

Todd County Board of Education
205 Airport Road
Elkton, Kentucky 42220

OFFICIAL QUOTE FORMS
FOR
OFFICIAL DEPOSITORY FOR BOARD OF EDUCATION ACCOUNTS
(July 1, 2013—June 30, 2015)

I. Deposits

A. Demand Deposits*

In accordance with Item 20 of the General Conditions and Specifications, we agree to service all accounts of the Board of Education without charge provided a minimum balance of \$0—NO MINIMUM BALANCE REQUIRED be maintained in the General Fund Account.**

B. Time Deposits – Please quote a fixed and variable rate

We agree to pay interest on all Overnight Sweep Accounts maintained by the Board of Education (including school accounts) or sweep daily from our regular demand deposit account:

Rate Paid	How Computed?	How Paid?
N/A		

C. The Percent (%) 0—N/A, if any, of the Board's Deposits will be held in Legal Reserve and no interest paid on it.

*It is understood that in the event the average monthly balance of an account falls below the minimum required balance, the rate of interest for that cycle period only will revert the next lowest interest rate for an investment account as listed above. It is further understood that there will be no limit as to the number of permissible transfers from one Board of Education Investment account to another Board of Education Account.

**Depository Bank is to check this and send notification to the Board of Education office.

II. Loans

We agree to extend credit on legally drawn notes of the Board of Education for amounts up to the Board's legal borrowing limit at a rate not to exceed the rate of *** percent per annum or calculated on a per diem basis to the amount borrowed.

***Each loan request will be priced upon request and will be subject to the bank's underwriting and policy practices.

III. Location of Offices

The following is a listing of this financial institution's Todd County branch office(s):

Branch Office	Location
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<u>536 W. Main Street, Elkton, KY 42220</u>	
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IV. Collected Funds

For investment purposes, we agree to credit the Board's accounts on the day funds are collected by the bank of which the cut off time for daily credit is 4:00 p.m. CST (time).

V. Collateral

A. Execution of Bond of Depository and Collateral

Bond of Depository for Public School Funds will be executed by the official depository and collateral deposited to secure said bond as hereafter set out (The Bond Depository form includes a pledge of collateral in the amount of the bond of depository. A specimen of the Bond of Depository form, as will be required to be executed by the primary depository, is attached as an exhibit.) Said Bond of depository should cover Board of Education of Todd County funds in the amount of \$5,416,000 effective July 1, 2013, for the full term of this contract, subject to State Department of Education approval. In the event the amount of Board of Education funds on deposit, including certificates of deposit, exceed the Bond of Depository amount of \$5,416,000, the primary depository is to pledge additional collateral for any such excess funds on deposit with a fair market value equal to the excess amount. (See item 15 in Invitation To Quote.) In this connection, the Board of Education will give the primary depository an advance schedule of anticipated revenues.

B. Types of Collateral

All collateral pledged by the official depository selected must have a fair market value equal to at least 100% of all deposits (including all investments instruments) of the Board of Education and shall consist of U.S. Government Bonds and/or Kentucky School Building Revenue Bonds. * From past history, the amount of Board funds to be collateralized ranged from \$5,416,000 to \$7,403,000** during a fiscal year period.

*Annual notification by a bank board Resolution of the official depository. Said resolution shall recognize the primary depository bank of the amount and securities pledged from the primary depository to the Todd County Board of Education.

C. Safekeeping Receipt(s)

The primary depository will execute a safekeeping receipt for collateral which will include an endorsement as follows (the form) of the endorsement on the safekeeping receipt may be amended so as to modify the endorsement in any manner required by the rules and regulation of the Federal Reserve Banks providing that the collateral pledged for safekeeping in connection with the bond of depository is deposited in a federal reserve bank:

“The securities described herein have been pledged as collateral to funds on deposit in Elkton (City), Todd (County), Kentucky to the credit of the Board of Education of Todd County, Elkton, Kentucky under terms of a depository agreement. These securities may not be withdrawn or substituted excepted with the written consent of the Board of Education. The original of this receipt has been delivered to the Board of Education of Todd County, Elkton, Kentucky.”

*Repurchase Agreements for either or both classes of collateral are acceptable security.

**Total amount required to cover all funds including investment and construction funds.

VI. Length of Contract

The quotations and undertakings offered herein will be valid for the fiscal year beginning July 1, 2013 and ending June 30, 2015 and at the option of the Board of Education, and with the primary depository's consent, may be extended for one (1) additional two (2) year period.

VII. Designated Employee

Thomas Douthitt, Assistant Vice President-Cash Management Director, shall be the employee of our firm who will be responsible for compliance with the terms of the Bonds of depository contract.

VIII. Please describe what method you will provide board employees that do not currently have a checking/savings account so that they will be able to obtain their direct deposit. We will offer a Free Workplace Checking Account to all board employees. Please see more information about this product in the accompanying proposal.

IX. Optional Items

A. Annual Student Scholarships (this is an optional Quote item)

Heritage Bank hereby agrees to award, to two deserving students, annual scholarships to graduating Todd Central High School Seniors in amount and number as specified:

2 Scholarships @ \$500.00 each.

B. Banking Services for Board Employees (this is an optional item)

Heritage Bank hereby agrees to provide no fee checking to board employees.

Specify services offered at no fee: Free Workplace Checking Accounts.
Please see more information about this product in the accompanying proposal

X. Type of Financial Institution

We have read and understand the General conditions and specifications for Board of Education accounts and agree to comply with all said stipulations should we be selected as your official primary depository.

Heritage Bank is a member of the Federal Deposit Insurance Corporation, and as such, we propose to accept and hold in SECURED CUSTODY funds belonging to the Board of Education, and to pay out any funds on order of the board as provided by law. We hereby offer our quote to the Board of Education under terms and conditions as above specified.

FIRM NAME: HERITAGE BANK

SIGNATURE:  TITLE: OFFICE MANAGER

ADDRESS: 536 W. MAIN STREET
ELKTON, KY 42220

TELEPHONE: 270-265-5628 DATE: APRIL 16, 2013

SPECIFICATIONS OF BID PACKAGE

We appreciate the opportunity to provide a bid for full integrated banking services to the Todd County Public Schools. Heritage Bank can meet the requirements set forth in the bid letter for the period beginning July 1, 2013 and ending on June 30, 2015 as follows:

- Heritage Bank will offer the Todd County Public Schools, as well as each school within the Todd County Public School District, an interest-bearing checking account with an interest rate equal to Federal Funds plus .20% with a floor of .82%.

Interest accrues daily and is paid monthly on a 365/365-day basis and is earned on the entire balance of the account. There will be no monthly minimum balance or maintenance fee assessed on the above referenced accounts.

- Heritage Bank agrees to provide each school's activity account with the terms described herein.
- Heritage Bank agrees to serve as the paying agent on bond issues and/or bond refunding in relation to the construction and bond accounts. However, Heritage Bank reserves the rights to charge up to \$2,500.00 as a one-time fee per bond issue/refunding.
- In addition, Heritage Bank can provide the Todd County Public Schools with a copy of its statement on CD Rom, including the front and back image on all checks. Also, Heritage Bank can provide a monthly reconciliation file.
- A copy of the monthly statement may be obtained on the next business day after the end of the month by utilizing our E-statement services, or we will be happy to continue personally delivering your monthly statements on the 1st day of the month. Heritage Bank is unable to provide copies of deposit slips.
- Heritage Bank will not assess charges to the Todd County Public Schools for returned deposit items, stop payment requests, or wire transfers.
- Heritage Bank agrees to serve as Federal Tax Depository for the Board at no charge.
- Heritage Bank agrees to assist the board in collecting insufficient items by processing the checks a second time after receiving the item as returned by the Federal Reserve.

SPECIFICATIONS OF BID PACKAGE

- The Todd County Public Schools may review daily account history, complete transfers, and wire money, as well as create and display financial reports, by utilizing our Business Cash Management product. This product has the ability to process direct deposit of payroll with file transmission using Todd County Public School's current software program. This product will be available to the Todd County Public Schools as a free service.
- Heritage Bank agrees to extend credit as requested to the Todd County Public Schools as permissible under the Bank's standard loan underwriting and policy practices.
- Heritage Bank will pledge qualified investment securities for all deposits through its third party safe keeping agency, The Federal Home Loan Bank of Cincinnati (FHLBC).
- The Todd County Public Schools and its employees can also utilize Heritage Bank's free "Workplace Banking Program". See section titled Products and Services for more information about our "Workplace Banking" product. In addition, any employee that participates in the "Workplace Banking Program" will be eligible for discounts on consumer loans (auto, boat, home equity etc.) and mortgage loans. Heritage Bank would like to offer a free gift to any employee that participates in the "Workplace Banking Program".
- In addition, Heritage Bank's certificate of deposit rates are highly competitive and will be priced based on the complete relationship with Heritage Bank.
- Heritage Bank will provide:
 - Check Supplies (deposit tickets, checks)
 - Safe Deposit Box
 - Locking bags/canvas bags
 - Direct Deposit advices
 - Rolled coins
 - Safe deposit box
- Heritage Bank will assign Thomas Douthitt, Assistant Vice President-Cash Management Director, as the contact person for Todd County Public Schools.

ALL OF US THANK YOU

For Your
Savings Account & Home Loan



Back Row — Beth Armistead, Teller, Janet Boyd, Teller, Jewell Haydon, Assistant Vice President & Treasurer, Peggy Noel, Assistant Vice President & Operations Officer, J. Noble Hall, Sr., Chairman of Board, Larry Joiner, Jr., President, James Meeks, Executive Vice President, Sara Helle, Assistant Operations Officer.

D. B. BORTCH, JR.
President, D. B. Bortch & Sons, Inc.
C. G. BOYD
Partner and Vice President

DR. JOHN E. COTTHOFF
Physician

DRURY DONALD EMBRY
Farm Director, Hopkins County Farm

WALTON G. EZELL
Credit Manager
West Kentucky Production Credit Association

Front Row — Ray Dugand, Assistant Vice President, Kathleen Barrow, Assistant Secretary, Linda Vior, Teller, Peggy Scott, Loan Department Secretary, Virginia Shelton, Bookkeeping Assistant, Melba Giles, Secretary, Austin Stewart, Senior Vice President, Cliff Atwood, Vice President & Controller.

★ BOARD OF DIRECTORS ★

J. NOBLE HALL, SR.
Chairman of Board

J. NOBLE HALL, JR.
Realtor

LACY JOINER, JR.
President

MILBURN C. KEITH
Attorney

W. KELLY
Superintendent
Hopkins County School

AUSTIN B. STEWART
Senior Vice President

J. B. TODD, JR.
Vice President, Dalton Bros. B.

C. W. WOOD
Druggist



Hopkinsville Federal



SPECIFICATIONS OF BID PACKAGE

- In the event Heritage bank is no longer designated as the primary beneficiary, we agree to assist the Board in its transition to a new depository should the need arise.
- Heritage Bank will assist and cooperate with the Board's audit firm with information as requested by following or safe and sound banking principles.