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At a Regular Meeting of the Board of Directors of the Farmers & Merchants State Bank, Athens, Texas, held at its banking room, May 1st, 1935 with the following directors present:

Tom P. Faulk	E.N. Robinson	T.D. Evans
Dan Gentry	C.H. Coleman	R.V. Price
E. B. Gauntt	T.H. Johnston	J.J. Faulk

Mr. Guy H. Heath of the Department of Banking was present and called the meeting to order. The first order of business was the election of the President. Mr. Tom P. Faulk was nominated and was unanimously elected President. Mr. Faulk then took charge of the meeting. Mr. T. D. Evans was unanimously elected Cashier.

Mr. Heath gave some very valuable suggestions and remarks as to the best manner to conduct the bank which were duly appreciated.

The motion was made that said bank avail itself of the Temporary Federal Insurance Fund and the officers of said bank were instructed to make the application at once.

It also came on to be considered the sale of debentures to the R.F.C. and it was the unanimous opinion of the Board of Directors that we do not avail ourselves of same.

The salaries were also considered and it was decided that Tom P. Faulk, President would receive \$350.00; T.D. Evans, Cashier \$175.00; Mrs. Alice Faulk, Bookkeeper \$75.00 and Norma Martin Lee, Stenographer and Bookkeeper \$75.00.

The following By-laws were read and adopted:

ANNUAL MEETING OF STOCKHOLDERS

Section 1. The annual meeting of the stockholders of this Bank for the election of directors shall be held at its banking house on the second Tuesday in January next, and each succeeding year thereafter, between the hours of 10 a.m. and 2 O'clock p.m., of said day. It shall be the duty of the board of directors within thirty days prior to the time of said election to appoint three shareholders, other than active officers of this bank, to be judges of said election, who shall hold and conduct the same, and who shall, after the election has been held, notify the cashier, in writing, the result thereof and the names of directors elected to serve for the ensuing year.

NOTIFICATION OF NEWLY ELECTED DIRECTORS

Section 2. It shall be the duty of the cashier, upon receipt of returns of the judges of the election as aforesaid, to notify the newly elected directors of their election and of the time at which they will be required to meet at the banking house for the purpose of organizing the new board.

CANVASSING RETURNS OF ELECTION-NEW DIRECTORS QUALIFY

Section 3. It shall be the duty of the board of directors, within thirty days after the date of such election to convene in special meeting at the

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banking house, and at such meeting the cashier shall lay before the board the returns of the judges of the election aforesaid, together with the acceptances of directorship of the newly elected directors, as required by law. If a majority in number of the newly elected directors shall have accepted election as such for the ensuing year, the old board shall cause this fact to be recorded in the minutes of the meeting thereof, provided it shall appear that each of the aforesaid newly elected directors is properly qualified in every way according to law to serve as such, and that a majority thereof are present and prepared to organize the new board; and the old board shall then immediately adjourn sine die.

ORGANIZATION OF NEW BOARD-CASHIER SHALL BE SECRETARY

Section 4. The newly elected directors or a majority thereof shall then assemble and elect a temporary chairman and proceed to organize as a board, by the election of a president, and one or more vice-presidents, one of whom shall be a member of the board. The board shall then proceed to appoint a cashier and such other officers and employees as shall be necessary to properly transact the business of the bank, and shall fix the salaries and bonds of all officers and employees for the ensuing year. The cashier shall be ex-officio secretary of this meeting and shall keep a full and complete record of the proceedings thereof, the same being recorded in the minute-book of the bank. If, at the time of the meeting for the purpose of organizing the new board, a quorum of newly elected directors shall not be in attendance, the old board shall adjourn from time to time until a majority of the newly elected directors shall be secured and organization of the new board proceeded with, as provided herein. In all events, the old board shall continue to serve until their successors have been elected and qualified according to law, and the new board properly organized in accordance with these by-laws.

POSTPONED MEETING.

Section 5. If, for any cause, the annual election of directors shall not be held on the date fixed in Section 1 of these by-laws, the director in office shall order an election to be held on some other day, of which special election notice shall be given to all stockholders of record upon the books of the bank at the close of business for the day on which such notice shall be given. Judges shall be appointed, returns made, and all other proceedings had, according to the provisions herein made for the holding of an election on the second Tuesday in January each year.

SPECIAL MEETINGS OF STOCKHOLDERS.

Section 6. Special meetings of stockholders may be called by the directors, by the president, or by stockholders owning a majority in interest of the shares of the bank, at any time, and for any lawful purpose, by giving notice thereof as required by law; or when not so provided for by law, by giving at least thirty days notice of the time, place and object of such meeting to each stockholder of record on the books of the bank, by writing, addressed to his last known place of business and deposited in the post-office at least thirty days before the date for which such meeting shall be called.

PROXIES

Section 7. Any shareholder of record at the close of business of the day next prior to the date of any regular or special meeting of stockholders called for any purpose, in accordance with law or these by-laws, shall be entitled

to vote the number of shares owned by him as shown by the stock books of the bank, in person or by proxy, but all proxies must be in writing, duly signed by the shareholders and witnessed by some person known to the bank, or acknowledged before some officer empowered to take acknowledgments; and no officer of the bank shall vote any such proxy.

OFFICERS

Section 8. The officers of this bank shall be a President, who shall be a member of the board of directors, and one or more Vice-Presidents, at least one of whom shall also be a member of the board of directors, a cashier, and such other officers as may from time to time be required for the prompt and orderly transaction of its business, to be elected or appointed by the board of directors, by whom their several duties shall be prescribed.

PRESIDENT-DUTIES OF

Section 9. The president shall hold his office for the current year for which the board of directors, of which he shall be a member, was elected, unless he shall resign, become disqualified, or be removed, in which event the board shall elect a successor. He shall be responsible for all such sums of money and property of every kind as may be entrusted to his care, or placed in his hands by the board of directors, or by the cashier, or otherwise come into his hands as president. He shall preside at all board meetings when present, and be ex-officio chairman of all committees. He shall institute and defend all suits at law in the name of and be half of the bank. He shall sign all minutes of meetings of the board of directors at which he may have presided. He shall sign certificates of stock evidencing ownership of shares in the bank, and perform any and all other duties which may be assigned to him by the board of directors, or which are commonly performed by presidents of banks.

VICE-PRESIDENT-DUTIES OF

Section 10. The vice president, who is a member of the board of directors, shall preside at all meetings of the directors in the absence of the president, or his inability or disqualification to act, and in his absence shall perform such other duties as may be performed by the president; or as he may be instructed from time to time by the board of directors to perform.

OTHER OFFICERS AND EMPLOYEES

Section 11. The cashier and subordinate officers and clerks of this bank shall be appointed by the board of directors to hold their offices and positions, respectively, during the pleasure of the board.

CASHIER- DUTIES

Section 12. The cashier shall be responsible for all moneys, funds and valuables of the bank that may come into his hands as such. He shall be ex-officio secretary of the board of directors, and shall keep a full and complete record of the proceedings thereof. He shall sign, in conjunction with the president, certificates of stock evidencing ownership of shares in this bank. He shall be custodian of the seal of the bank, and affix same to instruments, requiring same. He shall sign and endorse all drafts, checks, bills of exchange and other instruments, where not otherwise provided for, and on behalf of the bank, and perform any and all of the duties usually performed by cashiers of banks.

provided that the board of directors, by resolution, may at any time curtail or restrict his authority with respect to any of the business transactions of the bank. The subordinate officers and employees of this bank shall perform such duties as may be delegated to them by the board of directors, the president or the cashier.

BONDS OF OFFICERS AND EMPLOYEES.

Section 13. All officers and employees of this bank, who are active in the discharge of their duties, or who draw salaries, and whose duties permit or require the handling of any of the funds of the bank, shall, before entering upon the discharge of their duties, give good and sufficient bonds for the faithful performance of their duties in such sum or sums as may be determined by the board of directors, or as may be required by the Commissioner of Banking of the State of Texas. Such bonds shall be made by some surety company authorized to do business in the State of Texas and approved by the Commissioner of Banking, and shall be kept in the custody of some person other than the office or employee bonded

SEAL

Section 14. The following is the impression of the corporate seal adopted by the board of directors of this bank:

REAL ESTATE CONVEYANCES

Section 15. All transfers and conveyances of real estate shall be made by the association under seal, in accordance with the orders of the board of directors, and shall be signed by the president.

BUSINESS HOURS

Section 16. This bank shall be open for business from 9 o'clock a.m. to 3 o'clock p.m., except on Saturdays 9 o'clock a.m. to 1 p.m., of each day of the year, excepting Sundays and days recognized by the laws of this State as holidays. When any regular meeting of the board of directors shall fall on a holiday, the meeting may be held upon such other day as the board may designate.

MONTHLY MEETINGS-QUORUM NECESSARY TO TRANSACT BUSINESS

Sec. 17. The regular monthly meeting of this board shall be held without notice on the first Tuesday of each month. Special meetings may be called by the president or the vice-president acting, or the cashier, or at the request of three or more directors, and should there be no quorum present at any regular or special meeting the members may adjourn from day to day until a quorum is in attendance. No business shall be transacted unless a quorum is present.

DISCOUNT COMMITTEE

Section 18. At the time of the adoption of these by-laws and at the time of the organization of the board of directors in each and every year thereafter, the president of this bank shall appoint a committee of three members of the board, of which the cashier may be one, and which shall be known as the discount committee, and which shall continue to act until their successors have been appointed. It shall be the duty of this committee, or a majority thereof, to pass upon and approve all loans and discounts or advances of credit of any and all character by this bank before such are made, and no advances or credit of any kind or character shall be made by any officer of this bank without the approval of such committee, unless such shall be ordered by the board of directors in regular meeting assembled in excess

of One thousand dollars.

MINUTE BOOK

Section 19. The proceedings of all regular and special meetings of the shareholders and all regular and special meetings of the directors, the by-laws and any amendments thereto, the reports of all committees and any and all reports and communications as shall be required by the Commissioner of banking, or any State Bank Examiner of the State of Texas, shall be recorded in a minute-book which shall be in the custody of the cashier in the vault or safe of the bank at all times, and all minutes shall be signed by the president or vice-president, presiding and attested by the cashier.

STOCK CERTIFICATES

Section 20. Ownership of stock in this bank shall be evidenced by certificates of stock signed by the president and cashier, and which shall state upon the face thereof that the par value of such stock is \$100.00 per share and that the stock is transferable only upon the books of the bank.

STOCK TRANSFERS--SHALL NOT BE SUSPENDED

Section 21. The stock of this bank shall be transferable only upon the books of the bank, and no transfer shall be made or certificate of stock issued until the certificate or certificates for the stock intended to be transferred shall have been delivered to the bank and cancelled. Transfers of stock shall not be suspended preparatory to the declaration of dividends, and dividends shall be paid to the shareholder in whose name the stock shall stand at the date of the declaration of such dividend.

EXPENSE LEDGER

Section 22. All current expenses of this bank shall be paid by the Cashier and a full and complete itemized account thereof shall be kept in a book known as the "Expense Ledger," which shall be kept posted up to date at all times, and which shall be exhibited to the board of directors at each regular monthly meeting ofr their inspection and approval.

BOOKS AND ACCOUNTS

Section 23. The board of directors shall have power to change the form of the books and accounts when ever deemed expedient, and to define the manner in which the affairs of the bank shall be conducted.

LOST CERTIFICATES -

Section 24. Whenever it may be made to appear to the board of directors that any certificate or certificates of stock have been lost or destroyed, the board may authorize the officers of the bank to issue duplicate or duplicates thereof to the party in whose name the stock stands on the books of the bank, provided that the public notice of the loss or destruction of such certificate or certificates and the intention of the owner thereof to apply for a duplicate, shall be given by the owner for at least four weeks by publication not less than once in each consecutive week in some newspaper published in the county where the bank is located; and further, provided that the owner of the lost or destroyed certificate shall furnish the bank an indemnifying bond in a sum equal to double the book value of the stock alleged to have been lost or destroyed; said bond to be signed by at least two sureties, other than the maker thereof, known to the board of directors to be unquestionably good,

above any and all exemptions, for the amount of the bond, and said bond shall agree to protect the bank for any and all loss or harm that might arise by reason of the issuance of such duplicate certificate, and shall be continuous in form.

QUORUM

Section 25. A majority of the full number of directors shall constitute a quorum of the board for the transaction of business.

Section 26. These by-laws may be changed or amended by affirmative vote of the majority in interest of the stockholders at any annual meeting or any special meeting of stockholders called for this purpose, as provided by law, but not otherwise.

Section 27. Monthly meetings of the Directors to be held on the 2nd Tuesday of each month at 10 o'clock a.m. at the banking house in Athens, Texas.

Section 28. A Discount committee composed to T.D.Evans, C.H.Coleman and E.B.Gauntt was appointed.

The following is a copy of the Charter delivered to the Board of Directors of the Farmers & Merchants State Bank, Athens, Texas by Mr. Guy H. Heath; as well as Certificate from the Department of Banking Austin, Texas:

CERTIFICATE

STATE OF TEXAS

DEPARTMENT OF BANKING

I, E. C. Brand, Banking Commissioner of the State of Texas, do hereby certify that the instrument which is hereunto attached is a true, full and correct copy of the Charter of the "FARMERS & MERCHANTS STATE BANK," Athens, Texas, now on file in and forming a part of the records of this Department.

In Testimony Whereof, I have hereunto subscribed my name officially, and have hereon impressed my seal of Office at the City of Austin, in the State of Texas, on this 6th day of April A.D. 1935.

LS.

E. C. Brand,
Banking Commissioner of Texas.

STATE OF TEXAS :
COUNTY OF HENDERSON :

KNOW ALL MEN BY THESE PRESENTS: That we, whose names are subscribed hereto, a majority of whom are residents of the State of Texas, have this day and do by these presents voluntarily associate ourselves together for the purpose of establishing:

A BANK OF DEPOSIT AND DISCOUNT

and of incorporating and operating the same under and by virtue of the laws of the State of Texas; and to that end we declare:

FIRST

The name of the corporation shall be:

"FARMERS & MERCHANTS STATE BANK"

SECOND

It shall be located at, and its place of business shall be in, the town of Athens, County of Henderson, State of Texas.

THIRD

The amount of the Capital Stock shall be Thirty Thousand Dollars which shall be divided into 300 shares of One Hundred Dollars each, all of which has been bona fide subscribed and actually and fully paid in by the subscribers hereto, in lawful money of the United States, and is now in the custody of the persons herein below named as the first Board of Directors of the Corporation.

FOURTH

The Board of Directors shall consist of 9 stockholders, each of whom shall be a bona fide owner of at least 10 shares of the Capital Stock of the Corporation, and a majority shall be bona fide residence citizens of the State of Texas. The Names of the directors selected and agreed upon for the first year are as follows:

Tom P. Faulk	C. H. Coleman	T. D. Evans
J. J. Faulk	E. N. Robinson	Dan Gentry
E. B. Gauntt	T. H. Johnston	R. V. Price.

The Cashier was instructed to forward the State Banking Department Blanket Bond issued by the Fidelity and Casualty Company of New York, covering Robbery, Burglary, Theft and etc., for approval and certified copies of same.

The Directors instructed the Cashier and President to have the following banks named as Reserve Agents: Dallas Bank & Trust Company, Dallas, Texas First National Bank, Houston, Texas, Austin National Bank, Austin, Texas Republic National Bank & Trust Company, Central Hanover Bank & Trust Company, New York City, N.Y.

ATTEST:

J. Evans
Secretary

Tom P. Faulk
President

At a Regular Meeting of the Board of Directors of the Farmers & Merchants State Bank, Athens, Texas, held at its banking room June 11th, 1935, with the following directors present:

Tom P. Faulk	E. N. Robinson
R. V. Price	T. D. Evans
	C. H. Coleman

President Faulk called the meeting to order and the minutes for the May 1st meeting were read and approved.

Loans from 1 to 215 aggregating \$23,486.97 were read and approved.

The expense account in the sum of \$1,284.35 was examined and approved.

ATTESTE

J. Evans
Secretary

Tom P. Faulk
President

AC [unclear]
FAD [unclear] 6-24-35