (a) in enforcing this Agreement, (b) in realizing on selling, disposing or protecting any Collateral and (c) in enforcing or collecting any Deposits, including attorneys' fees, and then toward payment of the Deposits in such order or manner as Depositor may elect. Any Collateral, or proceeds of sale, remaining after such application and after payment to Depositor of all the Deposits in full shall be paid or delivered to Bank, its successors or assigns, as a court of competent jurisdiction may direct.

**10. Notices.** Any communication, notice, or demand to be given under this Agreement shall be duly given when delivered in writing or sent by facsimile to a party at its address indicated below.

If to Depositor: Johnson County  
2 N. Main Street  
Cleburne, Texas 76033  
and via email to: [christopherb@johnsoncountytexas.org](mailto:christopherb@johnsoncountytexas.org)

If to Bank: Executive Vice President, Treasury Department  
First Financial Bank  
400 Pine Street  
Abilene, Texas 79601  
and via email to: [notices@ffin.com](mailto:notices@ffin.com)

11. **Miscellaneous.**

- (a) **Updating Certificate of Authorized Persons.** Depositor agrees to furnish to Bank a new and updated "Certificate of Authorized Persons" substantially in the form of Exhibit B, attached hereto, or in similar form as Bank may require, within a reasonable amount of time after there are additions or deletions to list of Authorized Persons authorized to act on behalf of Depositor.
- (b) **Invalidity: Severability.** If any clause or provision of this Agreement is for any reason held to be invalid, illegal or unenforceable, such holding shall not affect the validity, legality or enforceability of the remaining clauses or provisions of this Agreement.
- (c) **Amendment.** This Agreement may not be amended or modified in any manner except by written agreement executed by all of the parties.
- (d) **Assignment and Binding Effect.** Depositor may not assign all or any part of its rights or obligations under the Agreement without Bank's prior express written consent, which may be withheld in Bank's sole discretion. Bank may assign or delegate all or any part of its rights or obligations under the Agreement, including, without limitation, the performance of the services described herein without Depositor's express written consent only to a financial institution with one or more offices in Johnson County, Texas. The Agreement will be binding on and inure to the benefit of the successors and permitted assigns of either party.
- (e) **Governing Law; Venue.** This Agreement shall be construed in accordance with the substantive laws of the State of Texas, without regard to conflicts of law principles thereof. Bank and Depositor hereby consent to the jurisdiction of a state district court of Johnson County or a federal district court in Dallas County, Texas in connection with any dispute arising hereunder. **BANK AND DEPOSITOR EACH HEREBY IRREVOCABLY WAIVES ANY AND ALL RIGHTS TO TRIAL BY JURY IN ANY LEGAL PROCEEDING ARISING OUT OF OR RELATING TO THIS AGREEMENT.**
- (f) **Liability of the Parties.** Bank's and Depositor's duties and responsibilities to each other are limited as set forth in this Agreement, except with respect to any provisions of the law which cannot be varied or waived by agreement. **TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, NEITHER BANK NOR DEPOSITOR WILL BE LIABLE FOR ANY CONSEQUENTIAL, INCIDENTAL, INDIRECT, EXEMPLARY, SPECIAL, OR PUNITIVE DAMAGES (INCLUDING WITHOUT LIMITATION, LOSS OF REVENUE OR ANTICIPATED PROFITS) OR FOR ANY INDIRECT LOSS THAT THE OTHER PARTY MAY INCUR OR SUFFER IN CONNECTION WITH THE SERVICES PROVIDED HEREUNDER (EVEN IF SUCH PARTY HAS BEEN INFORMED OF THE POSSIBILITY OF SUCH DAMAGES), INCLUDING WITHOUT LIMITATION, ATTORNEYS' FEES.**

(g) Except in cases of Custodian's gross negligence or willful misconduct, and excluding the enforcement of Depositor's rights and remedies as a secured party with respect to the Collateral, 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. To the extent covered by such indemnity, 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. Exclusive of the enforcement against Custodian of Depositor's rights and remedies as a secured party with respect to the Collateral, 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.

(h) This Agreement shall terminate and be of no force and effect upon receipt by Custodian of written notice from Depositor that Depositor no longer claims an interest in the Collateral. This Agreement may be terminated by Custodian with or without cause, upon its delivery of ninety (90) calendar days prior written notice thereof to Bank and Depositor, and upon the expiration of such ninety (90) day period, all of Custodian's obligations hereunder shall cease. Upon the effective date of such termination, Custodian, will simultaneously transmit to Bank all of the Collateral. Notwithstanding any of the provisions hereof, Depositor shall have, and does hereby retain the right to utilize, other depositories and the right to terminate this Agreement whenever the interest of Depositor may demand.

(i) Captions used in this Agreement are for convenience only and are not intended to limit or expand the meaning of any underlying provisions. This Agreement may be executed in counterparts and by use of signatures delivered by electronic means.



IN WITNESS WHEREOF, Bank and Depositor have caused this Agreement to be duly executed as of the Effective Date.

**First Financial Bank**

ATTEST:

By: Charli Koths  
Name: Charli Koths  
Title: Lending Assistant

By: Austin Elsner  
Name: Austin Elsner  
Title: President - Chisholm Trail

"Bank"

Johnson County

ATTEST:  
April Long  
By: April Long  
Name: April Long  
Title: County Clerk

By: Christopher Boedcker  
Name: Christopher Boedcker  
Title: County Judge

"Depositor"



**EXHIBIT B**  
**CERTIFICATE OF AUTHORIZED PERSONS**  
**(Depositor)**

The undersigned hereby certifies that he/she is the duly elected and acting County Judge of Depositor, and further certifies that the following officers or employees of Depositor have been duly authorized in conformity with the approval of Depositor's governing body to deliver Written Instructions to Custodian pursuant to the Depository Agreement between Depositor and Bank dated May 12, 2025 and pursuant to this Agreement, and that the signature opposite their names are true and correct.

<u>Kathy Blackwell</u>	<u>Treasurer</u>	<u>Kathy M. Blackwell</u>
Name	Title	Signature

<u>Melinda Horn</u>	<u>Deputy Treasurer</u>	<u>Melinda Horn</u>
Name	Title	Signature

<u>Steven E. Whitson</u>	<u>County Auditor</u>	<u>Steven E. Whitson</u>
Name	Title	Signature

<u>Jennifer Lyon</u>	<u>1st Asst Auditor</u>	<u>Jennifer Lyon</u>
Name	Title	Signature

_____	_____	_____
Name	Title	Signature

_____	_____	_____
Name	Title	Signature

_____	_____	_____
Name	Title	Signature

This certificate supersedes any certificate of authorized individuals you may currently have on file.

By: Christopher Boedecker  
Name: Christopher Boedecker  
Title: County Judge  
Date: May 12, 2025