

**We Put People First.™**

April 11, 2019

Mr. Jason Bauer, Superintendent  
Pana Community Unit School District 8  
14 E Main Street  
Pana, IL 62557  
VIA Email: [jbauer@panaschools.com](mailto:jbauer@panaschools.com)

RE: Banking Proposal: July 1, 2019 to July 1, 2020

**Altamont**

511 S. Main Street  
Altamont, IL 62411

**Charleston**

1810 Lincoln Avenue  
Charleston, IL 61920

**Morrisonville**

409 Carlin Street  
Morrisonville, IL 62546

**Palmyra**

142 W. State Street  
Palmyra, IL 62674

**Pana**

200 S. Locust Street  
Pana, IL 62557

**Springfield**

2840 Mansion Road  
Springfield, IL 62711

**Taylorville**

1221 Springfield Road  
Taylorville, IL 62568

**Tower Hill**

209 State Highway 16  
Tower Hill, IL 62571

**Waverly**

197 W. State Street  
Waverly, IL 62692

**White Hall**

102 S. Main Street  
White Hall, IL 62092

Dear Mr Bauer,

Thank you for the opportunity to serve the banking needs of Pana schools for the past ten years. We appreciate our relationship with the school and would very much like to continue and expand our relationships as your needs dictate in the future.

Over the past year, we were pleased to provide additional value in two areas:

- Implementing our Insured Cash Sweep product, which increased interest earned by \$10,973.39 while maintaining immediate liquidity of funds and FDIC insurance; and
- Serving as a reliable and competitive source of credit evidenced by our funding and other services provided in your most recent bond issue.

During our recent meeting, we reviewed the services currently provided to the school, other services offered by the bank, and the school's upcoming needs. We did not identify additional service needs, however we agreed to continue to look for alternatives to improve the services provided and meet new needs of the school in the future.

Two primary objectives were identified. You indicated it was critical that we continue to provide banking services without charges. We also agreed that we need to work together to increase revenue from the accounts as much as possible.

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With these goals in mind, we propose to provide approximately **\$2,500** in banking services (see attached 2018 Summary of Banking Service Value) free of charge, and:

- Increase the yield on the Business NOW account from **0.46% to 1.54%** APY; and
- Increase the yield on funds held in the ICS account from **1.34% to 1.88%** APY, based on the formula shown below.

Our specific proposal is to maintain your existing Business NOW Accounts (28126, 180505, 507822, 508150, 044563, 180742, 508556, 700259, and 731182) and any new accounts needed from July 1, 2019 to June 30, 2020. All of the terms, conditions and fees disclosed in your Deposit Account Agreement and Disclosure, the Rate and Fee Schedule, the Funds Availability Policy Disclosure, and the Electronic Funds Transfer Agreement and Disclosure apply to your accounts, except during this period:

1. We agree to maintain all accounts listed above with regular service charges waived and pay a variable interest annual percentage rate (APY) of 1.54% (except as stated below) on the collected balance of your deposited funds if the balance in the account exceeds the minimum balance required for a Business NOW. In the event that the balance drops below the required balance, the rate could be less. For example, if the account balance is below minimum balance, currently \$2,500, the interest rate earned on the account will be 1.49% (1.54% less the current rate paid on the Business NOW product, currently 0.05%).
2. The bank and the school agree that the bank, at its option, may place excess school deposits in liquid FDIC insured deposits in other banks through the Promontory Interfinancial Network Insured Cash Sweep (PIN ICS) program. This would occur when the bank does not need part or all of the school's deposits to fund its operations and a yield in excess of the APY stated for the Business NOW account is available through this program. Under this scenario, the school has an opportunity to enhance its yield. The bank agrees to pay the school the APY stated above plus half of the difference between the PIN ICS program yield and the APY stated above (1.88% is 1.54% plus 0.34%. 0.34% represents half of difference between 2.22%, the current PIN ICS APY, and 1.54%, the proposed Business NOW APY).
3. We also agree to continue provide ACH origination services free of charge and provide credit for Deluxe printing through Financial Institution.
4. The school agrees to maintain these accounts with the bank as its primary deposit accounts, utilizing online banking services provided by the bank and receiving all statements and notices electronically and not by paper copy.

Note: This fee waiver does not include any miscellaneous fees that you may incur due other services that you may require (Bond, etc.). Unless other arrangements are made at the expiration of this agreement, the other terms, conditions and fees that normally apply, as periodically disclosed by the bank, will be in effect.

**Peoples** Bank & Trust

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Thank you for banking with Peoples Bank & Trust. We look forward to serving your banking needs again next year!

Sincerely,

A handwritten signature in black ink that reads "John Gardner". The signature is written in a cursive style with a large initial "J" and "G".

John Gardner  
President & CEO

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<b>Pana School 2018 Summary of Banking Service Value</b>			
<b>Premium Plus Business Checking Service Charges</b>	<b>2019 Charge</b>	<b>2018 Units (es)</b>	<b>Value (es)</b>
Monthly Maintenance	11.82	12.00	141.84
Electronic Statements	(0.68)	12.00	(8.16)
Plus: Debit item charge	0.10	1,957.00	195.70
Plus: Deposit	0.15	1,095.00	164.25
Plus: Credit item: On us check or Transit check charge	0.08	1,084.00	86.72
Negative Collected Balance	32.00	7.75	247.85
Overdraft Fees	33.93	5.00	169.65
<b>Commercial Cash Management and ACH Services</b>			
	<b>2019 Charge</b>	<b>2018 Units (es)</b>	<b>Value (es)</b>
Monthly maintenance	35.00	12.00	420.00
File Transmittal	5.00	26.00	130.00
ACH item	0.15	6,760.00	1,014.00
Unauthorized Debit Entry Fee	10.00	-	-
<b>Value</b>			<b>2,561.85</b>
Estimate	(es)		