



April 9, 2021

Dr. Greg Bower, Superintendent  
Como-Pickton ISD  
13017 TX Hwy 11 E  
Como, TX 75431

Dear Dr. Bower:

Alliance Bank would appreciate the opportunity to extend our existing depository contract with Como-Pickton ISD. However, we require one adjustment to the contract which will lower the interest rate floor for our adjustable-rate contract.

During the first quarter of 2020 in response to the Covid 19 pandemic, the Federal Reserve Bank drastically lowered the overnight advance rates to a target rate of between, 0% and 0.25% which makes our depository agreement flooring the rate paid to your School District of 1.00% costly for the bank. The existing contract has an adjustable rate of the 30-day treasury bill plus 0.25 percent with a floor of one percent and a cap of five percent. We request that the floor rate of one percent be changed to 0.50% or one half of one percent as a condition for extension of the contract with no other changes.

Alliance Bank has served as your depository institution for many years, and the Bank looks forward to serving Como-Pickton ISD, teachers, students, and families for years to come.

Sincerely,

James M. Law  
President/CFO

P.O. Box 500 | Sulphur Springs, TX 75483-0500

Telephone: 903/885-2187 | Fax: 903/885-7730

[www.alliancebank.com](http://www.alliancebank.com)





April 9, 2021

Dr. Greg Bower, Superintendent  
Como-Pickton ISD  
13017 TX Hwy 11 E  
Como, TX 75431

Dr. Greg Bower:

Alliance Bank agrees to extend the school district's depository contract for an additional two years with one modification to the current contract:

- The interest rate floor on deposits will be lowered to 0.50% from 1.00%.

If the school district agrees to this change in terms, please have the appropriate party sign below and return a copy to the Bank.

Should you have any questions, please feel free to contact me by phone at 903.439.6745 or email at [jlaw@alliancebank.com](mailto:jlaw@alliancebank.com).

Thank you,

James M. Law  
President/CFO

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Como-Pickton ISD agrees to the modification of the interest rate floor to its depository contract with Alliance Bank.

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Signature, Title

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Date

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Printed Name

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