

COUNTY DEPOSITORY CONTRACT

THE STATE OF TEXAS X

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF PANOLA X

That **FIRST STATE BANK & TRUST COMPANY, CARTHAGE, Texas** (the “Pledgor”) does hereby state that it has pledged and deposited the securities listed in the attached pledge report as of **APRIL 30, 2017**, with the custodial banks as indicated on trust receipts, copies of which have been delivered to the Panola County Treasurer of the market value of **EIGHTY MILLION, FIVE HUNDRED-TWO THOUSAND, EIGHT HUNDRED SIXTEEN AND 68/100 (\$80,502,816.68) DOLLARS** to be held by such custodial banks upon the terms and conditions and for the purposes hereinafter set forth:

NOW, THEREFORE, as the above listed securities mature it is further agreed for the term of this contract that **FIRST STATE BANK & TRUST COMPANY, CARTHAGE, TEXAS** agrees to maintain pledged securities for Panola County at a market value amount equal to or greater than the total Panola County deposits exceeding the \$250,000 Federal Deposit Insurance Corporation coverage. The conditions of the above contract are such that the above bounden Pledgor **FIRST STATE BANK & TRUST COMPANY, CARTHAGE, TEXAS** was on the **8TH day of MAY, 2017**, duly and legally chosen by the Commissioners’ Court of Panola County, Texas, as County Depository for said county for a term having an initial period of four years commencing July 8, 2017, and a possible renewal period of up to two additional years, for a total possible term of six years and that ends on the 60th day immediately following the time fixed by law for the next selection of a depository. The initial four year term shall renew automatically for an additional two year period and shall be subject to the then-current terms and conditions unless a party provides written notice to the other at least 120 days prior to the expiration of the initial four year term that the two year renewal shall not apply. The Pledgor, upon its

bidding has agreed to pay the County of Panola interest on “time deposits” and “demand deposits” as outlined in the accepted depository bid during the term of this Depository Contract. A copy of the depository bid accepted is attached and a part of this contract.

At any time of the County’s choosing before the third year of this Depository Contract begins, the County and the Pledgor may negotiate for interest rates and financial terms which shall be effective for the final two years of this Depository Contract that are different from those stated in the depository bid.

Pledged securities must meet the requirements of Chapters 116 and 117 of the Texas Local Government Code and the Public Funds Collateral Act, Texas Government Code Chapter 2257. The custodial bank selected by Pledgor is subject to the approval of Panola County and must meet the requirements of Texas Government Code Section 2257.041.

NOW, THEREFORE, if the above bounden Pledgor, **FIRST STATE BANK & TRUST COMPANY, CARTHAGE, TEXAS,** shall faithfully do and perform all the duties and obligations devolving on it by law as a County Depository of Panola County, and shall upon presentation pay checks drawn on it by the County Treasurer of Panola County, Texas; on “demand deposits” accounts in such depository; and all checks drawn upon any “time deposit” account upon presentation, after the expiration of the period of notice required in the case of “time deposits”; and shall faithfully keep said County funds, and account for same according to law, and shall faithfully keep and account for all funds belonging to the County which are deposited with it under the requirements of Chapters 116 and 117 of the Texas Local Government Code, and the Public Funds Collateral Act, Texas Government Code Chapter 2257, and shall include State funds collected by the Tax Collector and other County offices, and shall also include trust funds in the possession of County and District Clerks and all federal grant funds and all other Panola County funds deposited and shall pay the interest at the time and at the

rate hereinbefore stipulated in depository bid accepted on “time deposits” and “demand deposits”; and shall, at the expiration of the term for which it has been chosen, turn over to its successor all the funds, property, and other things of value, coming into its hand as Depository, then and in that event this contract is to be and become null and void and the securities held by the custodial banks shall be released by the County from such pledge, otherwise, to remain in full force and effect, subject to the right of Panola County, Texas and the Commissioners’ Court of Panola County, Texas to recover any loss, shortage or default on the part of **FIRST STATE BANK & TRUST COMPANY, CARTHAGE, TEXAS** arising by virtue of the violation of any or all of the conditions of this contract.

The preceding provision is given in addition to any remedy the County may have in any suit brought on this contract in any court in this State.

Any suit arising out of or in any way connected with this contract shall be tried in the County of Panola and State of Texas in any court therein having jurisdiction of the subject matter thereof.

IN WITNESS to all of which we have hereunto set our hands and the said **FIRST STATE BANK & TRUST, CARTHAGE, TEXAS** has caused these presents to be signed with its name and by its President and attested and sealed with its corporate seal.

[SIGNATURE PAGES FOLLOW]

[DEPOSITORY]

By: Kevin Smith

Title: CFO

Date: 5/9/17

ACKNOWLEDGEMENT

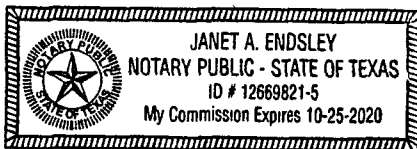
THE STATE OF TEXAS X

COUNTY OF PANOLA X

Before me, the undersigned authority, on this day personally appeared Kevin Smith, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same as the act and deed of First State Bank & Trust Co., a corporation, for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 9th day of May, 2017.

(SEAL)



Janet A. Endsley
Notary Public, State of Texas

IN WITNESS WHEREOF, the party hereto has hereunto set his hand and seal.

PANOLA COUNTY, TEXAS

By: Lee Ann Jones
Lee Ann Jones, County Judge

Date: 5-10-17

ACKNOWLEDGEMENT

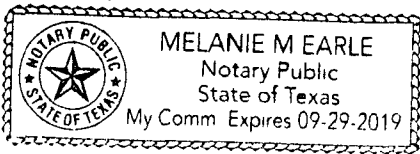
THE STATE OF TEXAS X

COUNTY OF PANOLA X

Before me, the undersigned authority, on this day personally appeared Lee Ann Jones, known to me to be the person whose name is subscribed as the County Judge in fact for PANOLA COUNTY, TEXAS, and acknowledged that she executed the same as the act of her principal for the purpose contained therein.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 10 day of May, 2017.

(SEAL)



Melanie Earle
Notary Public, State of Texas



110 W PANOLA
PO BOX 579
CARTHAGE, TEXAS 75633
903 693 6606
WWW.FSBCARTHAGE.COM

May 8, 2017

Hon. Lee Ann Jones County Judge;
Hon. Ronnie LaGrone, Commissioner, PCT #1;
Hon. John Gradberg, Commissioner, PCT #2;
Hon. Craig Lawless, Commissioner, PCT #3;
Hon. Dale LaGrone, Commissioner, PCT #4;

COMMISSIONERS' COURT - PANOLA COUNTY, TEXAS

DEPOSITORY BID

To the Members of the Panola County Commissioners' Court:

First State Bank & Trust Company, Carthage, Texas (hereinafter called the Bidder) a banking corporation chartered and incorporated under the Laws of the State of Texas, and a member in good standing of the Federal Deposit Insurance Corporation, with:

Capital Stock	-----	\$	2,400,000
Surplus (Certified)	-----		11,600,000
Undivided Profits and Reserves	-----		64,970,000
TOTAL CAPITAL	-----		78,970,000
 TOTAL ASSETS	-----		 465,566,000

as verified by the attached Statement of Financial Condition as of close of business April 30, 2017 - the latest available date, certified to be in compliance with the statute:

SUBMIT: the following Bid as depository for Panola County, Texas, including any trust funds of Panola County officials, for the biennium ending July 7, 2021, in response to your public advertisement.

- (1) We agree to accept the deposits of Panola County, Texas, including any trust funds of Panola County officials and keep good and sufficient record of same, rendering statements and making necessary reports as may be required from time to time.
- (2) Furnish good and sufficient bond, and/or pledge of securities, as may be

required by law to cover the funds, with additional bond, and/or pledge of securities as may be required from time to time.

(3) Accept deposits into any of the various types of accounts offered by our Bank including interest bearing demand accounts (commonly called Super Now) and interest bearing limited transaction accounts (commonly called Money Market Accounts). Super-Now accounts will pay interest at .75% less than the discount yield of the 3 month U.S. Treasury Bill established by the first Treasury Bill auction each month. A minimum rate of the greater of .60% or the Bidder's stated rate as listed on its rate sheet shall apply to these accounts. No service charges shall be charged on any transaction account.

(4) Pay interest on "Time Deposits" as follows:

(a) Time Deposits of less than \$100,000.00

For time deposits in this category we will pay interest at the rate in effect for all bank customers. The following minimum rates shall apply to these deposits:

14 to 90 days -----	.80%
91 days or more-----	.80%

(b) Time Deposits of \$100,000.00 or more

For time deposits in this category we will pay interest at the same rate as the discount yield on U. S. Treasury Bills of the same maturity. Rates shall be determined by the "Asked" Market quotation as reported on the Wall Street Journal website. Rates will be based on a 365 day year (1 day equals 1/365th of one year) except for leap year rates will be based on a 366 day year (1 day equals 1/366th of one year). The greater of the following minimum rates shall also apply to these deposits:

The Bidder's stated rate as listed on its rate sheet plus 10 basis points or

14 to 90 days -----	.80%
91 days or more-----	.80%

(5) In the event a need arises for funds in any time deposit or Repurchase Agreement before the maturity date thereof, we will loan the County, upon the security of such time deposits, all or any portion thereof, at 1/4 of 1% above the rate being paid on such time deposit.

(6) Internet Banking - access to all services available on the Internet Banking System which includes viewing of account balances and account transactions, initiation of account transfers, initiation of stop payments, initiation of domestic wire transfers, viewing of check images as well as the ability to originate ACH files for payroll, bill payment and collections. Memo posted items are updated immediately.

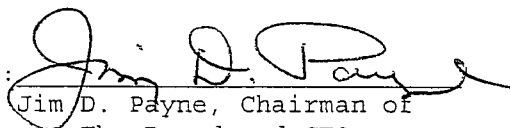
(7) 24 Hour Automated Telephone Banking - provides the capability to transfer funds between checking accounts and obtain information on account balances, transactions and account history.

- (8) Positive Pay - The County will have the opportunity to transmit a file listing of issued checks to the bank. The transmitted file will then be used to verify valid check numbers and amounts prior to payment. Positive Pay is a system the Bidder strongly recommends that can be used to detect and prevent check fraud.
- (9) Check Remittance Solution - Equipment will be provided free of charge that will allow the County to scan checks and transmit their images to the bank for posting and clearing during end-of-day processing. The solution will automatically post payments to the accounts receivable journal as well as archive check images for quick research.
- (10) Bank E-Statements - The County will be able to access any or all Bank Statements electronically at the end of the statement period eliminating the need to pick up volumes of paper statements and expediting the availability of the information.
- (11) Any and all services currently offered while serving as your depository.
- (12) We believe our performance as your depository for the past biennium has been satisfactory to all departments of the County government. It is our desire and intent, if we are selected as your depository for the contract period ending July 7, 2021, to render the very best service possible, and we would invite any suggestions as to our improvement on past performance.
- (13) Evidencing our good faith in submitting this Bid, and in compliance with the statute, we hand you herewith, attached, our cashier's check in the amount of \$128,507.00, which shall be disposed of as provided by statute.

Respectfully submitted,

FIRST STATE BANK & TRUST COMPANY
CARTHAGE, TEXAS

BY:


Jim D. Payne, Chairman of
The Board and CEO

FIRST STATE BANK & TRUST COMPANY, CARTHAGE, TEXAS

CONDENSED STATEMENT OF CONDITION

AS OF APRIL 30, 2017

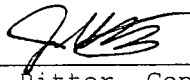
ASSETS

Cash & Due from Banks -----	\$ 7,520,648
Investment Securities:	
U. S. Government Agencies -----	105,083,984
State & Political Subdivisions -----	76,997,888
Other Securities -----	82,492,169
Federal Funds Sold -----	130,000
Loans -----	175,407,957
Bank Premises, Furniture, Equipment -----	4,401,031
Other Assets -----	<u>13,532,252</u>
 TOTAL ASSETS	 <u>\$ 465,565,929</u>

LIABILITIES AND CAPITAL ACCOUNTS

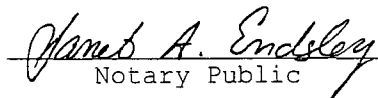
Deposits -----	\$ 382,860,373
Other Liabilities -----	<u>3,735,890</u>
 TOTAL LIABILITIES	 \$ 386,596,263
 Capital Stock -----	 \$ 2,400,000
Certified Surplus -----	11,600,000
Undivided Profits -----	<u>64,969,666</u>
 TOTAL CAPITAL ACCOUNTS	 <u>78,969,666</u>
 TOTAL LIABILITIES & CAPITAL ACCOUNTS	 <u>\$ 465,565,929</u>

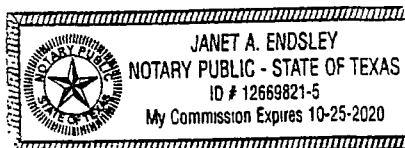
The foregoing Condensed Statement of Condition of the First State Bank & Trust Company, Carthage, Texas, as of April 30, 2017, is true and correct to the best of my knowledge and belief.



Jameson Ritter, Controller

SUBSCRIBED TO BEFORE ME, this the 8th day of May, 2017


Notary Public





CONDENSED STATEMENT OF CONDITION

April 30, 2017

ASSETS

Cash & Due from Banks	\$ 7,520,648
Investment Securities	\$ 264,574,041
Federal Funds Sold	\$ 130,000
Loans (Net)	\$ 175,407,957
Bank Premises, Furniture & Equipment	\$ 4,401,031
Other Assets	\$ 13,532,252
Total Assets	\$ 465,565,929

LIABILITIES AND CAPITAL ACCOUNTS

Deposits	\$ 382,860,373
Other Liabilities	\$ 3,735,890
Capital Stock	\$ 2,400,000
Surplus Certified	\$ 11,600,000
Undivided Profits	\$ 64,969,666
Total Liabilities & Capital Accounts	\$ 465,565,929

Unaudited

Officers

Jim D. Payne, Chairman of the Board & CEO
 Gene Giles, President
 David B. Murphy, Executive Vice President
 Kevin Smith, Chief Financial Officer
 Lynn C. Vincent, Public Relations
 Carolyn Murphy, General Counsel & Human Resources
 Myrna Sullens, Vice President
 Cody Cockerham, Vice President
 Ronnette Cooke, Auditor & Compliance Officer
 Chris Smith, Assistant Vice President
 Mike Whiddon, Assistant Vice President
 Jameson Ritter, Controller
 Becky Eubank, Branch Manager
 Christy Whatley, Operations Officer
 Ginny Collins, BSA Officer
 Sue Bishop, Assistant Cashier
 Phyllis Harris, Assistant Cashier
 Judy Wilkerson, Assistant Cashier
 Judy Davis, Assistant Cashier
 Debra McMillan, Assistant Cashier
 Pam Windham, Assistant Cashier
 Missy Atkerson, Assistant Cashier
 Gwen Singleton, Banking Officer
 Debbie Bellows, Banking Officer
 Tracy Hildebrand, Banking Officer
 Janet Endsley, Banking Officer & Human Resources
 Melissa Edge, Trust Officer

Board of Directors

Dwain Brady
 John W. Cooke
 J. R. Duke

Tom Escoe
 Gene Giles
 David B. Murphy

Foster E. Murphy
 Jim D. Payne
 Kevin Smith

Charles Thomas
 Lynn C. Vincent
 Travis Wall

Pledge Report by Maturity Date
 Pledge A: Panola County - Texas

First State Bank & Trust
 Carthage, TX

SK Receipt	Code	Cusip	ID #	Current Face	Original Face	Description	Moody / S&P	Coupon	Maturity	Book Value	Fair Value
1005	31402QTN1	101582	101582	88,511.32	5,850,000.00	FNMA #735057	320	4.500	01/01/2019	88,565.73	89,597.06
1005	31417YJM0	101738	101738	207,300.02	4,525,000.00	FNMA #MA0267	320	4.000	12/01/2019	211,023.70	211,207.19
1006	041826XW3	101836	101836	500,000.00	500,000.00	ARLINGTON TX ISD PSF SF PRE-RFD	Aaa / AAA	5.000	02/15/2020	520,267.79	551,832.50
1006	36202J5X2	100927	100927	11,713.30	2,900,000.00	GNNMA II #8062 ADJ RT		2.250	10/20/2022	11,741.14	11,848.82
1006	3136AGNM0	102003	102003	3,593,056.50	5,000,000.00	FNR 2013 103-GV MTHLY-25TH		3.000	02/25/2025	3,669,196.78	3,692,594.82
1006	83162CPK3	101594	101594	610,147.14	5,750,000.00	SBAP 2005 20C-1 S/A-1ST		4.950	03/01/2025	607,080.51	641,500.44
1006	83162CPN7	101626	101626	648,687.76	5,200,000.00	SBAP 2005 20E-1 S/A-1ST		4.840	05/01/2025	646,744.16	674,763.91
1005	31412RLR6	101862	101862	605,389.26	2,750,000.00	FNMA #933836		3.000	12/01/2025	601,198.58	627,069.76
1005	3128MCWEI	101868	101868	805,014.18	4,500,000.00	FHLMC G #14045		3.500	02/01/2026	803,011.68	847,981.81
1005	31375HD92	100966	100966	28,923.93	2,500,000.00	FNMA #335028 ADJ RT		3.348	02/01/2026	28,923.93	29,815.98
1005	3138A7G69	101874	101874	713,661.17	4,500,000.00	FNMA #AH5620		4.000	02/01/2026	728,259.23	761,342.66
1005	3128PXCPI	102041	102041	1,450,292.45	5,000,000.00	FHLMC J #17270		3.000	11/01/2026	1,487,613.36	1,503,681.34
1005	31376VPT3	101018	101018	28,457.39	1,898,239.00	FNMA #366834 ADJ RT		2.595	11/01/2026	28,457.39	28,950.09
1005	31376ZUJ5	101023	101023	9,959.82	3,030,000.00	FNMA #370595 ADJ RT		3.363	03/01/2027	9,961.67	10,398.62
1005	31376ZUJ5	101024	101024	8,299.85	2,525,000.00	FNMA #370595 ADJ RT		3.363	03/01/2027	8,301.21	8,665.52
1005	31376ZUJ4	101035	101035	27,528.00	2,985,000.00	FNMA #370600 ADJ RT		3.338	04/01/2027	27,534.58	28,519.09
1005	31371NJK2	101569	101569	94,493.41	2,183,766.00	FNMA #256866		5.000	08/01/2027	93,987.52	102,289.12
1005	3138EJRG5	102044	102044	2,177,374.84	6,200,000.00	FNMA #AL2286		3.000	09/01/2027	2,237,733.71	2,255,624.25
1005	3138EMN56	102039	102039	2,699,102.60	5,000,000.00	FNMA #AL4911		3.000	10/01/2027	2,767,913.27	2,796,101.60
1005	31413RVQ6	101570	101570	26,947.50	5,000,000.00	FNMA #953423		5.000	11/01/2027	26,901.30	29,103.30
1006	83162CRK1	101625	101625	1,358,600.95	5,200,000.00	SBAP 2007 20K-1 S/A-1ST		5.510	11/01/2027	1,362,207.42	1,455,081.52
1006	83162CRK1	101663	101663	1,306,347.07	5,000,000.00	SBAP 2007 20K-1 S/A-1ST		5.510	11/01/2027	1,331,679.83	1,399,116.85
1005	3128MDL68	102049	102049	2,833,680.52	5,250,000.00	FHLMC G #14649		2.500	01/01/2028	2,871,491.69	2,868,216.00
1005	31307CKT4	102046	102046	2,849,163.50	5,000,000.00	FHLMC J #23906		2.500	05/01/2028	2,890,102.73	2,883,887.68
1005	3128MMRF2	102012	102012	3,108,619.35	5,000,000.00	FHLMC G #18485		3.000	10/01/2028	3,131,931.14	3,146,505.65
1005	3128MMRT2	102034	102034	3,151,639.76	5,500,000.00	FHLMC G #18497		3.000	01/01/2029	3,250,116.09	3,264,901.81
1005	3128MMST1	102057	102057	3,949,767.39	6,100,000.00	FHLMC G #18529		2.500	10/01/2029	4,017,562.98	3,990,499.37
1006	83162CTG8	101831	101831	1,860,076.83	4,500,000.00	SBAP 2010 20E-1 S/A-1ST		4.110	05/01/2030	1,917,982.39	1,951,368.43
1005	36225CPK6	101286	101286	41,500.37	2,508,665.00	GNNMA II #80425 ADJ RT		2.125	07/20/2030	41,370.04	42,030.06
1005	31295LSX1	101297	101297	29,942.80	5,000,000.00	FHLMC #787734 ADJ RT		2.847	08/01/2030	29,946.74	30,712.05
1006	83162CTL7	101850	101850	1,642,679.38	3,250,000.00	SBAP 2010 20H-1 S/A-1ST		3.520	08/01/2030	1,655,558.14	1,703,816.19
1006	83162CTR4	101840	101840	1,393,865.50	2,500,000.00	SBAP 2010 20K-1 S/A-1ST		3.250	11/01/2030	1,400,198.60	1,428,061.17
1006	83162CTU7	101865	101865	1,695,301.37	3,500,000.00	SBAP 2011 20A-1 S/A-1ST		3.890	01/01/2031	1,702,400.86	1,765,234.91
1005	31295L7F3	101324	101324	3,398.04	4,000,000.00	FHLMC #788094 ADJ RT		3.033	06/01/2031	3,398.04	3,398.04
1005	31295L7F3	101347	101347	2,595.25	3,055,000.00	FHLMC #788094 ADJ RT		3.033	06/01/2031	2,595.25	2,595.25
1005	3138TEDR5	101343	101343	18,653.82	6,000,000.00	FNMA #581612 ADJ RT		2.752	06/01/2031	18,653.82	19,507.53
1005	31388KAM4	101342	101342	10,273.08	4,000,000.00	FNMA #606712 ADJ RT		3.130	10/01/2031	10,273.08	10,756.38

Note: Refer to the U.S. Government and Agency Ratings report for ratings on treasury, agency and pass thru securities



(210) 224-5492
 (210) 224-8787

II. Pledge & Safekeeping Reports

Pledge Report by Maturity Date

Pledge A: Panola County - Texas

First State Bank & Trust
Carthage, TX

Safkeeping Receipt	SK Code	Cusip	ID #	Current Face	Original Face	Description	ASC 320	Moody / S&P	Coupon	Maturity	Book Value	Fair Value
1005	36225CTD8		101376	52,464.70	5,000,000.00	GNMA II #80547 ADJ RT	AFS		2.250	10/20/2031	52,725.71	53,307.46
1005	31385H2E1		101353	9,600.75	5,000,000.00	FNMA #545373 ADJ RT	AFS		2.900	11/01/2031	9,600.75	10,113.21
1005	31418CDH4		102118	3,355,917.67	3,500,000.00	FNMA #MA2803	AFS		2.500	11/01/2031	3,413,083.27	3,387,379.40
1006	83162CUK7		101912	1,543,875.58	2,500,000.00	SBAP 2011 20K-1 S/A-IST	AFS		2.870	11/01/2031	1,550,990.89	1,567,944.60
1006	83162CUL5		101944	596,647.40	1,000,000.00	SBAP 2011 20L-1 S/A-IST	AFS		2.870	12/01/2031	617,114.73	608,735.46
1005	31295M6T2		101354	13,831.90	5,000,000.00	FHLMC #788982 ADJ RT	AFS		2.907	01/01/2032	13,831.90	14,476.58
1006	83162CUP6		101917	1,166,379.30	2,000,000.00	SBAP 2012 20B-1 S/A-IST	AFS		2.630	02/01/2032	1,171,123.43	1,162,587.86
1006	83162CUR2		101918	2,756,827.63	4,500,000.00	SBAP 2012 20C-1 S/A-IST	AFS		2.510	03/01/2032	2,768,106.74	2,731,981.91
1005	31389X5L3		101374	34,554.86	3,300,000.00	FNMA #639051 ADJ RT	AFS		3.040	04/01/2032	34,554.86	35,913.27
1006	83162CUS0		101922	1,196,108.30	2,000,000.00	SBAP 2012 20D-1 S/A-IST	AFS		2.670	04/01/2032	1,200,249.09	1,193,834.64
1006	3128P7TC7		101971	2,456,284.48	5,125,000.00	FHLMC C #91447	AFS		3.500	05/01/2032	2,603,657.28	2,572,957.99
1005	31295NNV6		101375	65,036.09	8,060,993.00	FHLMC #789404 ADJ RT	AFS		2.957	05/01/2032	65,036.09	68,061.93
1006	83162CUJ5		101943	2,331,330.30	3,500,000.00	SBAP 2012 20E-1 S/A-IST	AFS		2.380	05/01/2032	2,375,323.00	2,307,494.62
1005	36225CV29		101371	21,522.02	2,000,000.00	GNMA II #80632 ADJ RT	AFS		2.125	08/20/2032	21,581.35	22,050.63
1005	36225CVY9		101363	97,376.16	6,000,000.00	GNMA II #80630 ADJ RT	AFS		2.125	08/20/2032	98,320.39	99,037.91
1006	83162CVA8		101947	1,225,023.74	2,000,000.00	SBAP 2012 20I-1 S/A-IST	AFS		2.200	09/01/2032	1,243,991.21	1,208,399.74
1006	83162CVA8		101948	3,062,559.35	5,000,000.00	SBAP 2012 20I-1 S/A-IST	AFS		2.200	09/01/2032	3,105,472.56	3,020,999.35
1005	3128P7W58		101964	2,261,258.64	4,000,000.00	FHLMC C #91568	AFS		3.000	10/01/2032	2,366,437.67	2,315,670.18
1005	36225CW85		101378	47,709.55	5,156,658.00	GNMA II #80670 ADJ RT	AFS		2.250	12/20/2032	47,823.05	48,402.38
1005	31418AN87		101989	2,464,438.72	4,000,000.00	FNMA #MA1314	AFS		2.500	01/01/2033	2,502,193.70	2,449,806.12
1005	36225CW36		101379	91,481.23	5,500,000.00	GNMA II #80665 ADJ RT	AFS		2.000	01/20/2033	91,921.04	93,134.89
1005	36225CXL5		101380	86,058.00	5,000,000.00	GNMA II #80682 ADJ RT	AFS		2.000	03/20/2033	86,563.79	87,614.33
1005	31336SNW4		101576	659,880.70	16,725,954.00	FHLMC #1B0805 ADJ RT	AFS		3.176	04/01/2033	661,249.61	697,045.97
1005	36225CY34		101393	148,260.07	4,999,500.00	GNMA II #80729 ADJ RT	AFS		2.125	08/20/2033	149,913.64	151,432.38
1005	31403WCT2		101584	102,296.03	7,048,050.00	FNMA #759782 ADJ RT	AFS		2.900	09/01/2033	102,316.87	106,039.02
1005	31402XWN2		101580	1,069,018.19	10,015,862.00	FNMA #741453 ADJ RT	AFS		2.623	10/01/2033	1,070,995.73	1,121,142.13
1005	36225C3L8		101422	71,556.45	1,790,982.00	GNMA II #80802 ADJ RT	AFS		2.500	01/20/2034	72,253.35	74,244.51
1005	36225C3P9		101421	74,677.35	5,000,000.00	GNMA II #80805 ADJ RT	AFS		2.000	01/20/2034	74,971.17	76,072.00
1005	31349TAU5		101433	416,968.05	5,000,000.00	FHLMC #781819 ADJ RT	AFS		2.749	08/01/2034	416,968.05	437,369.21
1005	31405L6P9		101585	928,533.33	9,500,000.00	FNMA #792978 ADJ RT	AFS		2.910	08/01/2034	928,533.33	972,657.65
1005	31349UDG0		101434	253,819.35	5,000,000.00	FHLMC #782803 ADJ RT	AFS		2.747	11/01/2034	253,819.35	265,975.74
1005	31418BKY1		102085	1,980,679.26	3,200,000.00	FNMA #MA2110	AFS		3.500	12/01/2034	2,074,674.76	2,074,142.56
1005	36225DTK0		101490	751,050.85	7,752,174.00	GNMA II #81453 ADJ RT	AFS		2.125	08/20/2035	751,050.85	770,240.58
1005	3128NCVR2		101534	139,438.37	5,500,000.00	FHLMC #1G0624 ADJ RT	AFS		3.348	01/01/2036	139,438.37	145,668.09
1005	31414CPM4		101586	290,402.59	2,919,349.00	FNMA #962228 ADJ RT	AFS		2.751	10/01/2037	290,684.24	302,787.02
1005	36225EM82		101598	618,582.40	4,999,922.00	GNMA II #82182 ADJ RT	AFS		2.250	10/20/2038	618,582.40	635,145.58
1005	36225EN57		101620	279,350.96	2,985,707.00	GNMA II #82211 ADJ RT	AFS		2.250	11/20/2038	279,350.96	286,063.81

Note: Refer to the U.S. Government and Agency Ratings report for ratings on treasury, agency and passthru securities



(210) 224-5492
(210) 224-8787

9601 McAllister Freeway, Suite 301, San Antonio, Texas 78216-4633

II. Pledge & Safekeeping Reports

First State Bank & Trust
Carthage, TX

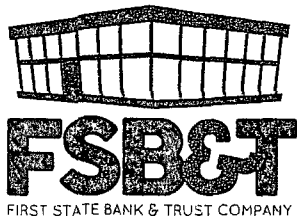
Pledge Report by Maturity Date

Pledge A: Panola County - Texas

As of 04/30/17
Page 107

SK Receipt	Code	Cusip	ID #	Current Face	Original Face	Description	ASC 320	Moody / S&P	Coupon	Maturity	Book Value	Fair Value
1005	36225ENS7		101621	135,070.74	1,443,638.00	GNMA II #82211 ADJ RT	AFS		2.250	11/20/2038	135,070.74	138,316.51
1005	36225ENS7		101622	225,447.02	2,409,581.00	GNMA II #82211 ADJ RT	AFS		2.250	11/20/2038	225,447.02	230,864.55
1005	3136AHBF6		102017	2,612,547.90	5,000,000.00	FNR 2013 127-NA MTHLY-25TH	AFS		2.000	09/25/2039	2,609,688.17	2,597,699.06
1005	36225EU67		101730	964,796.80	5,000,000.00	GNMA II #82404 ADJ RT	AFS		2.250	10/20/2039	964,796.80	991,050.78
1005	31385Y2D6		101301	72,949.00	4,000,000.00	FNMA #557072 ADJ RT	AFS		2.063	06/01/2040	73,446.97	73,918.87
1005	36225E3Y6		101835	1,041,386.85	5,000,000.00	GNMA II #82614 ADJ RT	AFS		2.125	09/20/2040	1,041,386.85	1,071,541.38
1005	36225E6I6		101846	1,317,076.67	4,961,019.00	GNMA II #82672 ADJ RT	AFS		2.250	11/20/2040	1,317,076.67	1,354,918.05
Items 81				78,681,040.72	362,555,059.00				2.924		79,933,304.48	80,502,816.68

*=Pre-refunded N=New Purchase S=Sold C=Called M=Matured O=Paid Off D=In Default C=Sunk T=Put
Note: Refer to the U.S. Government and Agency Ratings report for ratings on treasury, agency and pass thru securities



PO BOX 579
CARTHAGE, TEXAS 75633
903.693.6606
JPAYNE@FSBCARTHAGE.COM

JIM PAYNE
CHAIRMAN OF THE BOARD & CEO/DIRECTOR
MORTGAGE LENDER ORIGINATOR
ID #500866 | FSBT #481268

May 8, 2017

Dear Judge Lee Ann Jones and Panola County Commissioners:

On behalf of First State Bank & Trust Company, I would like to personally thank Panola County for the valued relationship that we have had for over seventy years. We hope to extend our relationship long into the future. We will continue to strive to provide you with the best possible customer service from our more than sixty employees.

As you may be aware, we are considered one of the strongest banks in the nation. We have been recognized as a "Best of Bauer Bank" which is awarded to banks that have maintained a 5-Star superior rating for 25 years or longer. Fewer than five percent of banks receive this distinction and we are proud to be one.

We pride our bank on being more than just a financial institution. We are people of your community who live, trade and pay taxes in Panola County. First State Bank & Trust Company contributes tens of thousands of dollars each year to the local community as well as hundreds of volunteer hours because we care about Panola County and its citizens.

I would like to thank you for the opportunity to bid on this proposal and hope that we can continue our long term business relationship for years to come.

Sincerely,

Jim Payne
COB and CEO

PANOLA COUNTY, TEXAS

INVITATION TO BID

RETURN BID TO:

COUNTY JUDGE
PANOLA COUNTY COURTHOUSE, ROOM 216A
CARTHAGE, TEXAS 75633

The enclosed INVITATION TO BID (ITB) and accompanying BID RESPONSE FORM, ADDITIONAL BID REQUIREMENTS, and DEPOSITORY CONTRACT are for your convenience in bidding the enclosed referenced services for Panola County.

This Invitation to Bid is to select a Depository Bank to provide County Depository Services in accordance with Chapters 116 and 117 of the Texas Local Government Code. The contract awarded through this Invitation to Bid shall be for an initial term of four years commencing on July 8, 2017. The County shall be allowed to establish, on the basis of negotiations with the winning bidder, new interest rates and financial terms that will take effect during the final two years of the four-year contract. Upon expiration of the initial four year term, the contract may be renewed for two years for a total possible term of six years.

Sealed bids shall be received no later than:

10:00 A.M., May 8, 2017

MARK ENVELOPES

“COUNTY DEPOSITORY BANK”

Bidder shall sign and date the bid. Bids which are not signed and dated can be rejected. As stated in the Additional Bid Requirements, the bidder is requested to provide information in addition to what is included in the Bid Response Form. The bidder shall provide the requested information on a form prepared by the bidder. No specific form of response is required except that the response should be concise, logically arranged, and must make clear reference to the specific questions being answered. Each response submitted by the bidder must be typewritten.

Panola County appreciates your time and effort in preparing this bid. Please note that all bids must be received at the designated location by the deadline shown. Bids received after the deadline will not be considered for the award of the contract, and shall be considered void and unacceptable. Opening is scheduled to be held in Commissioners' Courtroom, Panola County Courthouse, Carthage, Texas on May 8, 2017 at 10:00 A.M. during the Panola County Commissioners' Court meeting. You are invited to attend.

Any questions concerning this Invitation to Bid should be directed to County Judge Lee Ann Jones at (903) 693-0391; leeann.jones@co.panola.tx.us.

PANOLA COUNTY

INVITATION TO BID

INSTRUCTIONS/TERMS OF CONTRACT

By order of the Commissioners' Court of Panola County, Texas, sealed bids will be received for:

“COUNTY DEPOSITORY BANK”

IT IS UNDERSTOOD that the Commissioners' Court of Panola County, Texas reserves the right to reject any or all bids to any or all products and/or services covered in this bid request and to waive informalities or defects in bids or to accept such bids as it shall deem to be in the best interests of Panola County.

BIDS MUST include a duly signed Bid Response Form and all of the information requested in the Additional Bid Requirements. Bids shall be placed in separate sealed envelopes marked clearly on the outside as shown below. The bidder shall execute the Bid Response Form on the signature page as indicated.

SUBMISSION OF BIDS: Sealed bids shall be submitted to:

**COUNTY JUDGE
PANOLA COUNTY COURTHOUSE, ROOM 216A
CARTHAGE, TEXAS 75633**

Not later than **10:00 a.m., May 8, 2017**

Mark Envelopes:

“COUNTY DEPOSITORY BANK”

BIDS RECEIVED AFTER OPENING DATE AND TIME WILL NOT BE CONSIDERED

BID RESPONSE FORM

COUNTY DEPOSITORY SERVICES

LATE BIDS: Bids received after submission deadline will be considered void and unacceptable. Panola County is not responsible for lateness or non-delivery of mail, carrier, etc.

ALTERING BIDS: Bids cannot be altered or amended after submission deadline. Any interlineation, alteration or erasure made before opening time must be initialed by the signer of the bid, guaranteeing authenticity.

WITHDRAWAL OF BID: A bid may not be withdrawn or canceled by the bidder without the permission of Panola County for a period of ninety (90) days following the date designated for the receipt of bids, and bidder so agrees upon submittal of their bid.

SALES TAX: Panola County is exempt by law from payment of Texas Sales Tax and Federal Excise Tax, therefore, the bid shall not include sales tax.

BID AWARD: The bidder shall state its prices on a "unit price basis" with specific reference to each of the categories of deposits and investments listed in "Additional Bid Requirements," attached to this Bid Response Form as Exhibit "A." The term "unit price basis," for the purposes of this Invitation to Bid, means the amount of interest to be paid on each of the accounts and investments identified in the Additional Bid Requirements.

Panola County shall award the Depository Contract to the responsible bidder who submits the best bid and offers the highest rates of interest to the county.

CONTRACT: The contract between Panola County and the selected bidder shall consist of this Bid Response Form, the Additional Bid Requirements, the "County Depository Contract," attached hereto as Exhibit "B," and the bidder's submitted responses to this Bid Response Form and its exhibits. This bid, when properly accepted by Panola County, shall constitute a contract equally binding between the successful bidder and Panola County. No different or additional terms will become a part of this contract with the exception of Change Orders.

Panola County and the selected bidder shall be obligated to each sign the County Depository Contract without substantive amendment, other than the specification of the name of the winning bidder, the value of the listed securities, and the date of award, within 10 business days of award by the Panola County Commissioners Court.

CHANGE ORDERS: No oral statement of any person shall modify or otherwise change, or affect the terms, conditions or specifications stated in the resulting contract. All change orders to the contract will be made in writing by the Panola County Judge.

CONFLICT OF INTEREST: In accordance with Chapter 171, Subchapter C, of the Texas Local Government Code, no public official shall have any interest in this contract.

ETHICS: The bidder shall not offer or accept gifts or anything of value nor enter into any business arrangement with any employee, official or agent of Panola County.

EXCEPTIONS/SUBSTITUTIONS: All bids meeting the intent of this Invitation to Bid will be considered for award. Bidders taking exception to the terms of this Bid Response Form, or its exhibits, shall state these exceptions in an attachment submitted as part of the bid. **The absence of any clearly marked exceptions attached to the bid shall indicate that the bidder has not taken exceptions and Panola County shall hold the bidder responsible to perform in strict accordance with the terms of this Bid Response Form, including its exhibits. Panola County Commissioners' Court reserves the right to accept any and all or none of the exception(s)/substitution(s) deemed to be in the best interest of the county.**

BIDS MUST COMPLY with all federal, state, county and local laws concerning the depository services to be provided through the Depository Contract.

MINIMUM STANDARDS FOR RESPONSIBLE PROSPECTIVE BIDDERS: A prospective bidder must affirmatively demonstrate the bidder's responsibility. A prospective bidder must meet the following requirements:

1. have adequate financial resources, or the ability to obtain such resources as required;
2. have a satisfactory record of performance;
3. have a satisfactory record of integrity and ethics;
4. be otherwise qualified and eligible to receive an award.

Panola County may request any other information sufficient to determine bidder's ability to meet these minimum standards listed above.

REFERENCES: Panola County may request bidder to supply a list of at least three (3) references where like services have been supplied by the bidder.

SUCCESSFUL BIDDER SHALL defend, indemnify, and save harmless Panola County and all its officers, agents and employees from all suits, actions, or other claims of any character, name and description brought for or on account of any injuries or damages received or sustained by any person, persons or property on account of any negligent act or fault of the successful bidder, or of any agent, employee, subcontractor or supplier in the execution of, or performance under, any contract which may result from bid award. Successful bidder indemnifies and will indemnify and save harmless Panola County from liability, claim or demand on their part, agents, servants, customers, and/or employees whether such liability, claim or demand arise from event or casualty happening or within the occupied premises

themselves or happening upon or in any of the halls, elevators, entrances, stairways or approaches of or to the facilities within which the occupied premises are located. Successful bidder shall pay any judgment costs which may be obtained against Panola County arising out of such injury or damages.

WAGES: Successful bidder shall pay or cause to be paid, without cost or expense to Panola County, all Social Security, Unemployment and Federal Income Withholding Taxes of the bidder's employees and all such employees shall be paid wages and benefits as required by Federal and/or State law.

TERMINATION OF CONTRACT: This contract shall remain in effect for the term specified in the County Depository Contract.

TERMINATION FOR DEFAULT: Panola County reserves the right to enforce the performance of this contract in any manner prescribed by law or deemed to be in the best interest of the county in the event of breach or default of this contract. Panola County reserves the right to terminate the contract immediately in the event the successful bidder fails to:

1. meet schedules;
2. defaults in the payment of any fees; or
3. otherwise perform in accordance with these specifications.

In the event the successful bidder shall fail to perform, keep or observe any of the terms and conditions to be performed, kept or observed, Panola County shall give the successful bidder written notice of such default; and in the event said default is not remedied to the satisfaction and approval of the county within two (2) working days of receipt of such notice by the successful bidder, default will be declared and all the successful bidder's rights shall terminate.

If any provision of this section "Termination For Default," conflicts with Chapter 116 or Chapter 117 of the Texas Local Government Code, the provisions of those chapters of the Texas Local Government Code shall prevail.

NOTICE: Any notices provided by this bid (or required by law) to be given to the successful bidder by Panola County shall be conclusively deemed to have been given and received on the next day after such written notice has been deposited in the mail in Carthage, Texas, by Registered or Certified Mail with sufficient postage affixed thereto, addressed to the successful bidder at the address so provided; provided this shall not prevent the giving of actual notice in any other manner.

CONTRACT ADMINISTRATION: Panola County may appoint a contract administrator with designated responsibility to ensure compliance with contract requirements. The contract administrator will serve as liaison between Panola County and the successful bidder.

WARRANTY: Successful bidder shall warrant that all services to be provided under the contract awarded through this Invitation to Bid shall conform to the Bid Response Form and its exhibits, and shall comply with the requirements and/or all warranties as stated in the Texas Business and Commerce Code, Chapters 116 and 117 of the Texas Local Government Code, and the Public Funds Collateral Act, Texas Government Code Chapter 2257 (together, the "Applicable Laws").

REMEDIES: The successful bidder and Panola County agree that both parties have all rights, duties, and remedies available as stated in the Applicable Laws.

VENUE: This agreement will be governed and construed according to the laws of the State of Texas. This agreement is performable in Panola County, Texas.

ASSIGNMENT: The successful bidder shall not sell, assign, transfer or convey this contract, in whole or in part, without the prior written consent of Panola County.

SILENCE OF SPECIFICATIONS: The apparent silence of these specifications as to any detail or to the apparent omission from it of a detailed description concerning any point, shall be regarded as meaning that only the best commercial practices are to prevail. All interpretations of these specifications shall be made on the basis of this statement.

THE FOLLOWING SIGNATURE PAGE MUST BE DULY EXECUTED FOR THE BID TO BE DEEMED COMPLETE BY THE PANOLA COUNTY COMMISSIONERS COURT.

ANY QUESTIONS concerning this INVITATION TO BID AND SPECIFICATIONS should be directed to Panola County Judge Lee Ann Jones at 903-693-0391; leeann.jones@co.panola.tx.us.

[SIGNATURE PAGE FOLLOWS]

BY SIGNING below, the bidder represents that they understand and acknowledge the foregoing provisions of this Bid Response Form, together with all exhibits, that all documents submitted in response to the Invitation to Bid shall comply with such provisions, that all statements of fact, and all representations and warranties made in the bidders submission of information in response to the Additional Bid Requirements are true, binding, and accurate, and that the signor is duly authorized to bind the bidder to the bidder's response to the Invitation for Bids.

By: Kevin Smith

Name: Kevin Smith

Title: Chief Financial Officer

Depository Institution: First State Bank & Trust Co.

ACKNOWLEDGEMENT

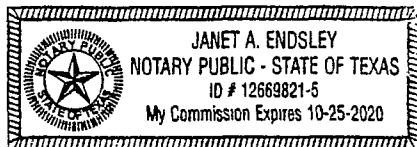
THE STATE OF TEXAS X

COUNTY OF PANOLA X

Before me, the undersigned authority, on this day personally appeared Kevin Smith, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same as the act and deed of First State Bank & Trust Co., a corporation, for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the 8th day of May, 2017.

(SEAL)



Janet A. Endsley
Notary Public, State of Texas

EXHIBIT "A"

ADDITIONAL BID REQUIREMENTS

The bidder shall include with its bid a duly signed statement of the amount of interest to be paid on the following accounts that the selected bidding institution shall maintain for Panola County under the contract to be awarded through this Invitation to Bid:

Demand Deposits: any balance in checking account

Time Investments: up to \$100,000 for 14 to 90 days

Time Investments: \$100,000 or more for 14 to 90 days

Time Investments: \$100,000 or more for 91 days or more

All Time Investments should be based on a minimum rate and the current money market rate, whichever is higher.

The bidder shall include with its bid a statement of the amount of paid-up capital stock and permanent surplus of the bidding institution and there shall be furnished with the bid a statement showing the financial condition of said institution at the date of such bid.

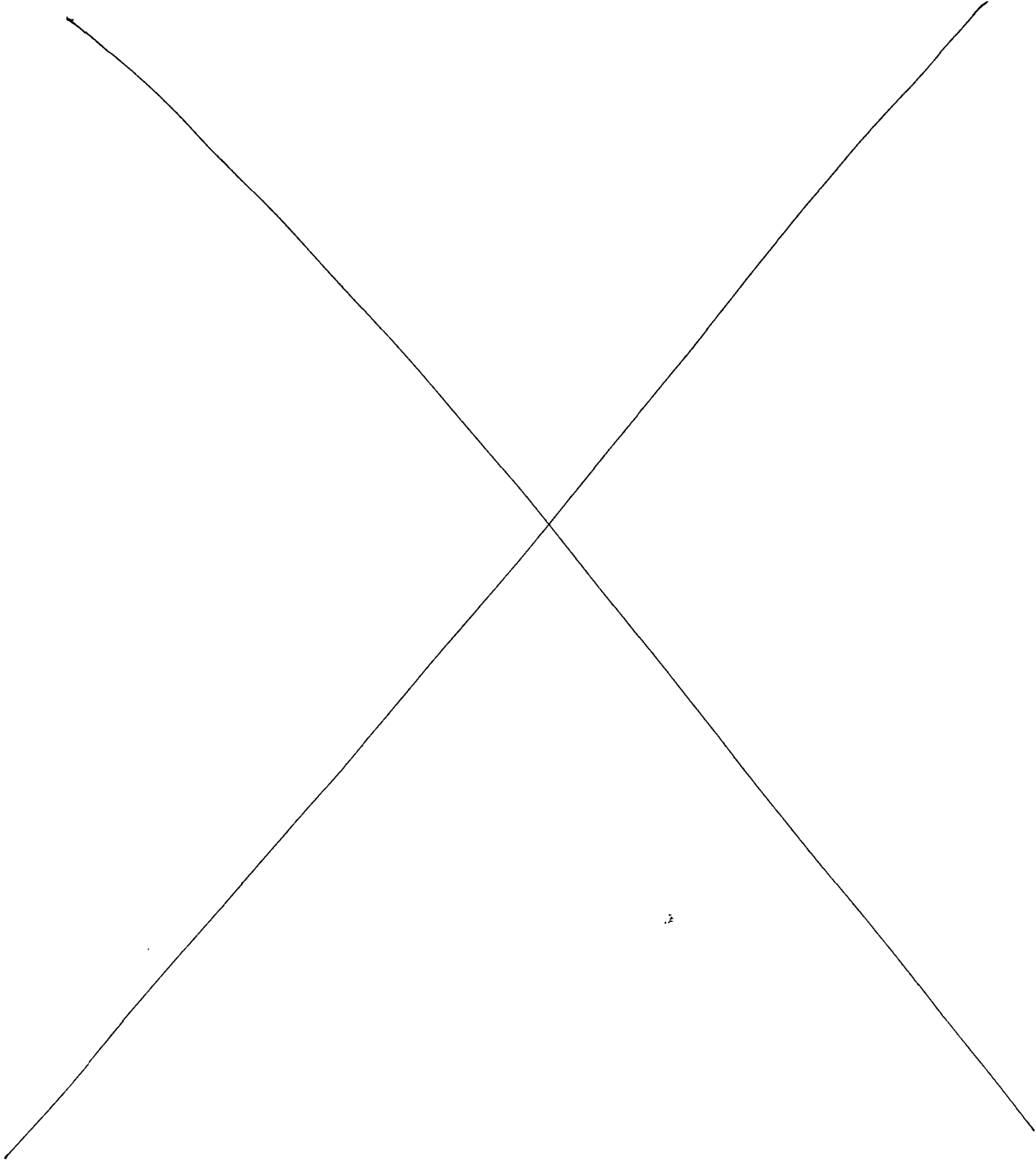
The bid shall be accompanied by a certified check for not less than one-half of one percent of Panola County's revenue for the preceding year as a guarantee of the good faith on the part of said institution. The approximate revenues for the 2016 Fiscal Year were \$25,701,438.00. The checks of the unsuccessful bidders will be returned forthwith and the check of the successful bidder will be returned after the depository has entered into and filed the bond or securities required by law and the bond or securities have been approved by the Commissioners' Court.

Bids shall be submitted in compliance with Chapters 116 and 117, Depositories for County Public Funds and Certain Trust Funds and County Registry Funds, Vernon's Texas Codes Annotated, Local Government Code, and the Public Funds Collateral Act, Texas Government Code Chapter 2257, from which the above requirements are taken.

[END OF DOCUMENT]

EXHIBIT "B"

FORM OF DEPOSITORY CONTRACT



COUNTY DEPOSITORY CONTRACT

THE STATE OF TEXAS X

KNOW ALL MEN BY THESE PRESENTS:

COUNTY OF PANOLA X

That _____, _____, Texas (the "Pledgor") does hereby state that it has pledged and deposited the securities listed in the attached pledge report as of _____, 2017, with the custodial banks as indicated on trust receipts, copies of which have been delivered to the Panola County Treasurer of the market value of _____ (\$ _____) DOLLARS to be held by such custodial banks upon the terms and conditions and for the purposes hereinafter set forth:

NOW, THEREFORE, as the above listed securities mature it is further agreed for the term of this contract that _____, _____, TEXAS agrees to maintain pledged securities for Panola County at a market value amount equal to or greater than the total Panola County deposits exceeding the \$250,000 Federal Deposit Insurance Corporation coverage. The conditions of the above contract are such that the above bounden Pledgor _____, _____, TEXAS was on the ____ day of _____, 2017, duly and legally chosen by the Commissioners' Court of Panola County, Texas, as County Depository for said county for a term having an initial period of four years commencing July 8, 2017, and a possible renewal period of up to two additional years, for a total possible term of six years and that ends on the 60th day immediately following the time fixed by law for the next selection of a depository. The initial four year term shall renew automatically for an additional two year period and shall be subject to the then-current terms and conditions unless a party provides written notice to the other at least 120 days prior to the expiration of the initial four year term that the two year renewal shall not apply. The Pledgor, upon its bidding has agreed to pay the County of

Panola interest on "time deposits" and "demand deposits" as outlined in the accepted depository bid during the term of this Depository Contract. A copy of the depository bid accepted is attached and a part of this contract.

At any time of the County's choosing before the third year of this Depository Contract begins, the County and the Pledgor may negotiate for interest rates and financial terms which shall be effective for the final two years of this Depository Contract that are different from those stated in the depository bid.

Pledged securities must meet the requirements of Chapters 116 and 117 of the Texas Local Government Code and the Public Funds Collateral Act, Texas Government Code Chapter 2257. The custodial bank selected by Pledgor is subject to the approval of Panola County and must meet the requirements of Texas Government Code Section 2257.041.

NOW, THEREFORE, if the above bounden Pledgor,
_____, _____, **TEXAS**, shall faithfully do and perform all the duties and obligations devolving on it by law as a County Depository of Panola County, and shall upon presentation pay checks drawn on it by the County Treasurer of Panola County, Texas; on "demand deposits" accounts in such depository; and all checks drawn upon any "time deposit" account upon presentation, after the expiration of the period of notice required in the case of "time deposits"; and shall faithfully keep said County funds, and account for same according to law, and shall faithfully keep and account for all funds belonging to the County which are deposited with it under the requirements of Chapters 116 and 117 of the Texas Local Government Code, and the Public Funds Collateral Act, Texas Government Code Chapter 2257, and shall include State funds collected by the Tax Collector and other County offices, and shall also include trust funds in the possession of County and District Clerks and all federal grant funds and all other Panola County funds deposited and shall

pay the interest at the time and at the rate hereinbefore stipulated in depository bid accepted on "time deposits" and "demand deposits"; and shall, at the expiration of the term for which it has been chosen, turn over to its successor all the funds, property, and other things of value, coming into its hand as Depository, then and in that event this contract is to be and become null and void and the securities held by the custodial banks shall be released by the County from such pledge, otherwise, to remain in full force and effect, subject to the right of Panola County, Texas and the Commissioners' Court of Panola County, Texas to recover any loss, shortage or default on the part of _____ arising by virtue of the violation of any or all of the conditions of this contract.

The preceding provision is given in addition to any remedy the County may have in any suit brought on this contract in any court in this State.

Any suit arising out of or in any way connected with this contract shall be tried in the County of Panola and State of Texas in any court therein having jurisdiction of the subject matter thereof.

IN WITNESS to all of which we have hereunto set our hands and the said _____ has caused these presents to be signed with its name and by its President and attested and sealed with its corporate seal.

[SIGNATURE PAGES FOLLOW]

[DEPOSITORY]

By: _____

Title: _____

Date: _____

ACKNOWLEDGEMENT

THE STATE OF TEXAS X

COUNTY OF PANOLA X

Before me, the undersigned authority, on this day personally appeared _____, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same as the act and deed of _____, a corporation, for the purpose and consideration therein expressed and in the capacity therein stated.

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

(SEAL)

Notary Public, State of Texas

IN WITNESS WHEREOF, the party hereto has hereunto set his hand and seal.

PANOLA COUNTY, TEXAS

By: _____
Lee Ann Jones, County Judge

Date: _____

ACKNOWLEDGEMENT

THE STATE OF TEXAS X

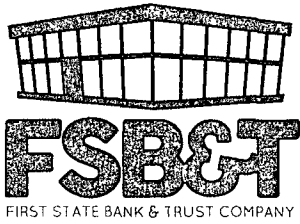
COUNTY OF PANOLA X

Before me, the undersigned authority, on this day personally appeared Lee Ann Jones, known to me to be the person whose name is subscribed as the County Judge in fact for PANOLA COUNTY, TEXAS, and acknowledged that she executed the same as the act of her principal for the purpose contained therein.

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

(SEAL)

Notary Public, State of Texas



110 W PANOLA
PO BOX 579
CARTHAGE, TEXAS 75633
903.693 6606
WWW.FSBCARTHAGE.COM

May 8, 2017

Hon. Lee Ann Jones County Judge;
Hon. Ronnie LaGrone, Commissioner, PCT #1;
Hon. John Gradberg, Commissioner, PCT #2;
Hon. Craig Lawless, Commissioner, PCT #3;
Hon. Dale LaGrone, Commissioner, PCT #4;

COMMISSIONERS' COURT - PANOLA COUNTY, TEXAS

DEPOSITORY BID

To the Members of the Panola County Commissioners' Court:

First State Bank & Trust Company, Carthage, Texas (hereinafter called the Bidder) a banking corporation chartered and incorporated under the Laws of the State of Texas, and a member in good standing of the Federal Deposit Insurance Corporation, with:

Capital Stock	-----	\$	2,400,000
Surplus (Certified)	-----		11,600,000
Undivided Profits and Reserves	-----		64,970,000
TOTAL CAPITAL	-----		78,970,000
 TOTAL ASSETS	-----		 465,566,000

as verified by the attached Statement of Financial Condition as of close of business April 30, 2017 - the latest available date, certified to be in compliance with the statute:

SUBMIT: the following Bid as depository for Panola County, Texas, including any trust funds of Panola County officials, for the biennium ending July 7, 2021, in response to your public advertisement.

- (1) We agree to accept the deposits of Panola County, Texas, including any trust funds of Panola County officials and keep good and sufficient record of same, rendering statements and making necessary reports as may be required from time to time.
- (2) Furnish good and sufficient bond, and/or pledge of securities, as may be

required by law to cover the funds, with additional bond, and/or pledge of securities as may be required from time to time.

(3) Accept deposits into any of the various types of accounts offered by our Bank including interest bearing demand accounts (commonly called Super Now) and interest bearing limited transaction accounts (commonly called Money Market Accounts). Super-Now accounts will pay interest at .75% less than the discount yield of the 3 month U.S. Treasury Bill established by the first Treasury Bill auction each month. A minimum rate of the greater of .60% or the Bidder's stated rate as listed on its rate sheet shall apply to these accounts. No service charges shall be charged on any transaction account.

(4) Pay interest on "Time Deposits" as follows:

(a) Time Deposits of less than \$100,000.00

For time deposits in this category we will pay interest at the rate in effect for all bank customers. The following minimum rates shall apply to these deposits:

14 to 90 days -----	.80%
91 days or more-----	.80%

(b) Time Deposits of \$100,000.00 or more

For time deposits in this category we will pay interest at the same rate as the discount yield on U. S. Treasury Bills of the same maturity. Rates shall be determined by the "Asked" Market quotation as reported on the Wall Street Journal website. Rates will be based on a 365 day year (1 day equals 1/365th of one year) except for leap year rates will be based on a 366 day year (1 day equals 1/366th of one year). The greater of the following minimum rates shall also apply to these deposits:

The Bidder's stated rate as listed on its rate sheet plus 10 basis points or

14 to 90 days -----	.80%
91 days or more-----	.80%

(5) In the event a need arises for funds in any time deposit or Repurchase Agreement before the maturity date thereof, we will loan the County, upon the security of such time deposits, all or any portion thereof, at 1/4 of 1% above the rate being paid on such time deposit.

(6) Internet Banking - access to all services available on the Internet Banking System which includes viewing of account balances and account transactions, initiation of account transfers, initiation of stop payments, initiation of domestic wire transfers, viewing of check images as well as the ability to originate ACH files for payroll, bill payment and collections. Memo posted items are updated immediately.

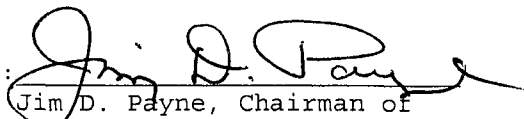
(7) 24 Hour Automated Telephone Banking - provides the capability to transfer funds between checking accounts and obtain information on account balances, transactions and account history.

- (8) Positive Pay - The County will have the opportunity to transmit a file listing of issued checks to the bank. The transmitted file will then be used to verify valid check numbers and amounts prior to payment. Positive Pay is a system the Bidder strongly recommends that can be used to detect and prevent check fraud.
- (9) Check Remittance Solution - Equipment will be provided free of charge that will allow the County to scan checks and transmit their images to the bank for posting and clearing during end-of-day processing. The solution will automatically post payments to the accounts receivable journal as well as archive check images for quick research.
- (10) Bank E-Statements - The County will be able to access any or all Bank Statements electronically at the end of the statement period eliminating the need to pick up volumes of paper statements and expediting the availability of the information.
- (11) Any and all services currently offered while serving as your depository.
- (12) We believe our performance as your depository for the past biennium has been satisfactory to all departments of the County government. It is our desire and intent, if we are selected as your depository for the contract period ending July 7, 2021, to render the very best service possible, and we would invite any suggestions as to our improvement on past performance.
- (13) Evidencing our good faith in submitting this Bid, and in compliance with the statute, we hand you herewith, attached, our cashier's check in the amount of \$128,507.00, which shall be disposed of as provided by statute.

Respectfully submitted,

FIRST STATE BANK & TRUST COMPANY
CARTHAGE, TEXAS

BY:


Jim D. Payne, Chairman of
The Board and CEO

FIRST STATE BANK & TRUST COMPANY, CARTHAGE, TEXAS

CONDENSED STATEMENT OF CONDITION

AS OF APRIL 30, 2017

ASSETS

Cash & Due from Banks -----	\$	7,520,648
Investment Securities:		
U. S. Government Agencies -----		105,083,984
State & Political Subdivisions -----		76,997,888
Other Securities -----		82,492,169
Federal Funds Sold -----		130,000
Loans -----		175,407,957
Bank Premises, Furniture, Equipment -----		4,401,031
Other Assets -----		<u>13,532,252</u>
TOTAL ASSETS	\$	<u>465,565,929</u>

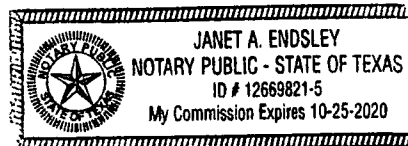
LIABILITIES AND CAPITAL ACCOUNTS

Deposits -----	\$	382,860,373
Other Liabilities -----		<u>3,735,890</u>
TOTAL LIABILITIES	\$	386,596,263
Capital Stock -----	\$	2,400,000
Certified Surplus -----		11,600,000
Undivided Profits -----		<u>64,969,666</u>
TOTAL CAPITAL ACCOUNTS		<u>78,969,666</u>
TOTAL LIABILITIES & CAPITAL ACCOUNTS	\$	<u>465,565,929</u>

The foregoing Condensed Statement of Condition of the First State Bank & Trust Company, Carthage, Texas, as of April 30, 2017, is true and correct to the best of my knowledge and belief.

Jameson Ritter, Controller

SUBSCRIBED TO BEFORE ME, this the 8th day of May, 2017

Notary Public

BY SIGNING below, the bidder represents that they understand and acknowledge the foregoing provisions of this Bid Response Form, together with all exhibits, that all documents submitted in response to the Invitation to Bid shall comply with such provisions, that all statements of fact, and all representations and warranties made in the bidders submission of information in response to the Additional Bid Requirements are true, binding, and accurate, and that the signor is duly authorized to bind the bidder to the bidder's response to the Invitation for Bids.

By: *Kevin Smith*

Name: Kevin Smith

Title: Chief Financial Officer

Depository Institution: First State Bank & Trust Co.

ACKNOWLEDGEMENT

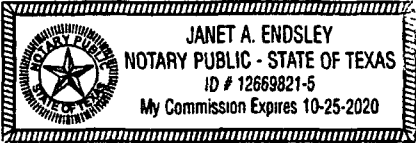
THE STATE OF TEXAS X

COUNTY OF PANOLA X

Before me, the undersigned authority, on this day personally appeared *Kevin Smith*, known to me to be the person whose name is subscribed to the foregoing instrument, and acknowledged to me that s/he executed the same as the act and deed of *First State Bank & Trust Co.*, a corporation, for the purpose and consideration therein expressed and in the capacity therein stated.

GIVEN UNDER MY HAND AND SEAL OF OFFICE this the *8th* day of *May*, 2017.

(SEAL)



Janet A. Endsley
Notary Public, State of Texas



CONDENSED STATEMENT OF CONDITION
April 30, 2017

ASSETS	
Cash & Due from Banks	\$ 7,520,648
Investment Securities	\$ 264,574,041
Federal Funds Sold	\$ 130,000
Loans (Net)	\$ 175,407,957
Bank Premises, Furniture & Equipment	\$ 4,401,031
Other Assets	\$ 13,532,252
Total Assets	\$ 465,565,929
LIABILITIES AND CAPITAL ACCOUNTS	
Deposits	\$ 382,860,373
Other Liabilities	\$ 3,735,890
Capital Stock	\$ 2,400,000
Surplus Certified	\$ 11,600,000
Undivided Profits	\$ 64,969,666
Total Liabilities & Capital Accounts	\$ 465,565,929

Unaudited

Officers

Jim D. Payne, Chairman of the Board & CEO
 Gene Giles, President
 David B. Murphy, Executive Vice President
 Kevin Smith, Chief Financial Officer
 Lynn C. Vincent, Public Relations
 Carolyn Murphy, General Counsel & Human Resources
 Myrna Sullens, Vice President
 Cody Cockerham, Vice President
 Ronnette Cooke, Auditor & Compliance Officer
 Chris Smith, Assistant Vice President
 Mike Whiddon, Assistant Vice President
 Jameson Ritter, Controller
 Becky Eubank, Branch Manager
 Christy Whatley, Operations Officer
 Ginny Collins, BSA Officer
 Sue Bishop, Assistant Cashier
 Phyllis Harris, Assistant Cashier
 Judy Wilkerson, Assistant Cashier
 Judy Davis, Assistant Cashier
 Debra McMillan, Assistant Cashier
 Pam Windham, Assistant Cashier
 Missy Atkerson, Assistant Cashier
 Gwen Singleton, Banking Officer
 Debbie Bellows, Banking Officer
 Tracy Hildebrand, Banking Officer
 Janet Endsley, Banking Officer & Human Resources
 Melissa Edge, Trust Officer

Board of Directors

Dwain Brady
 John W. Cooke
 J. R. Duke

Tom Escoe
 Gene Giles
 David B. Murphy

Foster E. Murphy
 Jim D. Payne
 Kevin Smith

Charles Thomas
 Lynn C. Vincent
 Travis Wall

Pledge Report by Maturity Date

As of: 04/30/17
Page: 105

First State Bank & Trust
Carthage, TX

Pledge / A - Panola County - Texas

SK	Code	Cusip	ID #	Current Face	Original Face	Description	ASC	Moody / S&P	Coupon	Maturity	Book Value	Fair Value
1005	31402QTN1		101582	88,511.32	5,850,000.00	FNMA #735057	AFS		4.500	01/01/2019	88,565.73	89,597.06
1005	31417YJM0		101738	207,300.02	4,525,000.00	FNMA #MA0267	AFS		4.000	12/01/2019	211,023.70	211,207.19
1006	041826XW3		101836	500,000.00	500,000.00	ARLINGTON TX ISD PSF SF PRE-RFD	AFS	Aaa / AAA	5.000 *	02/15/2020	520,267.79	551,832.50
1006	36202J5X2		100927	11,713.30	2,900,000.00	GNMA II #8062 ADJ RT	AFS		2.250	10/20/2022	11,741.14	11,848.82
1006	3136AGNM0		102003	3,593,056.50	5,000,000.00	FNR 2013 103-GV MTHLY-25TH	AFS		3.000	02/25/2025	3,669,196.78	3,692,594.82
1006	83162CPK3		101594	610,147.14	5,750,000.00	SBAP 2005 20E-1 S/A-1ST	AFS		4.950	03/01/2025	607,080.51	641,500.44
1006	83162CPN7		101626	648,687.76	5,200,000.00	SBAP 2005 20E-1 S/A-1ST	AFS		4.840	05/01/2025	646,744.16	674,763.91
1005	31412RLR6		101862	605,389.26	2,750,000.00	FNMA #932836	AFS		3.000	12/01/2025	601,198.58	627,069.76
1005	3128MCWE1		101868	805,014.18	4,500,000.00	FHLMC G #14045	AFS		3.500	02/01/2026	803,011.68	847,981.81
1005	31375HD92		100966	28,923.93	2,500,000.00	FNMA #335028 ADJ RT	AFS		3.348	02/01/2026	28,923.93	29,815.98
1005	3138A7G69		101874	713,661.17	4,500,000.00	FNMA #AH5620	AFS		4.000	02/01/2026	728,259.23	761,342.66
1005	3128PXCf1		102041	1,450,292.45	5,000,000.00	FHLMC J #17270	AFS		3.000	11/01/2026	1,487,613.36	1,503,681.34
1005	31376VPT3		101018	28,457.39	1,898,239.00	FNMA #366834 ADJ RT	AFS		2.595	11/01/2026	28,457.39	28,950.09
1005	31376ZU05		101023	9,959.82	3,030,000.00	FNMA #370595 ADJ RT	AFS		3.363	03/01/2027	9,961.67	10,398.62
1005	31376ZU05		101024	8,299.85	2,525,000.00	FNMA #370595 ADJ RT	AFS		3.363	03/01/2027	8,301.21	8,665.52
1005	31376ZU05		101035	27,528.00	2,985,000.00	FNMA #370600 ADJ RT	AFS		3.338	04/01/2027	27,534.58	28,519.09
1005	31371NJK2		101569	94,493.41	2,183,766.00	FNMA #256866	AFS		5.000	08/01/2027	93,987.52	102,289.12
1005	3138EJRG5		102044	2,177,374.84	6,200,000.00	FNMA #AL2286	AFS		3.000	09/01/2027	2,237,733.71	2,255,624.25
1005	3138EMNS6		102039	2,699,102.60	5,000,000.00	FNMA #AL4911	AFS		3.000	10/01/2027	2,767,913.27	2,796,101.60
1005	31413RVQ6		101570	26,947.50	5,000,000.00	FNMA #953423	AFS		5.000	11/01/2027	26,901.30	29,103.30
1006	83162CRK1		101625	1,358,600.95	5,200,000.00	SBAP 2007 20K-1 S/A-1ST	AFS		5.510	11/01/2027	1,362,207.42	1,455,081.52
1006	83162CRK1		101663	1,306,347.07	5,000,000.00	SBAP 2007 20K-1 S/A-1ST	AFS		5.510	11/01/2027	1,331,679.89	1,399,116.85
1005	3128MDL68		102049	2,833,680.52	5,250,000.00	FHLMC G #14649	AFS		2.500	01/01/2028	2,871,491.69	2,868,216.00
1005	31307CKT4		102046	2,849,163.50	5,000,000.00	FHLMC J #23906	AFS		2.500	05/01/2028	2,890,102.73	2,883,887.68
1005	3128MMRF2		102012	3,108,619.35	5,000,000.00	FHLMC G #18485	AFS		2.500	10/01/2028	3,131,931.14	3,146,505.65
1005	3128MMRT2		102034	3,151,639.76	5,500,000.00	FHLMC G #18497	AFS		3.000	01/01/2029	3,250,116.09	3,264,901.81
1005	3128MMST1		102057	3,949,767.39	6,100,000.00	FHLMC G #18529	AFS		2.500	10/01/2029	4,017,562.98	3,990,499.37
1006	83162CTG8		101831	1,860,076.83	4,500,000.00	SBAP 2010 20E-1 S/A-1ST	AFS		4.110	05/01/2030	1,917,982.39	1,951,368.43
1005	36225CPK6		101286	41,500.37	2,508,665.00	GNMA II #80425 ADJ RT	AFS		2.125	07/20/2030	41,370.04	42,030.06
1005	31295LSX1		101297	29,942.80	5,000,000.00	FHLMC #787734 ADJ RT	AFS		2.847	08/01/2030	29,946.74	30,712.05
1006	83162CTL7		101850	1,642,679.38	3,250,000.00	SBAP 2010 20H-1 S/A-1ST	AFS		3.520	08/01/2030	1,655,558.14	1,703,816.19
1006	83162CTR4		101840	1,393,865.50	2,500,000.00	SBAP 2010 20K-1 S/A-1ST	AFS		3.250	11/01/2030	1,400,198.60	1,428,061.17
1006	83162CTU7		101865	1,695,301.37	3,500,000.00	SBAP 2011 20A-1 S/A-1ST	AFS		3.890	01/01/2031	1,702,400.86	1,765,234.91
1005	31295L7F3		101324	3,398.04	4,000,000.00	FHLMC #788094 ADJ RT	AFS		3.033	06/01/2031	3,398.04	3,398.04
1005	31295L7F3		101347	2,595.25	3,055,000.00	FHLMC #788094 ADJ RT	AFS		3.033	06/01/2031	2,595.25	2,595.25
1005	31387EDR5		101343	18,653.82	6,000,000.00	FNMA #581612 ADJ RT	AFS		2.752	06/01/2031	18,653.82	19,507.53
1005	31388KAM4		101342	10,273.08	4,000,000.00	FNMA #606712 ADJ RT	AFS		3.130	10/01/2031	10,273.08	10,756.38

Note: Refer to the U.S. Government and Agency Ratings report for ratings on treasury, agency and pass thru securities.



(210) 224-5492
(210) 224-8787

9601 McAllister Freeway, Suite 301, San Antonio, Texas 78216-4633

II. Pledge & Safekeeping Reports

Pledge Report by Maturity Date

As of 04/30/17
Page 106

First State Bank & Trust
Carthage, TX

Pledge A. Panola County - Texas

Safekeeping Receipt	SK Code	Cusip	ID #	Current Face	Original Face	Description	ASC	Moody / S&P	Coupon	Maturity	Book Value	Fair Value
1005	36225CTD8		101376	52,464.70	5,000,000.00	GNMA II #80547 ADJ RT	AFS		2.250	10/20/2031	52,725.71	53,307.46
1005	31385H2E1		101353	9,600.75	5,000,000.00	FNMA #543573 ADJ RT	AFS		2.900	11/01/2031	9,600.75	10,113.21
1005	31418CDH4		102118	3,355,917.67	3,500,000.00	FNMA #MA2803	AFS		2.500	11/01/2031	3,413,083.27	3,387,379.40
1006	83162CUC7		101912	1,543,875.58	2,500,000.00	SBAP 2011 20K-1 S/A-IST	AFS		2.870	11/01/2031	1,567,944.89	1,567,944.60
1006	83162CUL5		101944	596,647.40	1,000,000.00	SBAP 2011 20L-1 S/A-IST	AFS		2.870	12/01/2031	617,114.73	608,735.46
1005	31295M6T2		101354	13,831.90	5,000,000.00	FHLMC #788982 ADJ RT	AFS		2.907	01/01/2032	13,831.90	14,476.58
1006	83162CUP6		101917	1,166,379.30	2,000,000.00	SBAP 2012 20B-1 S/A-IST	AFS		2.630	02/01/2032	1,171,123.43	1,162,587.86
1006	83162CUR2		101918	2,756,827.63	4,500,000.00	SBAP 2012 20C-1 S/A-IST	AFS		2.510	03/01/2032	2,768,106.74	2,731,981.91
1005	31389X5L3		101374	34,554.86	3,300,000.00	FNMA #639051 ADJ RT	AFS		3.040	04/01/2032	34,554.86	35,913.27
1006	83162CUS0		101922	1,196,108.30	2,000,000.00	SBAP 2012 20D-1 S/A-IST	AFS		2.670	04/01/2032	1,200,249.09	1,193,834.64
1006	3128PTC7		101971	2,456,284.48	5,125,000.00	FHLMC C #91447	AFS		3.500	05/01/2032	2,603,657.28	2,572,957.99
1005	31295NNV6		101375	65,036.09	8,060,993.00	FHLMC #789404 ADJ RT	AFS		2.957	05/01/2032	65,036.09	68,061.93
1006	83162CUU5		101943	2,331,330.30	3,500,000.00	SBAP 2012 20E-1 S/A-IST	AFS		2.380	05/01/2032	2,375,323.00	2,307,494.62
1005	36225CV29		101371	21,522.02	2,000,000.00	GNMA II #80632 ADJ RT	AFS		2.125	08/20/2032	21,581.35	22,050.63
1005	36225CVY9		101363	97,376.16	6,000,000.00	GNMA II #80630 ADJ RT	AFS		2.125	08/20/2032	98,320.39	99,037.91
1006	83162CVA8		101947	1,225,023.74	2,000,000.00	SBAP 2012 20I-1 S/A-IST	AFS		2.200	09/01/2032	1,243,991.21	1,208,399.74
1006	83162CVA8		101948	3,062,559.35	5,000,000.00	SBAP 2012 20I-1 S/A-IST	AFS		2.200	09/01/2032	3,105,472.56	3,020,999.35
1005	3128PTW58		101964	2,261,258.64	4,000,000.00	FHLMC C #91568	AFS		3.000	10/01/2032	2,366,437.67	2,315,670.18
1005	36225CW85		101378	47,709.55	5,156,658.00	GNMA II #80670 ADJ RT	AFS		2.250	12/20/2032	47,823.05	48,402.38
1005	31418AN87		101989	2,464,438.72	4,000,000.00	FNMA #MA1314	AFS		2.500	01/01/2033	2,502,193.70	2,449,806.12
1005	36225CW36		101379	91,481.23	5,500,000.00	GNMA II #80665 ADJ RT	AFS		2.000	01/20/2033	91,921.04	93,134.89
1005	36225CXL5		101380	86,058.00	5,000,000.00	GNMA II #80682 ADJ RT	AFS		2.000	03/20/2033	86,563.79	87,614.33
1005	31336SNW4		101576	659,880.70	16,725,954.00	FHLMC #IB0805 ADJ RT	AFS		3.176	04/01/2033	661,249.61	697,045.97
1005	36225CY34		101393	148,260.07	4,999,500.00	GNMA II #80729 ADJ RT	AFS		2.125	08/20/2033	149,913.64	151,432.38
1005	31403WCT2		101584	102,296.03	7,048,050.00	FNMA #759782 ADJ RT	AFS		2.900	09/01/2033	102,316.87	106,039.02
1005	31402XWN2		101580	1,069,018.19	10,015,862.00	FNMA #741453 ADJ RT	AFS		2.623	10/01/2033	1,070,995.73	1,121,142.13
1005	36225C3L8		101422	71,556.45	1,790,982.00	GNMA II #80802 ADJ RT	AFS		2.500	01/20/2034	72,253.35	74,244.51
1005	36225C3P9		101421	74,677.35	5,000,000.00	GNMA II #80805 ADJ RT	AFS		2.000	01/20/2034	74,971.17	76,072.00
1005	31349TAU5		101433	416,968.05	5,000,000.00	FHLMC #781819 ADJ RT	AFS		2.749	08/01/2034	416,968.05	437,369.21
1005	31405L6P9		101585	928,533.33	9,500,000.00	FNMA #792978 ADJ RT	AFS		2.910	08/01/2034	928,533.33	972,657.65
1005	31349UDG0		101434	253,819.35	5,000,000.00	FHLMC #782803 ADJ RT	AFS		2.747	11/01/2034	253,819.35	265,975.74
1005	31418BK Y1		102085	1,980,679.26	3,200,000.00	FNMA #MA2110	AFS		3.500	12/01/2034	2,074,674.76	2,074,142.56
1005	36225DTK0		101490	751,050.85	7,752,174.00	GNMA II #81453 ADJ RT	AFS		2.125	08/20/2035	751,050.85	770,240.58
1005	3128NCVR2		101534	139,438.37	5,500,000.00	FHLMC #IG0624 ADJ RT	AFS		3.348	01/01/2036	139,438.37	145,668.09
1005	31414CPM4		101586	290,402.59	2,919,349.00	FNMA #962228 ADJ RT	AFS		2.751	10/01/2037	290,684.24	302,787.02
1005	36225EM82		101598	618,582.40	4,999,922.00	GNMA II #82182 ADJ RT	AFS		2.250	10/20/2038	618,582.40	635,145.58
1005	36225EN57		101620	279,350.96	2,985,707.00	GNMA II #82211 ADJ RT	AFS		2.250	11/20/2038	279,350.96	286,063.81

Note Refer to the U S Government and Agency Ratings report for ratings on treasury, agency and pass thru securities



(210) 224-5492
(210) 224-8787

9601 McAllister Freeway, Suite 301, San Antonio, Texas 78216-4633

II. Pledge & Safekeeping Reports

Pledge Report by Maturity Date

Pledge A - Panola County Texas

First State Bank & Trust
Carthage, TX

As of 04/30/17
Page 107

Safekeeping Receipt	SK Code	Cusip	ID #	Current Face	Original Face	Description	Moody / S&P	Coupon	Maturity	Book Value	Fair Value
							ASC 320				
1005	36225ENS7	101621	101621	135,070.74	1,443,638.00	GNMA II #82211 ADJ RT	AFS	2.250	11/20/2038	135,070.74	138,316.51
1005	36225ENS7	101622	101622	225,447.02	2,409,581.00	GNMA II #82211 ADJ RT	AFS	2.250	11/20/2038	225,447.02	230,864.55
1005	3136AHBF6	102017	102017	2,612,547.90	5,000,000.00	FNR 2013 127-NA MTHLY-25TH	AFS	2.000	09/25/2039	2,609,688.17	2,597,699.06
1005	36225EU67	101730	101730	964,796.80	5,000,000.00	GNMA II #82404 ADJ RT	AFS	2.250	10/20/2039	964,796.80	991,050.78
1005	3138SY2D6	101301	101301	72,949.00	4,000,000.00	FNMA #557072 ADJ RT	AFS	2.063	06/01/2040	73,446.97	73,918.87
1005	36225E3Y6	101835	101835	1,041,386.85	5,000,000.00	GNMA II #82614 ADJ RT	AFS	2.125	09/20/2040	1,041,386.85	1,071,541.38
1005	36225E6J6	101846	101846	1,317,076.67	4,961,019.00	GNMA II #82672 ADJ RT	AFS	2.250	11/20/2040	1,317,076.67	1,354,918.05
				78,681,040.72	362,555,059.00			2.924		79,933,304.48	80,502,816.68
				Items 81							

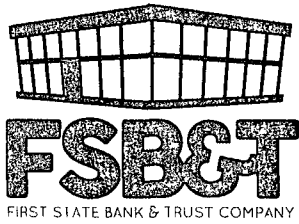
*=Prerefunded N=New Purchase S=Sold C=Called M=Matured O=Paid Off D=In Default C=Sunk T=Put
Note Refer to the U.S. Government and Agency Ratings report for ratings on treasury, agency and passthru securities



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II. Pledge & Safekeeping Reports



PO BOX 579
CARTHAGE, TEXAS 75633
903.693.6606
JPAYNE@FSBCARTHAGE.COM

JIM PAYNE
CHAIRMAN OF THE BOARD & CEO/DIRECTOR
MORTGAGE LENDER ORIGINATOR
ID #500866 | FSBT #481268

May 8, 2017

Dear Judge Lee Ann Jones and Panola County Commissioners:


On behalf of First State Bank & Trust Company, I would like to personally thank Panola County for the valued relationship that we have had for over seventy years. We hope to extend our relationship long into the future. We will continue to strive to provide you with the best possible customer service from our more than sixty employees.

As you may be aware, we are considered one of the strongest banks in the nation. We have been recognized as a "Best of Bauer Bank" which is awarded to banks that have maintained a 5-Star superior rating for 25 years or longer. Fewer than five percent of banks receive this distinction and we are proud to be one.

We pride our bank on being more than just a financial institution. We are people of your community who live, trade and pay taxes in Panola County. First State Bank & Trust Company contributes tens of thousands of dollars each year to the local community as well as hundreds of volunteer hours because we care about Panola County and its citizens.

I would like to thank you for the opportunity to bid on this proposal and hope that we can continue our long term business relationship for years to come.

Sincerely,



Jim Payne
COB and CEO

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

1 of 1

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties

**OFFICE USE ONLY
CERTIFICATION OF FILING**

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

First State Bank & Trust Company
Carthage, TX United States

Certificate Number.
2017-208887

Date Filed
05/17/2017

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

Panola County

Date Acknowledged

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

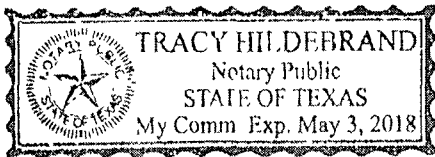
2017-15
County Depository Contract

4	Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
			Controlling	Intermediary
	Smith, Kevin	Carthage, TX United States		X
	Payne, Jim	Carthage, TX United States		X
	First State Bank & Trust Company	Carthage, TX United States	X	

5 Check only if there is NO Interested Party.

6 AFFIDAVIT

I swear, or affirm, under penalty of perjury, that the above disclosure is true and correct



Kevin Smith
Signature of authorized agent of contracting business entity

AFFIX NOTARY STAMP / SEAL ABOVE

Sworn to and subscribed before me, by the said Kevin Smith this the 17 day of May, 2017, to certify which, witness my hand and seal of office

Tracy Hildebrand Tracy Hildebrand Notary Public
Signature of officer administering oath Printed name of officer administering oath Title of officer administering oath