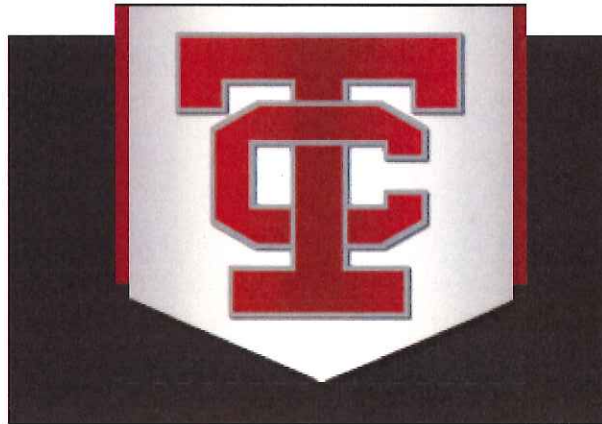




HERITAGEBANK

Proposal *for* Products and Services



Prepared for

Todd County Board of Education
205 Airport Rd
Elkton KY 42220



HERITAGEBANK
BANKWITHHERITAGE.COM MEMBER FDIC

Proposal for Products and Services

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

OFFICIAL QUOTE FORMS
FOR
OFFICIAL DEPOSITORY FOR BOARD OF EDUCATION ACCOUNTS
(July 1, 2017—June 30, 2018)

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 \$ No minimum balance 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?

Checking Rate equal to Federal Funds minus .20%

C. The Percent (%) 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 the banks underwriting and policy practices percent per annum or calculated on a per diem basis to the amount borrowed.

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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536 West Main St Elkton KY 42220	
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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 4pm M-T 6pm on Friday.

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 \$8,261,730 effective July 1, 2017, 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 \$8,261,730, 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. *

*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, 2017 and ending June 30, 2018 and at the option of the Board of Education, and with the primary depository's consent, may be extended for a one (1) year period for up to four (4) additional one year periods.

VII. Designated Employee

Thomas Douthitt 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.

WORKPLACE BANKING

Heritage Bank agrees to waive our monthly maintenance fee for our Basic checking product with direct deposit. In the event the account holder does not qualify for our Basic checking product, an alternate account can be established. All other standard fees apply.

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:

Two (2) Scholarships @ \$ 500.00 each.

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

The N/A Bank hereby agrees to provide no fee checking to board employees.

Specify services offered at no fee _____

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 and 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: AVP, Deposit Operations

ADDRESS: 536 West Main St Elkton KY 42220

TELEPHONE: 270-887-4455 DATE: April 25, 2017

HERITAGEBANK

PROPOSAL FOR PRODUCTS & SERVICES

Prepared For Todd County Board of Education

OVERVIEW

Heritage Bank is pleased to submit this proposal for products and services to support you in achieving your goals. We have partnered with many schools throughout this area and we are committed to improving their banking experience.

Objective



Heritage Bank provides you with seasoned professionals to personalize your service and banking experience. We look forward to meeting your goals and requirements.

- Interest Bearing Checking Account
- Lower Fees
- Direct Deposit
- Cost Savings
- Easier Operational Management
- Construction Loan

Recommendation



Based on our understanding of your goals, listed below are the solutions we feel can best meet your needs. Please see page 3 for a comprehensive listing of your specific goals.

- Interest bearing checking account with a variable rate equal to Federal Funds minus .20%. The current Federal Funds rate is 1.00%.
- Funds in excess of the FDIC limit will be fully collateralized.

HISTORY AND OVERVIEW

For more than a century, the generations of bankers and neighbors who have represented our company have been successful for three distinct reasons. At Heritage Bank, we are a company based on principles, products, and performance—characteristics every business should embrace.

Through the years, the people of Heritage Bank, both individually and collectively, have exhibited a commitment to both the company they work for and the community in which they live and work. Moreover, it is because of that devotion to both banking and the betterment of their hometowns that Heritage Bank has been in business for more than 138 years!

Success breeds success. When our local friends and neighbors create productive businesses, we ALL succeed. That is why we are more than a bank. We are a partner in your success story.

HopFed Bancorp, Inc. [(HFBC)-NASDAQ] is the holding company of Heritage Bank headquartered in Hopkinsville, Kentucky. The Bank has eighteen offices in western Kentucky and middle Tennessee as well as Heritage Bank Wealth Management of Murray, KY, Hopkinsville, KY, Kingston Springs, TN, and Clarksville, TN and Heritage Bank Mortgage Services of Clarksville, TN. The Bank offers a broad line of banking and financial products and services with the personalized focus of a community banking organization. For more information about Heritage Bank and HopFed Bancorp, Inc., visit our website at www.bankwithheritage.com.

OUR PROPOSAL

We are pleased to have been given the opportunity to provide a proposal for banking services and look forward to the opportunity to continue our banking relationship. We realize it is about meeting the needs of the community every day, and so we are committed to providing you with banking professionals so your focus can remain about the community.

We have customizable solutions to help you meet your goals. Our products and services are geared to easily integrate with the Todd County Board of Education's requirements.

Qualifications

- Heritage Bank has legal authority to offer banking services in Kentucky and Tennessee by the FDIC.
- Heritage Bank has eighteen full service offices throughout Kentucky and Tennessee.
- Heritage Bank complies with all applicable laws, rules, regulations, and ordinances of the State of Kentucky and of the United States.
- Heritage Bank deposits are FDIC insured.
- Heritage Bank will provide same day funds availability of funds deposited provided those funds are deposited by our stated cutoff time.

Execution Strategy

Our execution strategy incorporates proven methodologies, highly qualified personnel, customized with a responsive approach to managing solutions. Following is a listing of our solutions for implementation.

Project Deliverables

Heritage Bank appreciates the opportunity to provide this bid for banking services to the Todd County Board of Education. These terms expire June 30, 2017.

- **RATE**

Heritage Bank will offer a variable rate equal to Federal Funds minus .20%. The current rate would equal .80%. Interest accrues daily on a 365/365-day basis and is earned on the entire balance of the account. There will be no monthly maintenance fee or monthly analysis fee assessed on the above referenced accounts. These terms will expire June 30, 2017.

- **CDs**

Heritage Bank's Certificates of Deposit rates are highly competitive.

- **E-STATEMENTS**

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. As an alternative, the original bank statement with imaged checks will arrive by mail within seven business days. Heritage Bank is unable to provide copies of deposit slips. We will provide a reconciliation file on CD containing account data.

- **INTERNET BANKING**

The Board may review account activity daily by using our Cash Management service at www.bankwithheritage.com. Account information from our internet banking site may be downloaded into many commercial money management programs.

- **MERCHANT SERVICES**

Heritage Bank can provide Merchant Services, which is the ability to accept all credit card types and debit cards with pin based transactions. A comparative proposal can also be provided per your request.

- **CREDIT CARDS**

Heritage Bank has the ability to provide business credit cards for operational expenses. However, we are not the issuing bank and, therefore, do not guarantee card issuance. Our third party provider enables cardholders to adjust limits via an online portal and view card transactions.

- **WORKPLACE BANKING**

Heritage Bank agrees to waive our monthly maintenance fee for our Basic checking product with direct deposit. In the event the account holder does not qualify for our Basic checking product, an alternate account can be established. All other standard fees apply.

- **WAIVED SERVICES**

Heritage Bank will provide: Check stock, official checks, duplicate deposit tickets, bank bags, coin wrappers, safe deposit box. Heritage Bank will not assess charges to the Board for stop payment request, wire transfers, bank statements, and returned deposited items.

Resources

Our Cash Management team is composed of a well-qualified staff with over twenty years combined experience.

THOMAS DOUTHITT

Assistant Vice President
Deposit Operations
thomas.douthitt@bankwithheritage.com
Phone: 270-887-4455
Fax: 270-887-2956

NICOLE RIFE

Cash Management
Specialist
nicole.rife@bankwithheritage.com
Phone: 270-887-4465
Fax: 270-887-2956

AUSTYN ROBERTS

austyn.roberts@bankwithheritage.com.com
Phone: 270-887-2931
Fax: 270-887-2956

Cash Management

Through Heritage Bank's secure and easy to use Cash Management Services, customers are able to:

- View account balances & transactions
- Transfer funds between Heritage Bank accounts
- Wire Funds with templates
- Create and transport debit and credit files such as Federal & State tax
- Process payroll credits and draft ACH debits
- Customize reports
- Establish multi-level user privileges
- Establish customer internal control by providing layers of security
- Have access to account 24 hours a day, 7 days a week
- Transfer funds without leaving your office or home
- Request stop payment
- Save time; store information on templates

EXPIRATION — JUNE 30, 2018

The rates and/or fees listed are termed for the products and services discussed herein.

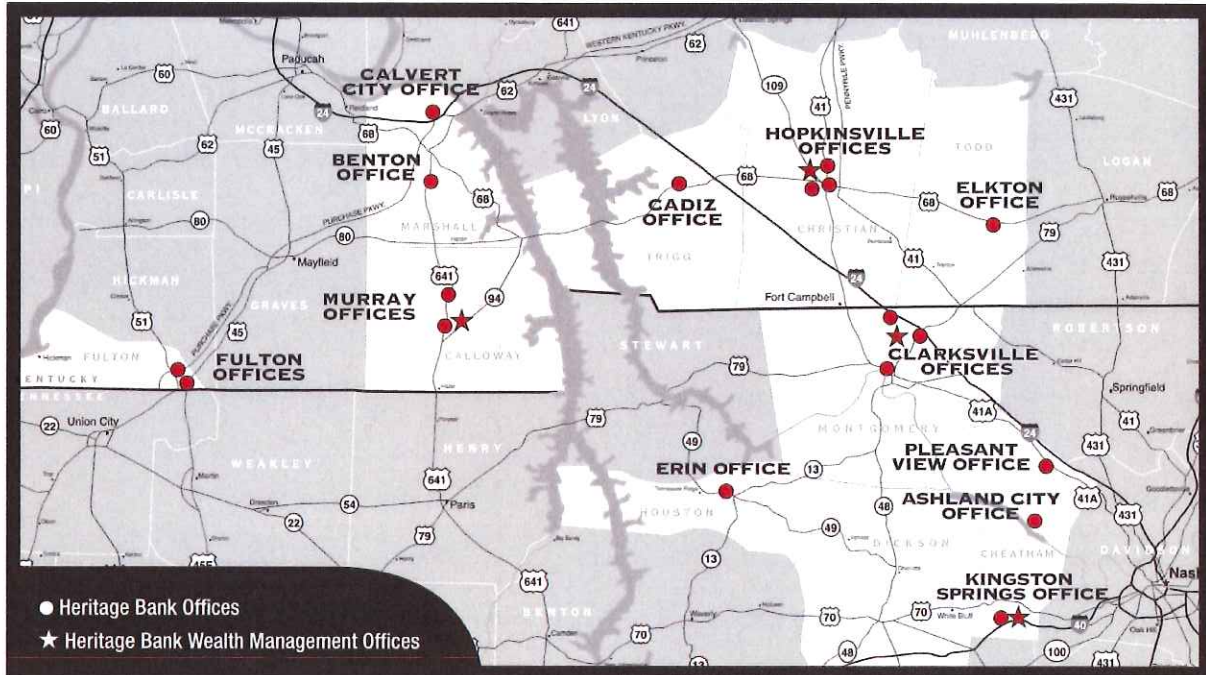
Conclusion

We look forward to continuing our relationship with the Board and supporting your efforts to earn the most on your balance while minimizing fees, allowing more funding for programs and ultimately the students. We are confident that we can meet the challenges ahead, and stand ready to continue partnering with you in delivering effective support solutions.

If you have questions about this proposal, feel free to contact Thomas Douthitt Thomas.douthitt@bankwithheritage.com or at 270-887-4455.

Thank you for your consideration.

LOCATIONS



CHRISTIAN COUNTY

CORPORATE OFFICE

4155 Lafayette Road
Hopkinsville, KY 42240
270-885-1171

2700 Fort Campbell Boulevard
Hopkinsville, KY 42240
270-885-1171

605 South Virginia Street
Hopkinsville, KY 42240
270-885-2628

CALLOWAY COUNTY

210 North 12th Street
Murray, KY 42071
270-753-7921

1601 North 12th Street
Murray, KY 42071
270-767-2000

TRIGG COUNTY

352 Main Street
Cadiz, KY 42211
270-522-6638

TODD COUNTY

536 West Main Street
Elkton, KY 42220
270-265-5628

MARSHALL COUNTY

105 West 5th Street
Benton, KY 42025
270-527-4353

20 Oak Plaza Drive
Calvert City, KY 42029
270-395-0781

FULTON COUNTY

306 Lake Street
Fulton, KY 42041
270-472-3300

Carr Plaza
609 North Highland Drive
Fulton, KY 42041
270-472-4410

MONTGOMERY COUNTY

3845 Trenton Road
Clarksville, TN 37040
931-920-7100

2185 Madison Street
Clarksville, TN 37043
931-221-4700

322 Main Street
Clarksville, TN 37040
931-552-5627

HOUSTON COUNTY

3711 West Main Street
Erin, TN 37061
931-289-5000

CHEATHAM COUNTY

108 Cumberland Street
Ashland City, TN 37015
615-792-4337

104 West Kingston Springs Road
Kingston Springs, TN 37082
615-952-9143

2556 Highway 49 East
Pleasant View, TN 37146
615-746-2111