

Section 1: 8-K (8-K)

**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION**
Washington, D.C. 20549

FORM 8-K

CURRENT REPORT

PURSUANT TO SECTION 13 or 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

Date of Report
(Date of earliest event reported):

April 02, 2020

GUARANTY BANCSHARES, INC.
(Exact name of registrant as specified in its charter)

Texas
(State or Other Jurisdiction of Incorporation)

001-38087
(Commission File Number)

75-1656431
(IRS Employer Identification No.)

16475 Dallas Parkway, Suite 600
Addison, Texas
(Address of Principal Executive Offices)

75001
(Zip Code)

Registrant's Telephone Number, Including Area Code: **(888) 572-9881**

Not Applicable
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading symbol</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$1.00 per share	GNTY	NASDAQ Global Select Market

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

Emerging growth company

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Item 2.03. Creation of a Direct Financial Obligation.

On March 31, 2020, Guaranty Bancshares, Inc., ("Guaranty") and Frost Bank extended Guaranty's right to request and receive monies from Frost Bank on Guaranty's existing line of credit until March 31, 2021. On that date, Guaranty executed and delivered to Frost Bank a Renewal Revolving Promissory Note in the principal amount of \$25,000,000 (the "Renewal Note"), and Guaranty and Frost Bank entered into a Third Amendment to Loan Agreement, which amended the Loan Agreement between Guaranty and Frost Bank previously entered into on March 31, 2017, as previously amended on March 31, 2019 (as amended, the "Loan Agreement"). As of the date of the renewal, Guaranty had \$20.0 million drawn on its line of credit. The Renewal Note bears interest at the prime rate published in the Wall Street Journal; provided, however, in no event shall the Prime Rate be less than 3.50%, floating daily, and such interest is due and payable quarterly beginning on July 15, 2020. Any remaining principal and accrued interest shall be paid on March 31, 2021. The Renewal Note is not secured and, under the terms of the Loan Agreement, Guaranty has agreed not to pledge or grant a lien or security interest in the stock of Guaranty Bank & Trust, N.A., or in any of its other assets without the prior consent of Frost Bank. The Renewal Note and Loan Agreement, as amended, are filed as Exhibits 10.1 and 10.2 to this Current Report on Form 8-K and are incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(d) Exhibits.

The following is furnished as an exhibit to this Current Report on Form 8-K:

<u>Exhibit No.</u>	<u>Description of Exhibit</u>
10.1	<u>Loan Agreement between Guaranty Bancshares, Inc. and Frost Bank, dated March 31, 2017, as amended.</u>
10.2	<u>Renewal Revolving Promissory Note between Guaranty Bancshares, Inc. and Frost Bank, dated March 31, 2020.</u>

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned hereunto duly authorized.

Dated: April 02, 2020

GUARANTY BANCSHARES, INC.

By: /s/ Tyson T. Abston
Name: Tyson T. Abston
Title: Chairman of the Board and Chief Executive Officer

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Section 2: EX-10.1 (EX-10.1)

EXHIBIT 10.1

LOAN AGREEMENT

Between

GUARANTY BANCSHARES, INC.
100 W. Arkansas
Mount Pleasant, Texas 75456

and

FROST BANK
P.O. Box 1600
San Antonio, Texas 78296

As of March 31, 2017

THIS LOAN AGREEMENT (the "Agreement") will serve to set forth the terms of the financing transaction by and between **GUARANTY BANCSHARES, INC.**, a Texas corporation ("*Borrower*"), and **FROST BANK**, a Texas state bank ("*Lender*");

WHEREAS, *Borrower* is desirous of obtaining a loan from *Lender* in the aggregate principal amount of *TWENTY FIVE MILLION AND NO/100 DOLLARS* (\$25,000,000.00) which shall be for general corporate purposes, including acquisition financing and capital augmentation; and

WHEREAS, *Lender* is desirous of making such loan to *Borrower* in the principal amount of *TWENTY FIVE MILLION AND NO/100 DOLLARS* (\$25,000,000.00) for the purposes set forth above, but on the terms, conditions and covenants hereafter contained.

NOW, THEREFORE, subject to all terms, conditions and covenants hereinafter set forth and in consideration of the premises and the mutual covenants contained herein, the parties hereto agree as follows:

ARTICLE I

Definitions

1.01 **Definitions.** The terms defined in this Article I (except as otherwise expressly provided in this Agreement) for all purposes shall have the following meanings:

"*Advance*" shall mean the amounts requested by Borrower from time to time as set forth in Section 2.01 of this Agreement.

"*Bank*" shall mean Guaranty Bank & Trust, N.A.

"*Business Day*" shall mean a day on which *Lender* is open for transaction of its general banking business.

"*Cash Flow Coverage*" shall mean the ratio of (i) the Borrower's consolidated Net Income after dividends plus Borrower's unconsolidated interest expense for the preceding four fiscal quarters, to (ii) the scheduled principal and interest payments on the Borrower's unconsolidated debt (including Trust Preferred) for the preceding four fiscal quarters, all as determined in accordance with GAAP.

"*Closing Date*" shall mean the date this Agreement is executed by all parties hereto which shall be the day and year first written above unless otherwise indicated. The closing shall take place at such place as the parties shall mutually agree.

"*Collateral*" shall have the meaning ascribed to it in Section 2.03.

"*Equity Capital*" shall mean the sum of (i) preferred stock, (ii) common stock (iii) capital surplus, (iv) retained earnings, (v) accumulated other comprehensive income, all as determined by regulatory accounting principles consistently applied.

"*Event of Default*" means any event specified in Section 6.01 of this Agreement, provided that any requirement in connection with such event for the giving of notice or lapse of time or any other condition has been satisfied.

EXHIBIT 10.1

"GAAP" means generally accepted accounting principles, applied on a consistent basis, as set forth in Opinions of the Accounting Principles Board of the American Institute of Certified Public Accountants and/or in statements of the Financial Accounting Standards Board and/or their respective successors and which are applicable in the circumstances as of the date in question. Accounting principles are applied on a "consistent basis" when the accounting principles observed in a current period are comparable in all material respects to those accounting principles applied in a preceding period.

"Highest Lawful Rate" shall mean the maximum rate of nonusurious interest allowed from time to time by Law. In no event shall Chapter 346 of the Texas Finance Code (which regulates certain revolving loan accounts and revolving tri-party accounts) apply to this Loan. To the extent that Chapter 303 of the Texas Finance Code is applicable to this Loan, the "weekly ceiling" specified in such article is the applicable ceiling; provided that, if any applicable law permits greater interest, the law permitting the greatest interest shall apply.

"Laws" shall mean all statutes, laws, ordinances, regulations, orders, writs, injunctions, or decrees of the United States, any state or commonwealth, any municipality, or any Tribunal.

"Loan" shall mean the extension of credit to *Borrower* pursuant to Section 2.01 of this Agreement.

"Loan Documents" shall mean this Agreement, the Note, the Security Instruments, and all instruments or documents executed and delivered pursuant to or in connection with this Agreement and any future amendments hereto or thereto, and all renewals and extensions thereof.

"Net Income" shall mean that amount of income remaining after deducting expenses (including provision for loan and lease losses) and payments of all taxes incurred as reflected on the Bank's financial reports, all as calculated in accordance with GAAP.

"Non-Performing Assets" means loans on nonaccrual, loans on which the interest rate has been reduced, other than to reflect the then prevailing market interest rates or reduced pursuant to their express terms, loans which have been past due for ninety (90) days or more (specifically excluding all performing bankruptcy mortgages) and one hundred percent (100%) of Other Real Estate.

"Non-Performing Assets Ratio" shall mean the ratio of Non-Performing Assets to Equity Capital plus reserves for loan losses.

"Note" shall mean the promissory note evidencing the Loan executed pursuant to Section 2.02 of this Agreement and any promissory note issued in substitution therefore or in renewal or extension or rearrangement thereof.

"Obligations" shall mean the outstanding principal amounts of the Note and interest accrued thereon, and any and all other indebtedness, liabilities and obligations whatsoever of *Borrower* to *Lender* under the Note and/or the Security Instruments and all renewals, modifications and extensions thereof, plus interest accruing on any foregoing and all attorney fees and costs incurred in the enforcement of any foregoing.

"Other Real Estate" shall mean the real property owned by Bank as a result of foreclosure, deeds in lieu of foreclosure, or judicial process, or received as partial payment of a note, specifically excluding real estate occupied by Bank in the conduct of its ordinary course of business.

"Person" shall mean any individual, firm, corporation, association, partnership, joint venture, trust or other entity.

"Security Instruments" shall mean any documents securing the Obligations. On the Closing Date the Loan is unsecured.

"*Subordinated Debentures*" shall mean (a) those certain ten (10) unsecured redeemable non-convertible debentures in the face amount of \$500,000 each, in the aggregate amount of \$5,000,000; two debentures with a 24 month term (October 1, 2012) at 3%, two debentures with 30 month term (April 1, 2013) at 3.5%, two debentures with a 36 month term (October 1, 2013) at 4%, two debentures with a 42 month term (April 1, 2014) at 4.5% and two debentures with a 48 month term (October 1, 2014) at 5%; each issued by the *Borrower* pursuant to Confidential Private Offering Letter and Subscription Agreement dated on or about October 1, 2010; and (b) those certain eight (8) unsecured redeemable non-convertible debentures in the face amount of \$500,000 each, in the aggregate amount of \$4,000,000; two debentures with a 24 month term (April 1, 2015) at 2%, two debentures with 30 month term (October 1, 2015) at 2.5%, two debentures with a 36 month term (April 1, 2016) at 3%, and two debentures with a 42 month term (October 1, 2016) at 3.5%; each issued by the *Borrower* pursuant to Confidential Private Offering Letter and Subscription Agreement dated on or about April 1, 2013.

"*Subsidiary*" means any corporation or bank of which more than fifty (50%) of the issued and outstanding securities having ordinary voting power for the election of a majority of directors is owned or controlled, directly or indirectly, by *Borrower*; by *Borrower* with one or more Subsidiaries; or by just one or more Subsidiaries.

"*Tangible Net Worth*" means, at any particular time, all amounts which, in conformity with GAAP, would be included as stockholders' equity on a balance sheet; provided, however, there is excluded therefrom; (i) any amount at which shares of capital stock of *Borrower* (treasury shares) appears as an asset on the balance sheet, (ii) goodwill, including any amounts, however designated, that represent the excess of the purchase price paid for assets or stock over the value assigned thereto, (iii) patents, trademarks, trade names, and copyrights, and (iv) all other assets which are properly classified as intangible assets.

"*Taxes*" shall mean all taxes, assessments, fees, or other charges from time to time or at any time imposed by any Laws or by any Tribunal.

"*Total Risk Based Capital Ratio*" shall mean the ratio of the Bank's Total Risk Based Capital to its Risk Based Assets (as reported in its call report under schedule RC-R, line item 33, section RCON7205).

"*Tribunal*" shall mean any state, commonwealth, federal, foreign, territorial, regulatory, or other court or governmental department, commission, board, bureau, agency or instrumentality.

- 1.02 **Other Definitional Provisions.** All definitions contained in this Agreement are equally applicable to the singular and plural forms of the terms defined. The words "hereof," "herein," and "hereunder" and words of similar import referring to this Agreement refer to this Agreement as a whole and not to any particular provision of this Agreement. Unless otherwise specified, all Article and Section references pertain to this Agreement. All accounting terms not specifically defined herein shall be construed in accordance with GAAP.

ARTICLE II

Loan, Security and Conditions Precedent

- 2.01 **The Loan.** Subject to the terms and conditions of this Agreement, *Lender* agrees to make a revolving line of credit available to *Borrower* in the principal amount of TWENTY FIVE MILLION AND NO/100 DOLLARS (\$25,000,000.00) which shall be for general corporate purposes, including acquisition financing and capital augmentation. The Loan is a revolving line of credit, and *Borrower* shall have the right to borrow, repay, and re-borrow against the Note, provided, however that in no event shall the total amount outstanding against the Note exceed the stated principal amount of \$25,000,000.00.
- 2.02 **The Note.** The obligation of *Borrower* to pay the Loan shall be evidenced by a promissory note (the "Note") executed by *Borrower* and payable to the order of *Lender*, in the principal amount of \$25,000,000.00 bearing interest at the variable rate set forth in the Note. The *Borrower* shall pay principal and interest in accordance with the terms of the Note, with the maturity date being as set forth in the Note.
- 2.03 **Security for the Loan.** Any and all property which may hereafter be delivered to secure the Obligations shall be referred to herein as "Collateral". As of the Closing Date the Loan is unsecured and there is no Collateral.
- 2.04 **Conditions Precedent to Closing.** The obligation of *Lender* to make the Loan shall be subject to the

conditions precedent that *Lender* shall have received on or before the day of the making of the Loan, the following documents, in form and substance satisfactory to *Lender*:

- (a) **Note.** The Note executed by *Borrower*.
- (b) **Resolutions.** Corporate resolutions of the Board of Directors of *Borrower* certified by the Secretary of such corporation, which resolutions authorize the execution, delivery and performance by the corporation of this Agreement and the other Loan Documents. Included in said resolutions or by separate document, the *Lender* shall receive a certificate of incumbency certified by the Secretary of corporation certifying the names of each officer authorized to execute this Agreement and the other Loan Documents, together with specimen signatures of such officers.
- (c) **Articles of Incorporation.** Copies of the Articles of Incorporation of *Borrower* and the Articles of Association of Bank certified to be true and correct by the Secretary of *Borrower* and cashier of Bank, respectively.
- (d) **Bylaws.** The Bylaws of *Borrower* and Bank certified to be true and correct by the Secretary of *Borrower* and cashier of Bank, respectively.
- (e) **Government Certificates.** Certificates of Good Standing and Existence issued by the appropriate government entities for the *Borrower* and the Bank; and a copy of the Letter of Approval from the Board of Governors of the Federal Reserve Bank approving *Borrowers* application as a bank holding company (or such other documentation acceptable to *Lender* to evidence the *Borrowers* status as a bank holding company).
- (f) **Financial Statements.** *Borrower* and its Subsidiaries shall have each delivered to *Lender* such financial statements as shall have been requested by *Lender*, in form and substance satisfactory to *Lender* in its sole discretion.
- (g) **Fees.** *Borrower* shall pay a \$25,000.00 loan origination fee to *Lender* plus all fees incurred by *Lender* in connection with the Loan, including without limitation, the *Lenders* attorney's fees.
- (h) **Additional Papers.** *Borrower* shall have delivered to *Lender* such other documents, records, instruments, papers, opinions, and reports, as shall have been requested by *Lender*, to evidence the status or organization or authority of *Borrower* or to evidence or secure payment of the Obligations, all in form satisfactory to *Lender* and its counsel.

ARTICLE III

Representations and Warranties

To induce *Lender* to enter into this Agreement and upon which *Lender* has relied in entering into this Agreement and consummating the transactions herein described, *Borrower* represents and warrants to *Lender* that:

- 3.01 **Organization of Borrower.** *Borrower* is a corporation duly organized, validly existing, and in good standing under the laws of the State of Texas; *Borrower* is duly authorized, qualified under all applicable Laws to conduct its businesses; and *Borrower* has full power, capacity, authority and legal right to conduct the businesses in which it does now, and propose to, engage; and *Borrower* has full power, capacity, authority and legal right to execute and deliver and to perform and observe the provisions of this Agreement, and the other Loan Documents, to which it is a party, all of which have been duly authorized and approved by all necessary corporate action. The Bank is a state bank; the Bank is duly authorized and qualified under all applicable Laws to conduct its businesses; and the Bank has full power, capacity, authority and legal right to conduct the businesses in which it does now, and proposes to, engage; and the Bank has full power, capacity, authority and legal right to execute and deliver and to perform and observe the provisions of this Agreement and the other Loan Documents to which it is a party, all of which have been duly authorized and approved by all necessary corporate action.
- 3.02 **Litigation.** No action, suit or proceeding against or affecting *Borrower* or any Subsidiary is known to be pending, or to the knowledge of *Borrower* threatened, in any court or before any governmental agency or department, which, if adversely determined, could result in a final judgment or liability of a material amount not fully covered by insurance, or which may result in any material adverse change in the business, or in the condition, financial or otherwise, of *Borrower*. There are no outstanding judgments against *Borrower* or any Subsidiary.

- 3.03 **Compliance With Other Instruments.** To the knowledge of *Borrower*, (i) there is no default in the performance of any material obligation, covenant, or condition contained in any agreement to which *Borrower* is a party which has not been waived, (ii) neither *Borrower* nor any Subsidiary is in material default with respect to any Law of any Tribunal, and (iii) the execution, delivery and performance of the terms of this Agreement, the Note and the other Loan Documents by *Borrower* will not violate the provisions of any Law applicable to *Borrower*. *Borrower's* By-laws or Articles of Incorporation, or any order or regulation of any governmental authority to which the *Borrower* is subject will not conflict with or result in a material breach of any of the terms of any agreement or instrument to which *Borrower* is a party or by which *Borrower* is bound, or constitute a default thereunder, or result in the creation of a lien, charge, or encumbrance of any nature upon any of *Borrower's* properties or assets.
- 3.04 **No Default.** No Event of Default specified in Article VI has occurred and is continuing.
- 3.05 **Corporate Authorization.** *Borrower's* Board of Directors has duly authorized the execution and delivery of this Agreement and the other Loan Documents to which it is a party and the performance of their respective terms and no consent of the stockholders of *Borrower* or any other Person is a prerequisite thereto or if a prerequisite thereto, the same has been duly obtained. This Agreement and all other Loan Documents are valid, binding, and enforceable obligations of *Borrower* in accordance with their respective terms.
- 3.06 **Disclosure.** Neither this Agreement nor any other document, certificate, Loan Document or statement furnished to *Lender* by or on behalf of *Borrower* in connection herewith is known to contain any untrue statement of a material fact or, to the knowledge of *Borrower*, omits to state a material fact necessary in order to make the statements contained herein and therein not misleading.
- 3.07 **Federal Reserve Board Regulations.** *Borrower* is not engaged principally, or as one of its important activities, in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation G, T, U, or X of the Board of Governors of the Federal Reserve System) and no part of the proceeds of the Loan will be used to purchase or carry any margin stock or to extend credit to others for the purpose of purchasing or carrying any margin stock except as otherwise disclosed in writing to *Lender*. Neither *Borrower* nor any agent acting on its behalf has taken or will take any action which might cause *Borrower's* execution of this Agreement to violate any regulation of the Board of Governors of the Federal Reserve System or to violate the Securities Act of 1933 or the Securities Exchange Act of 1934, as amended.
- 3.08 **Stock and Stock Agreements.** Neither *Borrower* nor any Subsidiary has any class of stock authorized other than common stock. Further, *Borrower* has furnished to *Lender* copies of all buy-sell agreements, stock redemption agreements, voting trust agreements and all other agreements and contracts involving the stock of *Borrower* and/or each of its Subsidiaries to which *Borrower* or any Subsidiary is a party and there are not now any agreements or terms of any agreements to which *Borrower* or any Subsidiary is a party which alter, impair, affect or abrogate the rights of *Lender* or the Obligations of *Borrower* under this Agreement or any other Loan Document.
- 3.09 **Financial Statements.** The consolidated financial statements of *Borrower*, dated as of December 31, 2015, and furnished to *Lender*, were prepared in accordance with regulatory accounting principles or GAAP, as indicated upon such statements, and such statements fairly present, as appropriate, the consolidated financial conditions and the results of operations of *Borrower* as of, and for the portion of the fiscal year ending on, the date or dates thereof. There were no material adverse events or liabilities, direct or indirect, fixed or contingent, of *Borrower* as of the date or dates of such financial statements and known to *Borrower*, which are not reflected therein or in the Note thereto. Except for transactions directly related to, or specifically contemplated by, the Loan Documents and transactions heretofore disclosed in writing to *Lender*, there have been no material adverse changes in the respective financial conditions of *Borrower* and/or its Subsidiaries from those shown in such financial statements between such date or dates and the date hereof.
- 3.10 **Taxes.** All federal, state, foreign, and other Tax returns of *Borrower* and each Subsidiary required to be filed have been filed, and all federal, state, foreign, and Taxes are shown thereon as owing have been paid. *Borrower* does not know of any pending audit or investigation of *Borrower* and/or any Subsidiary with any taxing authority.
- 3.11 **Title to Assets.** *Borrower* owns all of its assets, including the stock of each Subsidiary, free of any lien or claim or any right or option on the part of any third person to purchase or otherwise acquire such assets or any part thereof. *Borrower* shall not grant any lien or claim on its assets to a third party without the prior written consent of *Lender*.

- 3.12 **Use of Loan Proceeds.** All loan proceeds or funds furnished by *Lender* to *Borrower* pursuant to this Agreement shall be used for general corporate purposes.

ARTICLE IV
Affirmative Covenants

While any part of the Obligations remains unpaid and unless otherwise waived in writing by *Lender*:

- 4.01 **Accounts, Reports and Other Information.** *Borrower* shall maintain, and cause each Subsidiary to maintain, a standard system of accounting in accordance with regulatory accounting principles or GAAP, as applicable, and *Borrower* shall furnish to *Lender* the following:

(a) **Quarterly Information.** As soon as available, but no more than forty-five (45) days after the end of each of the first three quarters of *Borrower's* fiscal year, (i) a copy of the Federal Reserve Board Form Y-9LP and Form Y-9C for *Borrower*; (ii) an officer's certificate setting forth the information required to establish whether *Borrower* and its Subsidiaries were in compliance with the financial covenants and ratios set forth in Articles IV and V hereof during the period covered and that signer or signers have reviewed the relevant terms in this Agreement and have made, or caused to be made under their supervision, a review of the transactions of Bank from the beginning of the accounting period covered by the financial statements being delivered therewith to the date of the officer's certificate and that such review has not disclosed any Event of Default, or material violation or breach in the due observance of any covenant, agreement or provision of this Agreement; (iii) such other information as *Lender* shall reasonably request.

(b) **Annual Information.** As soon as available, but no more than one hundred twenty (120) days after the end of each fiscal year of *Borrower*, (i) an unqualified opinion by an independent certified public accountant selected by *Borrower*, which opinion shall state that said consolidated financial statements have been prepared in accordance with GAAP and that such accountants audit of such financial statements has been made in accordance with generally accepted auditing standards and that said financial statements present fairly the consolidated financial condition of *Borrower*, and Bank and the results of their operations; (ii) a copy of the Federal Reserve Board Form Y-6 Annual Report of *Borrower*, as filed with the Board of Governors of the Federal Reserve System; and (iii) such other information as *Lender* may reasonably request.

(c) **Other Reports and Information.** As soon as available, copies of all other financial and other statements, reports, correspondence, notices and information of *Borrower*, each Subsidiary as may be requested, in form and substance reasonably satisfactory to *Lender*. The *Borrower* shall add *Lender* to its shareholder mailing list which will allow it to receive copies of correspondence with its shareholders.

- 4.02 **Existence.** *Borrower* and its Subsidiaries shall maintain their respective existence as a corporation and all of its privileges, franchises, agreements, qualifications and rights that are necessary or desirable in the ordinary course of business; and *Borrower* shall cause each of its Subsidiaries to maintain and preserve their respective good standing with all Tribunals.

- 4.03 **Observance of Terms.** *Borrower* shall (i) pay the principal and interest on the Note in accordance with its terms; and (ii) observe, perform, and comply with every covenant, term and condition herein expressed or implied on the part of *Borrower* to be observed, performed or complied with.

- 4.04 **Compliance With Applicable Laws.** *Borrower* and each Subsidiary shall in all material respects comply with the requirements of all applicable Laws of any Tribunal.

- 4.05 **Inspection.** Upon prior reasonable notice and at the convenience of the *Borrower*, the *Borrower* and each Subsidiary shall permit an officer in the Correspondent Banking Department of *Lender* to visit, review and/or inspect any of its properties and assets at any reasonable time and to examine all books of account, records, reports, examinations and other papers (subject to applicable confidentiality requirements), to make copies therefrom at the expense of *Borrower*, and to discuss the affairs, finances and accounts of *Borrower* and each Subsidiary with their respective employees and officers at all such reasonable times and as often as may be reasonably requested.

- 4.06 **Change.** *Borrower* shall promptly notify *Lender* of (i) all litigation affecting *Borrower* or any Subsidiary which is not (in the reasonable judgment of *Borrower*) adequately covered by insurance and which could have a material adverse effect on the financial condition or operations of the *Borrower*; (ii) any other matter which could have a material adverse effect on the financial condition or operations of *Borrower* or any Subsidiary.

- 4.07 **Payment of Taxes.** *Borrower* and its Subsidiaries shall pay all lawful Taxes imposed upon them or upon their income or profits or upon any of their property before the same shall be delinquent; provided, however, that neither *Borrower* nor any Subsidiary shall be required to pay and discharge any such Taxes (i) so long as the validity thereof shall be contested in good faith by appropriate proceedings diligently pursued and such liable party shall set aside on its books adequate reserves with respect thereto and shall pay any such Taxes before any of its property shall be sold to satisfy any lien which has attached as a security therefore; and (ii) if *Lender* has been notified of such proceedings.
- 4.08 **Insurance.** *Borrower* and each Subsidiary shall keep all property of a character usually insured by Persons engaged in the same or similar businesses, adequately insured by financially sound and reputable insurers, and shall furnish *Lender* evidence of such insurance immediately upon request in form satisfactory to *Lender*.
- 4.09 **Compliance With ERISA.** *Borrower* and each Subsidiary shall comply, if applicable, in all material respects, with the provisions of the Employee Retirement Income Security Act of 1974, as amended, and furnish to *Lender*, upon *Lender's* request, such information concerning any plan of *Borrower* or Bank subject to said Act as may be reasonably requested. *Borrower* and each Subsidiary shall notify *Lender* immediately of any fact or action arising in connection with any plan which might constitute grounds for the termination thereof by the Pension Benefit Guaranty Corporation or for the appointment by the appropriate United States district court of a trustee or administrator for such plan.
- 4.10 **Financial Condition.** Subject to the provisions of Article V, *Borrower* shall cause each of its Subsidiaries to maintain the ratios of loans to deposits, loan loss reserves and liquidity at percentages acceptable to all Tribunals having jurisdiction over such Subsidiaries.
- 4.11 **Maintenance of Priority of Liens.** If in the future Collateral exists for the Loan, the *Borrower* and each Subsidiary shall each perform such acts and shall duly authorize, execute, acknowledge, deliver, file, and record such additional assignments, security agreements, and other agreements, documents, instruments, and certificates as *Lender* may deem reasonably necessary or appropriate in order to perfect and maintain any and all security interests created in favor of *Lender* in the Security Instruments.
- 4.12 **FDIC Insurance.** *Borrower* shall cause each Subsidiary bank to maintain federal deposit insurance and to be a member of the Federal Deposit Insurance Corporation.
- 4.13 **Notices.** *Borrower* shall promptly notify, and shall cause each Subsidiary to promptly notify, *Lender* of (i) the occurrence of an Event of Default, or of any event that with notice or lapse of time or both would be an Event of Default, (ii) the commencement of any action, suit, or proceeding against *Borrower* or any Subsidiary that might in the reasonable judgment of *Borrower* have a material adverse effect on the business, financial condition, or operations of *Borrower* or any Subsidiary, and (iii) any other matter that might in the reasonable judgment of *Borrower* have a material adverse effect on the business, financial condition, or operations of *Borrower* or any Subsidiary.

ARTICLE V

Negative Covenants

While any part of the Obligations remains unpaid and unless waived in writing by *Lender*:

- 5.01 **Non-Performing Assets Ratio.** The *Borrower* shall not permit the Non-Performing Assets Ratio of Bank to be greater than fifteen percent (15%), to be calculated at the end of each fiscal quarter.
- 5.02 **Tangible Net Worth.** The *Borrower* shall not permit its Tangible Net Worth, as calculated at the end of each fiscal quarter, to be less than Eighty Five Million and no/100 Dollars (\$85,000,000.00).
- 5.03 **Cash Flow Coverage.** The *Borrower* shall maintain at all times a Cash Flow Coverage of not less than one hundred twenty five percent (125%), calculated at the end of each fiscal quarter (using a rolling four quarters of Net Income).
- 5.04 **Total Risk Based Capital Ratio.** The *Borrower* shall maintain at all times a Total Risk Based Capital Ratio of not less than ten percent (10%), to be calculated at the end of each fiscal quarter.
- 5.05 **Dividends.** Prior to the occurrence of an Event of Default, *Borrower* may declare and pay a dividends if Bank

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has a "well capitalized" rating from its regulatory Tribunal, provided however, upon the occurrence of and during the continuation of an Event of Default or if Bank loses its "well capitalized" ratings the *Borrower* shall not declare or pay any dividends, make any payment on account of any class of the capital stock of *Borrower* now or hereafter outstanding, or make any distribution of cash or property to holders of any shares of such stock.

5.06 Business. *Borrower* and each Subsidiary shall not engage, directly or indirectly, in any business other than the businesses permitted by statute and the regulations of the appropriate governmental and regulatory agencies or Tribunals.

5.07 Disposition of Assets. The *Borrower* shall not pledge the stock of any Subsidiary to any other party without the prior written consent of the Lender. Neither *Borrower* nor any Subsidiary shall sell, lease, or otherwise dispose of any material part of their assets or investments, except in the ordinary course of business.

5.08 Limitation on Debt. *Borrower* shall not, nor allow any Subsidiary to, create, incur, assume, become liable in any manner in respect of, or suffer to exist, any debt for borrowed money except:

- (a) debt, excluding debt created under this Agreement, not in excess of \$500,000 (which amount shall not include any debt acquired by acquisition of another entity), calculated at the end of each quarter;
- (b) debt created under this Agreement;
- (c) debt secured by a purchase money security interest; or
- (d) federal fund purchases, federal reserve borrowings and advances from the Federal Home Loan Bank, calculated at the end of each fiscal quarter in an amount not to exceed fifteen percent (15%) of the Bank's total assets, calculated at the end of each quarter; and
- (e) the Subordinated Debentures.

5.09 Prepayment of Debt. *Borrower* shall not, and *Borrower* shall not permit its Subsidiaries to prepay any of their respective material debt, other than the debt created under this Agreement, or incurred in the ordinary course of business (including without limitation federal funds purchases and advances, certificates of deposit, other deposit liabilities) before the same becomes due without the prior written approval of *Lender*; notwithstanding the foregoing, *Borrower* may prepay a portion or all of its Trust Preferred Securities (Debt) beginning March 23, 2010 with prior notice and consent from *Lender*.

5.10 Acquisitions, Mergers, and Dissolutions. *Borrower* shall not, and *Borrower* shall not permit any Subsidiary to, directly or indirectly, acquire all or any substantial portion of the property, assets, or stock of, or interest in, any Person, or merge or consolidate with any Person, or dissolve or liquidate except in the ordinary course of business without notifying *Lender* within thirty (30) days before the closing.

5.11 Issuance of Stock. Without the prior written consent of *Lender*, which consent shall not be unreasonably withheld, no Subsidiary shall authorize or issue shares of stock of any class, common or preferred, or any warrant, right or option pertaining to its capital stock or issue any security convertible into capital stock, except for any issued to *Borrower* by any Subsidiary.

5.12 Negative Pledge. Neither *Borrower* nor any subsidiary Bank will (i) sell, assign (by operation of law or otherwise) or transfer any of its assets, except in the ordinary course of business, (ii) grant a lien or security interest in or execute, authorize, file or record any financing statement or other security instrument with respect to its assets to any party other than *Lender*, (iii) deliver actual or constructive possession of any certificate, instrument or document evidencing and/or representing any of the Collateral to any party other than *Lender*, or (iv) enter into an agreement with any party other than *Lender* prohibiting the creation or allowance of any lien, pledge, security interest, or other encumbrance on the stock of Bank.

ARTICLE VI

Default

6.01 Events of Default. Each of the following shall be deemed an "Event of Default":

- (a) Failure by *Borrower* to pay or perform any part or component of the Obligations, when due or declared due; or,
- (b) Any representation or warranty made or deemed made by *Borrower* or any other Person in any Loan Documents, or in any certificate or financial or other statement furnished at any time to *Lender* by or on behalf of *Borrower* shall be false, misleading or erroneous in any material respect as of the date made, deemed made or

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furnished and failure by *Borrower* to cure same within ten (10) Business Days after the date of written notice thereof is given by *Lender* to *Borrower*; or,

(c) Failure to observe, perform or comply with any of the covenants, terms, or agreements contained in this Agreement or any other Loan Document and failure by *Borrower* to cure same within ten (10) Business Days after the date of written notice thereof is given by *Lender* to *Borrower*; or,

(d) Failure by *Borrower* or any Subsidiary to pay any of its material indebtedness as the same becomes due or within any applicable grace period (other than indebtedness being actively contested in good faith and for which adequate reserves have been established in accordance with generally accepted accounting principles); or,

(e) *Borrower* or any Subsidiary shall file a petition for bankruptcy, liquidation or any answer seeking reorganization, rearrangement, readjustment of its debts or for any other relief under any applicable bankruptcy, insolvency, or similar act or law, now or hereafter existing, or any action consenting to, approving of, or acquiescing in, any such petition or proceeding; or the appointment by consent or acquiescence of, a receiver, trustee, liquidator, or custodian for all or a substantial part of its property, or the making of an assignment for the benefit of creditors; or the inability to pay its debts as they mature; or take any corporate action to authorize any of the foregoing; or,

(f) Filing of an involuntary petition against *Borrower* or any Subsidiary seeking reorganization, rearrangement, readjustment or liquidation of its debts or for any other relief under any applicable bankruptcy, insolvency or other similar act or law, now or hereafter existing, or the involuntary appointment of a receiver, trustee, liquidator or custodian of all or a substantial part of its property, and such involuntary proceeding or appointment remains unvacated, undismissed or unstayed for a period of ninety (90) days; or the issuance of a writ of attachment, execution, sequestration or similar process against any part of its property and same remains unbonded, undischarged, or undismissed for a period of thirty (30) days; or,

(g) Final judgment for the payment of money shall be rendered against *Borrower* or any Subsidiary and the same shall remain undischarged for a period of thirty (30) days during which execution shall not be effectively stayed; or,

(h) An event occurs which has a material adverse affect on the financial conditions or operation of *Borrower* or any Subsidiary; or,

(i) A change in control of any Subsidiary (as such or similar term is used in the Financial Institutions Regulatory and Interest Rate Control Act) shall occur, or action to change such control shall be commenced, without the prior written consent of *Lender* (which consent may be given or withheld in *Lender's* sole discretion); or,

(j) This Agreement or any other Loan Document shall be declared null and void or the validity or enforceability thereof shall be contested or challenged by *Borrower* or any Subsidiary or *Borrower* shall deny that it has any further liability or obligation under any of the Loan Documents; or,

(k) Receipt by any Subsidiary of a notice from the Federal Deposit Insurance Corporation of intent to terminate status as an insured bank; or,

(l) The filing by any Subsidiary of an application for relief pursuant to section 13(c) of 13(i) of the Federal Deposit Insurance Act, as amended, or similar relief from any Tribunal; or,

(m) The filing by any Subsidiary an application for capital forbearance from any Tribunal; or,

(n) An enforcement action by a Tribunal is commenced against the *Borrower* or any Subsidiary (including, without limitation, a cease and desist order or memorandum of understanding).

6.02 Remedies Upon Default. Upon the occurrence of any Event of Default set forth in Section 6.01, at the option of *Lender*, the obligation of *Lender* to extend credit to *Borrower* pursuant hereto shall immediately terminate and the principal of and interest accrued on the Note if not earlier demanded, shall be immediately and automatically forthwith DEMANDED and due and payable without any notice or demand of any kind, and the same shall be due and payable immediately without any notice, presentment, acceleration, demand, protest, notice of acceleration, notice of intent to accelerate, notice of intent to demand, notice of protest or notice of any kind (except notice required by law which has not been waived herein), all of which are hereby waived. Upon the occurrence of any Event of Default, *Lender* may exercise all rights and remedies available to it in law or in equity, under any Loan Document or otherwise.

ARTICLE VII
Miscellaneous

7.01 Notices. Unless otherwise provided herein, all notices, requests, consents and demands shall be in writing and delivered in person or mailed, postage prepaid, certified mail, return receipt requested, addressed as follows:

If intended for *Borrower* or its Subsidiaries, to: GUARANTY BANCSHARES, INC.
100 W. Arkansas
Mount Pleasant, Texas 75456 Attn: Ty Abston,
President

If intended for *Lender*, to:

FROST BANK
P.O. Box 1600
San Antonio, Texas 78296 Attn: Justin D.
Steinbach

or to such other person or address as either party shall designate to the other from time to time in writing forwarded in like manner. All such notices, requests, consents and demands shall be deemed to have been given or made when delivered in person, or if mailed, when deposited in the mails.

7.02 Place of Payment. All sums payable hereunder to *Lender* shall be paid at *Lender's* banking office at P.O. Box 34746, San Antonio, Texas 78265. If any payment falls due on other than a Business Day, then such due date shall be extended to the next succeeding Business Day, and such amount shall be payable in respect to such extension.

7.03 Survival of Agreement. All covenants, agreements, representations and warranties made in this Agreement shall survive the execution and delivery of this Agreement in the making of the Loan. All statements contained in any certificate or other instrument delivered by *Borrower* hereunder shall be deemed to constitute representations and warranties made by

Borrower.

7.04 No Waiver. No waiver or consent by *Lender* with respect to any act or omission of *Borrower* or any Subsidiary on one occasion shall constitute a waiver or consent with respect to any other act or omission by *Borrower* or any Subsidiary on the same or any other occasion, and no failure on the part of *Lender* to exercise and no delay in exercising any right hereunder shall operate as a waiver thereof, nor shall any single or partial exercise by *Lender* of any right hereunder preclude any other or further right of exercise thereof or the exercise of any other right. The rights and remedies provided for in this Agreement and the other Loan Documents are cumulative and not exclusive of any rights and remedies provided by Law.

7.05 Accounting Terms. All accounting and financial terms used herein, and the compliance with each covenant herein which relates to financial matters, shall be determined in accordance with regulatory accounting principles or GAAP.

7.06 Lender Not In Control. None of the covenants or other provisions contained in the Agreement shall, or shall be deemed to, give *Lender* the right or power to exercise control over the affairs and/or management of *Borrower* or any Subsidiary, the power of *Lender* being limited to those rights generally given to *Lenders*; provided that, if *Lender* becomes the owner of any stock or other equity interest in *Borrower* or any Subsidiary whether through foreclosure or otherwise, *Lender* shall be entitled to exercise such legal rights as it may have by being an owner of such stock, or other equity interest in *Borrower* or any Subsidiary.

7.07 Joint Venture, Partnership, Etc. None of the covenants or other provisions contained in this Agreement shall, or shall be deemed to, constitute or create a joint venture, partnership or any other association, affiliation, or entity between *Borrower* or any Subsidiary and *Lender*.

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- 7.08 **Successors and Assigns.** All covenants and agreements contained in this Agreement and all other Loan Documents shall bind and inure to the benefit of the respective successors and assigns of the parties hereto, except that neither *Borrower* nor any Subsidiary may assign its rights herein, in whole or in part.
- 7.09 **Expenses.** *Borrower* agrees to reimburse *Lender* for its out-of-pocket expenses, including reasonable attorneys' fees, in connection with the negotiation, preparation, administration and enforcement of this Agreement or any of the Loan Documents, making the Loan hereunder, and in connection with amendments, consents and waivers hereunder.
- 7.10 **Governing Law.** THIS AGREEMENT, THE NOTE, AND ALL OTHER LOAN DOCUMENTS SHALL BE DEEMED CONTRACTS UNDER THE LAWS OF THE STATE OF TEXAS AND SHALL BE CONSTRUED AND ENFORCED IN ACCORDANCE WITH AND GOVERNED BY THE LAWS OF THE STATE OF TEXAS, EXCEPT TO THE EXTENT THAT FEDERAL LAWS MAY APPLY. THIS AGREEMENT, THE NOTE AND THE OTHER LOAN DOCUMENTS SHALL BE DEEMED TO HAVE BEEN MADE AND TO BE PERFORMED IN SAN ANTONIO, BEXAR COUNTY, TEXAS.
- 7.11 **Severability.** If any provision of this Agreement is held to be illegal, invalid or unenforceable under present or future Laws effective during the term of this Agreement, such provision shall be fully severable; this Agreement shall be construed and enforced as if such illegal, invalid and unenforceable provision had never comprised a part of this Agreement; and remaining provisions of this Agreement shall remain in full force and effect and shall not be affected by the illegal, invalid or unenforceable provision or by its severance from this Agreement.
- 7.12 **Modification or Waiver.** No modification or waiver of any provision of this Agreement, the Note, or any Loan Documents shall be effective unless such modification or waiver shall be in writing and executed by a duly authorized officer of *Lender* and *Borrower*.
- 7.13 **Right of Setoff.** Nothing in this Agreement shall be deemed a waiver of *Lenders* right of *Lenders* banker's lien or setoff.
- 7.14 **Release.** *Lender* will not be liable to *Borrower* for any claim arising from or relating to any of the Loan Documents or any transactions contemplated thereby except upon proof of *Lenders* gross negligence or willful misconduct or willful breach of its agreements.
- 7.15 **Waiver of DTPA.** Neither the *Borrower* nor its Subsidiary is in a significantly disparate bargaining position and they have both been represented by legal counsel in this transaction. The *Borrower* and its Subsidiaries hereby waive the applicability of the Texas Deceptive Trade Practices Act (other than Section 17.555) to the transaction and any and all rights or remedies that may be available to the *Borrower* or any Subsidiary in connection with this transaction.
- 7.16 **Counterparts, Faxes.** This Agreement may be executed simultaneously in multiple counterparts, all of which together shall constitute one and the same instrument. If any Loan Document is transmitted by facsimile machine ("fax"), it shall be treated for all purposes as an original document. Additionally, the signature of any party on this document transmitted by way of fax shall be considered for all purposes as an original document and shall have the same binding effect as an original document.
- 7.17 **Headings.** The headings, captions, and arrangements used in this Agreement are for convenience only and shall not affect the interpretation of this Agreement.
- 7.18 **Maximum Interest Rate.** No provision of this Agreement or of the Note shall require the payment or the collection of interest in excess of the maximum amount permitted by applicable law. If any excess of interest in such respect is hereby provided for, or shall be adjudicated to be so provided, in the Note or otherwise in connection with this loan transaction, the provisions of this Section 7.18 shall govern and prevail and *Borrower* shall not be obligated to pay the excess amount of such interest or any other excess sum paid for use, forbearance, or detention of sums loaned pursuant hereto. In the event *Lender* ever receives, collects, or applies as interest any such sum, such amount which would be in excess of the maximum amount permitted by applicable law shall be applied as a payment and reduction of the principal of the indebtedness evidenced by the Note; and, if the principal of the Note has been paid in full, any remaining excess shall forthwith be paid to *Borrower*.
- 7.19 **Assignment, Participation, or Pledge by Lender.** *Lender* may from time to time, without notice to *Borrower*:
- (i) pledge or encumber or assign to any one or more Persons (including, but not limited to, one or more of *Lender's*

EXHIBIT 10.1

affiliates, subsidiaries, or subsidiaries of *Lender's* affiliates) all of *Lender's* right, title and interest in and to this Agreement, the Loan Documents and/or the collateral securing the Loan; or (ii) sell, to any one or more Persons, a participation or joint venture interest (provided *Lender* remains the lead lender) in all or any part of *Lender's* right, title, and interest in and to this Agreement, the Loan Documents and/or such collateral; and *Borrower* hereby expressly consents to any such future transaction. Each participant or joint venturer shall be entitled to receive all information regarding the creditworthiness of *Borrower*, including, without limitation, all information required to be disclosed to a participant or joint venturer pursuant to any Law of any Tribunal.

7.20 **Patriot Act.** All capitalized words and phrases and all defined terms used in the USA Patriot Act of 2001, 107 Public Law 56 (October 26, 2001) (the "Patriot Act") and in other statutes and all orders, rules and regulations of the United States government and its various executive department, agencies and offices related to the subject matter of the Patriot Act, including, but not limited to, Executive Order 13224 effective September 24, 2001, are hereinafter collectively referred to as the "Patriot Rules" and are incorporated into this Agreement. *Borrower* represents and warrants to *Lender* that neither it nor any of its principals, shareholders, members, partners, or affiliates, as applicable, is a person named as a Specially Designated National and Blocked Person (as defined in Presidential Executive Order 13224) and that it is not acting, directly or indirectly, for or on behalf of any such person. *Borrower* further represents and warrants to *Lender* that *Borrower* and its principals, shareholders, members, partners, or affiliates, as applicable, are not, directly or indirectly, engaged in, nor facilitating, the transactions contemplated by this Agreement on behalf of any person named as a Specially Designated National and Blocked Person. *Borrower* hereby agrees to defend, indemnify and hold harmless *Lender* from and against any and all claims, damages, losses, risks, liabilities, and expenses (including reasonable attorneys fees and costs) arising from or related to any breach of the foregoing representations and warranties

7.21 **ENTIRE AGREEMENT.** THIS AGREEMENT AND THE OTHER LOAN DOCUMENTS CONSTITUTE THE ENTIRE AGREEMENT, UNDERSTANDING, REPRESENTATIONS AND WARRANTIES OF THE PARTIES HERETO AND SUPERSEDE ALL PRIOR AGREEMENTS, ARRANGEMENTS AND UNDERSTANDINGS BETWEEN THE PARTIES. THERE ARE NO ORAL AGREEMENTS BETWEEN THE PARTIES. SHOULD A CONFLICT IN ANY TERMS, CONDITIONS OR COVENANTS EXIST BETWEEN THIS AGREEMENT AND ANY OF THE LOAN DOCUMENTS, THIS AGREEMENT SHALL BE CONTROLLING.

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IN WITNESS WHEREOF, *Borrower* and *Lender*, by and through their duly authorized officers, have caused this Agreement to be executed the day and year first above written.

BORROWER:

GUARANTY BANCSHARES, INC.

By: /s/ Ty Abston

Ty Abston, President

LENDER:

FROST BANK

By: /s/ Justin D. Steinbach

Justin D. Steinbach,
Senior Vice President

FIRST AMENDMENT TO LOAN AGREEMENT

THIS FIRST AMENDMENT TO LOAN AGREEMENT (the "First Amendment") dated as of the 31st day of March, 2018, to the Loan Agreement (the "Loan Agreement") made and entered into as of March 31, 2017, is by and between GUARANTY BANCSHARES, INC., a Texas corporation (the "*Borrower*"), and FROST BANK, a Texas state bank ("*Lender*"). All capitalized terms not otherwise defined herein shall have the meaning ascribed to each of them in the Loan Agreement.

WITNESSETH:

WHEREAS, *Borrower* executed the Loan Agreement to govern that certain promissory note from Lender in the original principal amount of \$25,000,000.00 Note (the "Original Note");

WHEREAS, *Borrower* desires to renew and extend the unpaid principal balance of the Original Note and amend the Loan Agreement; and

WHEREAS, Lender agrees to amend the Loan Agreement and renew, extend, and modify the Original Note all as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, *Borrower* and Lender do hereby agree as follows:

ARTICLE I

Amendments to Loan Agreement

1.1 Amendments to Section 1.01 of the Loan Agreement.

(a) *Borrower* and Lender agree to, and do hereby amend the Loan Agreement by deleting the definitions of "*Cash Flow Coverage*," "*Non-Performing Assets Ratio*," "*Other Real Estate*," "*Subordinated Debentures*," "*Tangible Net Worth*," and "*Total Risk Based Capital Ratio*" in Section 1.01 of the Loan Agreement in their entirety.

(b) *Borrower* and Lender agree to, and do hereby amend the Loan Agreement by deleting the definition of "*Non-Performing Assets*" in Section 1.01 of the Loan Agreement in its entirety and substituting therefore the following definition:

"*Non-Performing Assets*" means loans and leases on nonaccrual, loans restructured in troubled debt restructurings that are in compliance with their modified terms (as reported on the most recent quarterly call report), loans and leases which are past due for 90 days or more (specifically excluding all performing bankruptcy mortgages), and other real estate owned (as reported on the most recent quarterly call report).

(c) *Borrower* and Lender agree to, and do hereby amend the Loan Agreement by adding the following definitions in alphabetical order in Section 1.01 of the Loan Agreement in their entirety:

"*Cash Flow*" means (i) consolidated Net Income, (ii) plus unconsolidated interest expense, (iii) less distributions and dividends, as applicable.

"*Debt Service*" means unconsolidated interest expense plus scheduled principal payments corresponding to the cash flow measurement period.

"*Texas Ratio*" shall mean the ratio of Non-Performing Assets to Equity Capital plus reserves for loan losses.

1.2 Amendment to Section 4.01(a) of the Loan Agreement. *Borrower* and Lender agree to, and do hereby, amend the Loan Agreement by deleting Section 4.01(a) of the Loan Agreement in its entirety and substituting therefore the following:

(a) **Quarterly Information.** As soon as available, but no more than sixty (60) days after the end of each of the first three quarters of Borrower's fiscal year, (i) a copy of the Federal Reserve Board Form Y-9LP and Form Y-9C for Borrower; (ii) an officer's certificate setting forth the information required to establish whether Borrower and its Subsidiaries were in compliance with the financial covenants and ratios set forth in Articles IV and V hereof during the period covered and that signer or signers have reviewed the relevant terms in this Agreement and have made, or caused to be made under their supervision, a review of the transactions of Bank from the beginning of the accounting period covered by the financial statements being delivered therewith to the date of the officer's certificate and that such review has not disclosed any Event of Default, or material violation or breach in the due observance of any covenant, agreement or provision of this Agreement; (iii) such other information as Lender shall reasonably request.

1.3 **Amendments to Article V of the Loan Agreement.** Borrower and Lender agree to, and do hereby, amend the Loan Agreement by deleting Sections 5.01, 5.02, 5.03, 5.04, and 5.08 of the Loan Agreement in their entirety and substituting, respectively, therefore the following:

- 5.01** **Texas Ratio.** The Borrower shall not permit the Texas Ratio of Bank to be more than fifteen percent (15.0%), to be calculated at the end of each fiscal quarter.
- 5.02** **Total Capital Ratio of Borrower.** The Borrower shall maintain at all times a "total capital ratio" (as reported on Schedule RC-R of the most recent quarterly call report) measured on a consolidated basis of not less than ten and one half of one percent (10.5%), to be calculated at the end of each fiscal quarter.
- 5.03** **Debt Service Coverage Ratio.** The Borrower shall maintain a ratio of Cash Flow to Debt Service of not less than 1.25 to 1.00, to be calculated at the end of each fiscal quarter on a rolling four-quarter basis.
- 5.04** **Total Capital Ratio of Bank.** The Borrower shall not permit the "total capital ratio" (as reported on Schedule RC-R of the most recent quarterly call report) of Bank to be less than ten and one half of one percent (10.5%), to be calculated at the end of each fiscal quarter.
- 5.08** **Limitation on Debt.** Borrower shall not, nor allow any Subsidiary to, create, incur, assume, become liable in any manner in respect of, or suffer to exist, any debt for borrowed money except:

- (a) debt, excluding debt created under this Agreement, not in excess of \$500,000.00 (which amount shall not include any debt acquired by acquisition of another entity), calculated at the end of each quarter;
- (b) debt created under this Agreement;
- (c) debt secured by a purchase money security interest;
- (d) \$10,000,000.00 of Floating Rate Cumulative Trust Preferred Securities issued by the wholly owned subsidiaries of the Borrower;
- (e) \$9,000,000.00 of unsecured redeemable non-convertible debentures; or
- (f) the aggregate of federal fund purchases, repurchase agreements, federal reserve borrowings, and advances from the Federal Home Loan Bank, calculated at the end of each fiscal quarter in an amount not to exceed fifteen percent (15%) of the Bank's total assets, calculated at the end of each quarter.

ARTICLE II

Conditions of Effectiveness

2.1 **Effective Date.** This First Amendment shall become effective as of March 31, 2018, when, and only when, Lender shall have received counterparts of this First Amendment executed and delivered by Borrower and Lender, and when each of the following conditions shall have been met, all in form, substance, and date satisfactory to Lender:

(a) Closing Documents. Borrower shall have executed and delivered to Lender (i) a Renewal Revolving Promissory Note, payable to the order of Lender as set forth therein, duly executed on behalf of the Borrower, dated effective March 31, 2018 in the principal amount of \$25,000,000.00 (the "Renewal Promissory Note"), (ii) the Arbitration and Notice of Final Agreement, (iii) the Certificate of Corporate Resolutions, and (iv) this First Amendment.

(b) Additional Loan Documents. Borrower shall have executed and delivered to Lender such other documents as shall have been requested by Lender to renew, and extend, the Loan Documents to secure payment of the Obligations of Borrower, all in form satisfactory to Lender and its counsel.

(c) Origination Fee. Borrower shall have paid to Lender a loan origination fee in the amount of Twenty Five Thousand and No/100 Dollars (\$25,000.00).

ARTICLE III

Representations and Warranties

3.1 Representations and Warranties. In order to induce Lender to enter into this First Amendment, Borrower represents and warrants the following:

(a) Borrower has the corporate power to execute and deliver this First Amendment, the Renewal Promissory Note and other Loan Documents and to perform all of its obligations in connection herewith and therewith.

(b) The execution and delivery by Borrower of this First Amendment, the Renewal Promissory Note, and other Loan Documents and the performance of its obligations in connection herewith and therewith: (i) have been duly authorized or will be duly ratified and affirmed by all requisite corporate action; (ii) will not violate any provision of law, any order of any court or agency of government or the Articles of Incorporation or Bylaws of such entity; (iii) will not be in conflict with, result in a breach of or constitute (alone or with due notice or lapse of time or both) a default under any indenture, agreement or other instrument; and (iv) will not require any registration with, consent or approval of or other action by any federal, state, provincial or other governmental authority or regulatory body.

(c) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency or regulatory authority now pending or, to the knowledge of Borrower, threatened against or affecting Borrower, or any properties or rights of Borrower, or involving this First Amendment or the transactions contemplated hereby which, if adversely determined, would materially impair the right of Borrower to canyon business substantially as now conducted or materially and adversely affect the financial condition of Borrower, or materially and adversely affect the ability of Borrower to consummate the transactions contemplated by this First Amendment.

(d) The representations and warranties of Borrower contained in the Loan Agreement, this First Amendment, the Renewal Promissory Note, and any other Loan Document securing Borrower's Obligations and indebtedness to Lender are correct and accurate on and as of the date hereof as though made on and as of the date hereof, except to the extent that the facts upon which such representations are based have been changed by the transactions herein contemplated.

ARTICLE IV

Ratification of Obligations

4.1 Ratification of Obligation. The Borrower does hereby acknowledge, ratify and confirm that it is obligated and indebted to Lender as evidenced by the Loan Agreement (as amended by the First Amendment), the Renewal Promissory Note, and all other Loan Documents.

4.2 Ratification of Agreements. The Loan Agreement, this First Amendment, the Renewal Promissory Note, and each other Loan Document, as hereby amended, are acknowledged, ratified and confirmed in all respects as being valid, existing, and of full force and effect. Any reference to the Loan Agreement in any Loan Document shall be deemed to be a reference to the Loan Agreement as amended by this First Amendment. The execution, delivery and effectiveness of this First Amendment shall not, except as expressly provided herein, operate as a waiver of any right,

power or remedy of Lender under the Loan Agreement, nor constitute a waiver of any provision of the Loan Agreement.

ARTICLE V
Miscellaneous

5.1 Survival of Agreements. All representations, warranties, covenants and agreements of Borrower, herein or in any other Loan Document shall survive the execution and delivery of this First Amendment, and the other Loan Documents and the performance hereof and thereof, including without limitation the making or granting of the Loan and the delivery of the Renewal Promissory Note and all other Loan Documents, and shall further survive until all of Borrower's Obligations to Lender are paid in full. All statements and agreements contained in any certificate or instrument delivered by Borrower hereunder or under the Loan Documents to Lender shall be deemed to constitute the representations and warranties by Borrower and/or agreements and covenants of Borrower under this First Amendment and under the Loan Agreement.

5.2 Loan Document. This First Amendment, the Renewal Promissory Note, and each other Loan Document executed in connection herewith are each a Loan Document and all provisions in the Loan Agreement, as amended, pertaining to Loan Documents apply hereto and thereto.

5.3 Governing Law. This First Amendment shall be governed by and construed in all respects in accordance with the laws of the State of Texas and any applicable laws of the United States of America, including construction, validity and performance.

5.4 Counterparts. This First Amendment may be separately executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to constitute one and the same First Amendment.

5.5 Release of Claims. Borrower, by its execution of this First Amendment, hereby declares that it has no set-offs, counterclaims, defenses or other causes of action against Lender arising out of the Loan, the renewal, modification and extension of the Loan, any documents mentioned herein or otherwise; and, to the extent any such setoffs, counterclaims, defenses or other causes of action which may exist, whether known or unknown, such items are hereby expressly waived and released by Borrower.

5.6 ENTIRE AGREEMENT. THIS FIRST AMENDMENT, TOGETHER WITH ANY LOAN DOCUMENTS EXECUTED IN CONNECTION HEREWITH, CONTAINS THE ENTIRE AGREEMENT BETWEEN THE PARTIES HERETO RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND ALL PRIOR AGREEMENTS RELATIVE THERETO WHICH ARE NOT CONTAINED HEREIN OR THEREIN ARE TERMINATED. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. THIS FIRST AMENDMENT, AND THE LOAN DOCUMENTS MAY BE AMENDED, REVISED, WAIVED, DISCHARGED, RELEASED OR TERMINATED ONLY BY A WRITTEN INSTRUMENT OR INSTRUMENTS, EXECUTED BY THE PARTY AGAINST WHICH ENFORCEMENT OF THE AMENDMENT, REVISION, WAIVER, DISCHARGE, RELEASE OR TERMINATION IS ASSERTED. ANY ALLEGED AMENDMENT, REVISION, WAIVER, DISCHARGE, RELEASE OR TERMINATION WHICH IS NOT SO DOCUMENTED SHALL NOT BE EFFECTIVE AS TO ANY PARTY.

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IN WITNESS WHEREOF, this First Amendment is executed effective as of the date first written above.

BORROWER:

GUARANTY BANCSHARES, INC.

By: /s/ Ty Abston

Ty Abston, President

LENDER:

FROST BANK

By: /s/ Justin D. Steinbach

Justin D. Steinbach,
Senior Vice President

SECOND AMENDMENT TO LOAN AGREEMENT

THIS SECOND AMENDMENT TO LOAN AGREEMENT (the "Second Amendment") dated as of the 31st day of March, 2019, to the Loan Agreement (the "Loan Agreement") made and entered into as of March 31, 2017, is by and between **GUARANTY BANCSHARES, INC.**, a Texas corporation (the "Borrower"), and **FROST BANK**, a Texas state bank ("Lender"). All capitalized terms not otherwise defined herein shall have the meaning ascribed to each of them in the Loan Agreement.

WITNESSETH:

WHEREAS, Borrower executed the Loan Agreement to govern that certain promissory note from Lender in the original principal amount of \$25,000,000.00 (the "Note");

WHEREAS, Borrower and Lender executed an amendment to the Loan Agreement as evidenced by the First Amendment to Loan Agreement dated as of March 31, 2018, which among other things renewed, extended, and modified the Note;

WHEREAS, Borrower desires to renew and extend the unpaid principal balance of the Note; and WHEREAS, Lender agrees to renew, extend, and modify the Note all as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender do hereby agree as follows:

ARTICLE I

Amendment to Note and Loan Agreement

1.1 Amendment to Note and Loan Agreement. Borrower and Lender have agreed to amend the Note by renewing and extending the revolving line of credit period and maturity date through and including March 31, 2020. All references in the Loan Agreement to the Note shall be references to the Renewal Revolving Promissory Note dated of even date herewith in the original principal amount of \$25,000,000 executed by Borrower in favor of Lender (the "Renewal Promissory Note").

ARTICLE II

Conditions of Effectiveness

2.1 Effective Date. This Second Amendment shall become effective as of the date hereof, when, and only when, Lender shall have received counterparts of this Second Amendment executed and delivered by Borrower and Lender, and when each of the following conditions shall have been met, all in form, substance, and date satisfactory to Lender:

(a) Closing Documents. Borrower shall have executed and delivered to Lender (i) the Renewal Promissory Note, (ii) the Arbitration and Notice of Final Agreement, (iii) the Certificate of Corporate Resolutions, and (iv) this Second Amendment.

(b) Additional Loan Documents. Borrower shall have executed and delivered to Lender such other documents as shall have been requested by Lender to renew, and extend, the Loan Documents to secure payment of the Obligations of Borrower, all in form satisfactory to Lender and its counsel.

(c) Origination Fee. Borrower shall have paid to Lender a loan origination fee in the amount of Twenty Five Thousand and No/100 Dollars (\$25,000.00).

ARTICLE III
Representations and Warranties

3.1 Representations and Warranties. In order to induce Lender to enter into this Second Amendment, Borrower represents and warrants the following:

(a) Borrower has the corporate power to execute and deliver this Second Amendment, the Renewal Promissory Note and other Loan Documents and to perform all of its obligations in connection herewith and therewith.

(b) The execution and delivery by Borrower of this Second Amendment, the Renewal Promissory Note, and other Loan Documents and the performance of its obligations in connection herewith and therewith: (i) have been duly authorized or will be duly ratified and affirmed by all requisite corporate action; (ii) will not violate any provision of law, any order of any court or agency of government or the Articles of Incorporation or Bylaws of such entity; (iii) will not be in conflict with, result in a breach of or constitute (alone or with due notice or lapse of time or both) a default under any indenture, agreement or other instrument; and (iv) will not require any registration with, consent or approval of or other action by any federal, state, provincial or other governmental authority or regulatory body.

(c) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency or regulatory authority now pending or, to the knowledge of Borrower, threatened against or affecting Borrower, or any properties or rights of Borrower, or involving this Second Amendment or the transactions contemplated hereby which, if adversely determined, would materially impair the right of Borrower to carry on business substantially as now conducted or materially and adversely affect the financial condition of Borrower, or materially and adversely affect the ability of Borrower to consummate the transactions contemplated by this Second Amendment.

(d) The representations and warranties of Borrower contained in the Loan Agreement, this Second Amendment, the Renewal Promissory Note, and any other Loan Document securing Borrower's Obligations and indebtedness to Lender are correct and accurate on and as of the date hereof as though made on and as of the date hereof, except to the extent that the facts upon which such representations are based have been changed by the transactions herein contemplated.

ARTICLE IV
Ratification of Obligations

4.1 Ratification of Obligation. The Borrower does hereby acknowledge, ratify and confirm that it is obligated and indebted to Lender as evidenced by the Loan Agreement (as amended by the Second Amendment), the Renewal Promissory Note, and all other Loan Documents.

4.2 Ratification of Agreements. The Loan Agreement, this Second Amendment, the Renewal Promissory Note, and each other Loan Document, as hereby amended, are acknowledged, ratified and confirmed in all respects as being valid, existing, and of full force and effect. Any reference to the Loan Agreement in any Loan Document shall be deemed to be a reference to the Loan Agreement as amended by this Second Amendment. The execution, delivery and effectiveness of this Second Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of Lender under the Loan Agreement, nor constitute a waiver of any provision of the Loan Agreement.

ARTICLE V
Miscellaneous

5.1 Survival of Agreements. All representations, warranties, covenants and agreements of Borrower, herein or in any other Loan Document shall survive the execution and delivery of this Second Amendment, and the other Loan Documents and the performance hereof and thereof, including without limitation the making or granting of the Loan and the delivery of the Renewal Promissory Note and all other Loan Documents, and shall further survive until all of Borrower's Obligations to Lender are paid in full. All statements and agreements contained in any certificate or instrument delivered by Borrower hereunder or under the Loan Documents to Lender shall be deemed to constitute the representations and warranties by Borrower and/or agreements and covenants of Borrower under this Second Amendment and under the

EXHIBIT 10.1

Loan Agreement.

5.2 Loan Document. This Second Amendment, the Renewal Promissory Note, and each other Loan Document executed in connection herewith are each a Loan Document and all provisions in the Loan Agreement, as amended, pertaining to Loan Documents apply hereto and thereto.

5.3 Governing Law. This Second Amendment shall be governed by and construed in all respects in accordance with the laws of the State of Texas and any applicable laws of the United States of America, including construction, validity and performance.

5.4 Counterparts. This Second Amendment may be separately executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to constitute one and the same Second Amendment.

5.5 Release of Claims. Borrower, by its execution of this Second Amendment, hereby declares that it has no set-offs, counterclaims, defenses or other causes of action against Lender arising out of the Loan, the renewal, modification and extension of the Loan, any documents mentioned herein or otherwise; and, to the extent any such setoffs, counterclaims, defenses or other causes of action which may exist, whether known or unknown, such items are hereby expressly waived and released by Borrower.

5.6 ENTIRE AGREEMENT. THIS SECOND AMENDMENT, TOGETHER WITH ANY LOAN DOCUMENTS EXECUTED IN CONNECTION HERewith, CONTAINS THE ENTIRE AGREEMENT BETWEEN THE PARTIES HERETO RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND ALL PRIOR AGREEMENTS RELATIVE THERETO WHICH ARE NOT CONTAINED HEREIN OR THEREIN ARE TERMINATED. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. THIS SECOND AMENDMENT, AND THE LOAN DOCUMENTS MAY BE AMENDED, REVISED, WAIVED, DISCHARGED, RELEASED OR TERMINATED ONLY BY A WRITTEN INSTRUMENT OR INSTRUMENTS, EXECUTED BY THE PARTY AGAINST WHICH ENFORCEMENT OF THE AMENDMENT, REVISION, WAIVER, DISCHARGE, RELEASE OR TERMINATION IS ASSERTED. ANY ALLEGED AMENDMENT, REVISION, WAIVER, DISCHARGE, RELEASE OR TERMINATION WHICH IS NOT SO DOCUMENTED SHALL NOT BE EFFECTIVE AS TO ANY PARTY.

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IN WITNESS WHEREOF, this Second Amendment is executed effective as of the date first written above.

BORROWER:

GUARANTY BANCSHARES, INC.

By: /s/ Ty Abston

Ty Abston, President

LENDER:

FROST BANK

By: /s/ Justin D. Steinbach

Justin D. Steinbach,
Senior Vice President

THIRD AMENDMENT TO LOAN AGREEMENT

THIS THIRD AMENDMENT TO LOAN AGREEMENT (the "Third Amendment") dated as of the 31st day of March, 2020, to the Loan Agreement (the "Loan Agreement") made and entered into as of March 31, 2017, is by and between **GUARANTY BANCSHARES, INC.**, a Texas corporation (the "Borrower"), and **FROST BANK**, a Texas state bank ("Lender"). All capitalized terms not otherwise defined herein shall have the meaning ascribed to each of them in the Loan Agreement.

WITNESSETH:

WHEREAS, Borrower executed the Loan Agreement to govern that certain promissory note from Lender in the original principal amount of \$25,000,000.00 (the "Note");

WHEREAS, Borrower and Lender executed an amendment to the Loan Agreement as evidenced by the First Amendment to Loan Agreement dated as of March 31, 2018, which among other things renewed, extended, and modified the Note;

WHEREAS, Borrower and Lender further executed an amendment to the Loan Agreement as evidenced by the Second Amendment to Loan Agreement dated as of March 31, 2019, which among other things renewed, extended, and modified the Note;

WHEREAS, Borrower desires to renew and extend the unpaid principal balance of the Note; and

WHEREAS, Lender agrees to renew, extend, and modify the Note all as hereinafter provided.

NOW, THEREFORE, in consideration of the premises and other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Borrower and Lender do hereby agree as follows:

ARTICLE I

Amendment to Note and Loan Agreement

1.1 Amendment to Note and Loan Agreement. Borrower and Lender have agreed to amend the Note by renewing and extending the revolving line of credit period and maturity date through and including March 31, 2021 and as otherwise set forth therein. All references in the Loan Agreement to the Note shall be references to the Renewal Revolving Promissory Note dated of even date herewith in the original principal amount of \$25,000,000 executed by Borrower in favor of Lender (the "Renewal Promissory Note").

ARTICLE II

Conditions of Effectiveness

2.1 Effective Date. This Third Amendment shall become effective as of the date hereof, when, and only when, Lender shall have received counterparts of this Third Amendment executed and delivered by Borrower and Lender, and when each of the following conditions shall have been met, all in form, substance, and date satisfactory to Lender:

- (a) Closing Documents. Borrower shall have executed and delivered to Lender (i) the Renewal Promissory Note, (ii) the Arbitration and Notice of Final Agreement, (iii) the Certificate of Corporate Resolutions, and (iv) this Third Amendment.
- (b) Additional Loan Documents. Borrower shall have executed and delivered to Lender such other documents as shall have been requested by Lender to renew, and extend, the Loan Documents to secure payment of the Obligations of Borrower, all in form satisfactory to Lender and its counsel.
- (c) Origination Fee. Borrower shall have paid to Lender a loan origination fee in the amount of Twenty Five Thousand and No/100 Dollars (\$25,000.00).

ARTICLE III

Representations and Warranties

3.1 Representations and Warranties. In order to induce Lender to enter into this Third Amendment, Borrower represents and warrants the following:

- (a) Borrower has the corporate power to execute and deliver this Third Amendment, the Renewal Promissory Note

and other Loan Documents and to perform all of its obligations in connection herewith and therewith.

- (b) The execution and delivery by Borrower of this Third Amendment, the Renewal Promissory Note, and other Loan Documents and the performance of its obligations in connection herewith and therewith: (i) have been duly authorized or will be duly ratified and affirmed by all requisite corporate action; (ii) will not violate any provision of law, any order of any court or agency of government or the Articles of Incorporation or Bylaws of such entity; (iii) will not be in conflict with, result in a breach of or constitute (alone or with due notice or lapse of time or both) a default under any indenture, agreement or other instrument; and (iv) will not require any registration with, consent or approval of or other action by any federal, state, provincial or other governmental authority or regulatory body.
- (c) There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency or regulatory authority now pending or, to the knowledge of Borrower, threatened against or affecting Borrower, or any properties or rights of Borrower, or involving this Third Amendment or the transactions contemplated hereby which, if adversely determined, would materially impair the right of Borrower to carry on business substantially as now conducted or materially and adversely affect the financial condition of Borrower, or materially and adversely affect the ability of Borrower to consummate the transactions contemplated by this Third Amendment.
- (d) The representations and warranties of Borrower contained in the Loan Agreement, this Third Amendment, the Renewal Promissory Note, and any other Loan Document securing Borrower's Obligations and indebtedness to Lender are correct and accurate on and as of the date hereof as though made on and as of the date hereof, except to the extent that the facts upon which such representations are based have been changed by the transactions herein contemplated.

ARTICLE IV

Ratification of Obligations

- 4.1 Ratification of Obligation. The Borrower does hereby acknowledge, ratify and confirm that it is obligated and indebted to Lender as evidenced by the Loan Agreement (as amended by the Third Amendment), the Renewal Promissory Note, and all other Loan Documents.
- 4.2 Ratification of Agreements. The Loan Agreement, this Third Amendment, the Renewal Promissory Note, and each other Loan Document, as hereby amended, are acknowledged, ratified and confirmed in all respects as being valid, existing, and of full force and effect. Any reference to the Loan Agreement in any Loan Document shall be deemed to be a reference to the Loan Agreement as amended by this Third Amendment. The execution, delivery and effectiveness of this Third Amendment shall not, except as expressly provided herein, operate as a waiver of any right, power or remedy of Lender under the Loan Agreement, nor constitute a waiver of any provision of the Loan Agreement.

ARTICLE V

Miscellaneous

- 5.1 Survival of Agreements. All representations, warranties, covenants and agreements of Borrower, herein or in any other Loan Document shall survive the execution and delivery of this Third Amendment, and the other Loan Documents and the performance hereof and thereof, including without limitation the making or granting of the Loan and the delivery of the Renewal Promissory Note and all other Loan Documents, and shall further survive until all of Borrower's Obligations to Lender are paid in full. All statements and agreements contained in any certificate or instrument delivered by Borrower hereunder or under the Loan Documents to Lender shall be deemed to constitute the representations and warranties by Borrower and/or agreements and covenants of Borrower under this Third Amendment and under the Loan Agreement.
- 5.2 Loan Document. This Third Amendment, the Renewal Promissory Note, and each other Loan Document executed in connection herewith are each a Loan Document and all provisions in the Loan Agreement, as amended, pertaining to Loan Documents apply hereto and thereto.
- 5.3 Governing Law. This Third Amendment shall be governed by and construed in all respects in accordance with the laws of the State of Texas and any applicable laws of the United States of America, including construction, validity and performance.
- 5.4 Counterparts. This Third Amendment may be separately executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when so executed shall be deemed to constitute one and the same

EXHIBIT 10.1

Third Amendment.

5.5 Release of Claims. Borrower, by its execution of this Third Amendment, hereby declares that it has no set-offs, counterclaims, defenses or other causes of action against Lender arising out of the Loan, the renewal, modification and extension of the Loan, any documents mentioned herein or otherwise; and, to the extent any such setoffs, counterclaims, defenses or other causes of action which may exist, whether known or unknown, such items are hereby expressly waived and released by Borrower.

5.6 ENTIRE AGREEMENT. THIS THIRD AMENDMENT, TOGETHER WITH ANY LOAN DOCUMENTS EXECUTED IN CONNECTION HERewith, CONTAINS THE ENTIRE AGREEMENT BETWEEN THE PARTIES HERETO RELATING TO THE SUBJECT MATTER HEREOF AND THEREOF AND ALL PRIOR AGREEMENTS RELATIVE THERETO WHICH ARE NOT CONTAINED HEREIN OR THEREIN ARE TERMINATED. THERE ARE NO UNWRITTEN ORAL AGREEMENTS BETWEEN THE PARTIES. THIS THIRD AMENDMENT, AND THE LOAN DOCUMENTS MAY BE AMENDED, REVISED, WAIVED, DISCHARGED, RELEASED OR TERMINATED ONLY BY A WRITTEN INSTRUMENT OR INSTRUMENTS, EXECUTED BY THE PARTY AGAINST WHICH ENFORCEMENT OF THE AMENDMENT, REVISION, WAIVER, DISCHARGE, RELEASE OR TERMINATION IS ASSERTED. ANY ALLEGED AMENDMENT, REVISION, WAIVER, DISCHARGE, RELEASE OR TERMINATION WHICH IS NOT SO DOCUMENTED SHALL NOT BE EFFECTIVE AS TO ANY PARTY.

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IN WITNESS WHEREOF, this Third Amendment is executed effective as of the date first written above.

BORROWER:**GUARANTY BANCSHARES, INC.**

By: /s/ Ty Abston

Ty Abston, President

LENDER:**FROST BANK**

By: /s/ Justin D. Steinbach

Justin D. Steinbach,
Senior Vice President[\(Back To Top\)](#)**Section 3: EX-10.2 (EX-10.2)****EXHIBIT 10.2****RENEWAL REVOLVING PROMISSORY NOTE**

(Floating Rate Revolving Line of Credit)

\$25,000,000.00

March 31, 2020

For value received, **GUARANTY BANCSHARES, INC.**, a Texas corporation, as principal ("**Borrower**"), promises to pay to the order of **FROST BANK**, a Texas state bank ("**Lender**") at P.O. Box 34746, San Antonio, Texas 78265, or at such other address as Lender shall from time to time specify in writing, the principal sum of *TWENTY FIVE MILLION AND NO/1 00 DOLLARS (\$25,000,000.00)*, or so much that may be advanced from time to time, in legal and lawful money of the United States of America, with interest on the outstanding principal from the date advanced until paid at the rate set out below. Interest shall be computed on a per annum basis of a year of 360 days and for the actual number of days elapsed, unless such calculation would result in a rate greater than the highest rate permitted by applicable law, in which case interest shall be computed on a per annum basis of a year of 365 days or 366 days in a leap year, as the case may be.

1. **Payment Terms.** Interest shall be due and payable quarterly as it accrues on the 15th day of January, April, July, and October of each year, beginning July 15, 2020, and continuing regularly and quarterly thereafter until March 31, 2021, when the entire amount hereof, principal and accrued interest then remaining unpaid, shall be then due and payable; interest being calculated on the unpaid principal each day principal is outstanding and all payments made credited to any collection costs and late charges, to the discharge of the interest accrued and to the reduction of the principal, in such order as Lender shall determine.
2. **Late Charge.** If a payment is made more than 10 days after it is due, Borrower will be charged, in addition to interest, a delinquency charge of (i) 5% of the unpaid portion of the regularly scheduled payment, or (ii) \$250.00, whichever is less. Additionally, upon maturity of this Note, if the outstanding principal balance (plus all accrued but unpaid interest) is not paid within 10 days of the maturity date, Borrower will be charged a delinquency charge of (i) 5% of the sum of the outstanding principal balance (plus all accrued but unpaid interest), or (ii) \$250.00, whichever is less. Borrower agrees with Lender that the charges set forth herein are reasonable compensation to Lender for the handling of such late payments.
3. **Interest Rate.** Interest on the outstanding and unpaid principal balance hereof shall be computed at a per annum rate equal to the lesser of (a) a rate equal to the Prime Rate or (b) the highest rate permitted by applicable law, but in no event shall interest contracted for, charged or received hereunder plus any other charges in connection herewith which constitute interest exceed the maximum interest permitted by applicable law, said rate to be effective prior to maturity (however such maturity is brought about). The term "Prime Rate," as used herein, shall mean the maximum "Latest" "U.S." prime rate of interest per annum published from time to time in the Money Rates section of *The Wall Street Journal (US Edition)* or in any successor publication to *The Wall Street Journal*; provided, however, in no event shall the Prime Rate be less than 3.50%. Borrower understands that the Prime Rate may not be the best, lowest, or most favored rate of Lender or *The Wall Street Journal*, and any representation or warranty in that regard is expressly disclaimed by Lender. Borrower acknowledges that (i) if more than one U.S. prime rate is published at any time by *The Wall Street Journal*, the highest of such prime rates shall constitute the Prime Rate hereunder, and (ii) if at any time *The Wall Street Journal* ceases to publish a U.S. prime rate, Lender shall have the right to select a substitute rate that Lender determines, in the exercise of its reasonable commercial discretion, to be comparable to such prime rate, and the substituted rate as so selected, upon the sending of written notice thereof to Borrower, shall constitute the Prime Rate hereunder. Upon each increase or decrease hereafter in the Prime Rate, the rate of interest upon the unpaid principal balance hereof shall be increased or decreased by the same amount as the increase or decrease in the Prime Rate, such increase or decrease to become effective as of the day of each such change in the Prime Rate and without notice to Borrower or any other person.
4. **Default Rate.** For so long as any event of default exists under this Note or under any of the other Loan Documents (as defined herein), regardless of whether or not there has been an acceleration of the indebtedness evidenced by this Note, and at all times after the maturity of the indebtedness evidenced by this

Note (whether by acceleration or otherwise), and in addition to all other rights and remedies of Lender hereunder, interest shall accrue at the rate stated above plus five percent (5%) per annum, but in no event in excess of the highest rate permitted by applicable law, and such accrued interest shall be immediately due and payable. Borrower acknowledges that it would be extremely difficult or impracticable to determine Lender's actual damages resulting from any event of default, and such accrued interest is a reasonable estimate of those damages and does not constitute a penalty.

5. Revolving Line of Credit. Under the Loan Agreement dated as of March 31, 2017 between Borrower and Lender, as amended by that certain First Amendment to Loan Agreement dated as of March 31, 2018, that certain Second Amendment to Loan Agreement dated as of March 31, 2019, and that certain Third Amendment to Loan Agreement dated of even date herewith (the "Loan Agreement"), Borrower may request advances and make payments hereunder from time to time, provided that it is understood and agreed that the aggregate principal amount outstanding from time to time hereunder shall not at any time exceed \$25,000,000.00. The unpaid balance of this Note shall increase and decrease with each new advance or payment hereunder, as the case may be. This Note shall not be deemed terminated or canceled prior to the date of its maturity, although the entire principal balance hereof may from time to time be paid in full. Borrower may borrow, repay and re-borrow hereunder. All payments and prepayments of principal or interest on this Note shall be made in lawful money of the United States of America in immediately available funds, at the address of Lender indicated above, or such other place as the holder of this Note shall designate in writing to Borrower. If any payment of principal or interest on this Note shall become due on a day which is not a Business Day (as hereinafter defined), such payment shall be made on the next succeeding Business Day and any such extension of time shall be included in computing interest in connection with such payment. As used herein, the term "Business Day" shall mean any day other than a Saturday, Sunday or any other day on which commercial banks in the State of Texas are authorized to close or are in fact closed. The books and records of Lender shall be *prima facie* evidence of all outstanding principal of and accrued and unpaid interest on this Note.

6. Prepayment. Borrower reserves the right to prepay, prior to maturity, all or any part of the principal of this Note without penalty. Any prepayments shall be applied first to accrued interest and then to principal. Borrower will provide written notice to the holder of this Note of any such prepayment of all or any part of the principal at the time thereof. All payments and prepayments of principal or interest on this Note shall be made in lawful money of the United States of America in immediately available funds, at the address of Lender indicated above, or such other place as the holder of this Note shall designate in writing to Borrower. All partial prepayments of principal shall be applied to the last installments payable in their inverse order of maturity.

7. Default. It is expressly provided that upon default in the punctual payment of any indebtedness evidenced by this Note or any part hereof, as the same shall become due and payable, or upon the occurrence of an event of default specified in any of the other Loan Documents (as defined herein), the holder of this Note may, at its option, without further notice or demand, (i) declare the outstanding principal balance of and accrued but unpaid interest on this Note at once due and payable, (ii) refuse to advance any additional amounts under this Note, (iii) foreclose all liens securing payment hereof, (iv) pursue any and all other rights, remedies and recourses available to the holder hereof, including but not limited to any such rights, remedies or recourses under the Loan Documents, at law or in equity, or (v) pursue any combination of the foregoing; and in the event default is made in the prompt payment of this Note when due or declared due, and the same is placed in the hands of an attorney for collection, or suit is brought on same, or the same is collected through probate, bankruptcy or other judicial proceedings, then the Borrower agrees and promises to pay all costs of collection, including reasonable attorney's fees.

8. Joint and Several Liability: Waiver. Each maker, signer, surety and endorser hereof, as well as all heirs, successors and legal representatives of said parties, shall be directly and primarily, jointly and severally, liable for the payment of all indebtedness hereunder. Lender may release or modify the obligations of any of the foregoing persons or entities, or guarantors hereof, in connection with this Note without affecting the obligations of the others. All such persons or entities expressly waive presentment and demand for payment, notice of default, notice of intent to accelerate maturity, notice of acceleration of maturity, protest, notice of protest, notice of dishonor, and all other notices and demands for which waiver is not prohibited by law, and diligence in the collection hereof; and agree to all renewals, extensions, indulgences, partial payments, releases or exchanges of collateral, or taking of additional collateral, with or without notice, before or after maturity. No delay or omission of Lender in exercising any right hereunder shall be a waiver of such right or any other right under this Note.

9. No Usury Intended: Usury Savings Clause. In no event shall interest contracted for, charged or received hereunder, plus any other charges in connection herewith which constitute interest, exceed the maximum interest permitted by applicable law. The amounts of such interest or other charges previously paid to the holder of the Note in excess of the amounts permitted by applicable law shall be applied by the holder of the Note to reduce the principal of the indebtedness evidenced by the Note, or, at the option of the holder of the Note, be refunded. To the extent permitted by applicable law, determination of the legal maximum amount of interest shall at all times be made by amortizing, prorating, allocating and spreading in equal parts during the period of the full stated term of the loan and indebtedness, all interest at any time contracted for, charged or received from the Borrower hereof in connection with the loan and indebtedness evidenced hereby, so that the actual rate of interest on account of such indebtedness is uniform throughout the term hereof.

10. Security. This Note has been executed and delivered pursuant to the Loan Agreement. This Note, the Loan Agreement, and all other documents evidencing, securing, governing, guaranteeing and/or pertaining to this Note, including but not limited to those documents described above, are collectively referred to as the "Loan Documents." The holder of this Note is entitled to the benefits and security provided in the Loan Documents.

11. Texas Finance Code. In no event shall Chapter 346 of the Texas Finance Code (which regulates certain revolving loan accounts and revolving tri-party accounts) apply to this Note. To the extent that Chapter 303 of the Texas Finance Code is applicable to this Note, the "weekly ceiling" specified in such article is the applicable ceiling; provided that, if any applicable law permits greater interest, the law permitting the greatest interest shall apply.

12. Governing Law, Venue. This Note is being executed and delivered, and is intended to be performed in the State of Texas. Except to the extent that the laws of the United States may apply to the terms hereof, the substantive laws of the State of Texas shall govern the validity, construction, enforcement and interpretation of this Note. In the event of a dispute involving this Note or any other instruments executed in connection herewith, the undersigned irrevocably agrees that venue for such dispute shall lie in any court of competent jurisdiction in Bexar County, Texas.

13. Captions. The captions in this Note are inserted for convenience only and are not to be used to limit the terms herein.

14. Renewal and Extension. This Note is given in renewal and extension, but not extinguishment, of all amounts left owing and unpaid on that certain Renewal Revolving Promissory Note dated March 31, 2019 executed and delivered by Borrower and payable to the order of Lender in the original principal amount of \$25,000,000.00.

BORROWER:

GUARANTY BANCSHARES, INC.

By:
Ty Abston
Ty Abston, President

/s/

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