

MINUTES OF A CALLED MEETING OF THE BOARD OF DIRECTORS OF  
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE  
HELD IN THE DISTRICT OFFICE, IN FORT WORTH, TEXAS, ON THE  
8TH DAY OF APRIL, A.D. 1937, AT 10:00 O'CLOCK A.M.

The call of the roll disclosed the presence of Directors, as follows, viz:

C. A. Hickman, President  
W. K. Striping, Secretary  
E. E. Bewley, Director  
Joe B. Hogsett, Director  
W. S. Cooke, Director

Also present were Ed. H. Winton, Vice-President and representing the Continental National Bank of Fort Worth, Texas; Sidney L. Samuels and Ireland Hampton, acting as law counselors for the District.

At this time and place proceedings were had and done, as follows:

1.

President Hickman stated that the meeting had been convened for the purpose of complying with the published notice given and completed under prior orders of the District, in keeping with the appropriate law and relating to the intent of the District at this time and place to receive, open, analyze and use as a basis upon which to award a contract to some bank or banker of Tarrant County, Texas, to act as depository for the District for the succeeding two year period, fixed by statute as the term of a depository bank for the District. He thereupon produced the published notice as printed and circulated in the Fort Worth Star-Telegram and the Fort Worth Press, together with a publisher's affidavit showing that the notice had been published the number of times and the elapsed time specified by the controlling law, and gave direction that the same be attached as part of these minutes and marked as Exhibit "A" for identification.

He thereupon sought to know if there was any person (other than Mr. Winton) who had indicated a desire to present a sealed bid for any qualified

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bank or banker of Tarrant County; whereupon it appeared that Mr. Ed. H. Winton (who appeared in his capacity as the authorized Vice-President of the Continental National Bank of Fort Worth was the only known intending bidder) stated that he was prepared to file for his bank a sealed bid in the form required by the District; that, however, through oral communication with Mr. S. L. Samuels and Ireland Hampton, as Attorneys for the District, he had been lead to anticipate that the District possibly might be held not to have lawful right to contract with the bank to cover the period of two years from the present time, due to the fact that the National Banking Act would prohibit his bank from paying to the District any interest on the balances in its "demand deposit" accounts after midnight of July 31, 1937. He stated that on the prior day (April 7th) he had written a letter to the Directors in which he had related his understanding of the opinion of the attorneys for the District; also stated the factors which would limit the powers of the bank, in the present matter and giving firm agreement of the bank that it would perpetuate its existing agreement with the District and continue to serve the District thereunder until such time as the District might, with unquestionable statutory authority, proceed to select and designate a depository for the next biennium, provided, however, the contract should not control after midnight of July 31, 1937.

He stated that he had delayed delivery of the letter. He orally gave assurance of the willingness of the bank to give service to the District and requested that the letter be examined by the Directors of the District and its attorneys. Thereupon the letter was well considered; the attorneys for the District gave advice that Mr. Winton had correctly stated the substance of their opinion in the matter and requested that the letter (initialed by them) be attached to these minutes as Exhibit "B," made part hereof and to become a record of their advice in this matter.

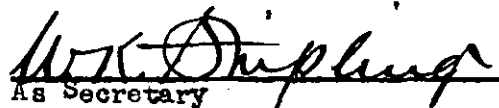
They further gave advice that in their opinion, particularly in view of the fact that only one bid had been tendered, the one bid should not be filed

or received, that the meeting should be recessed (not adjourned) subject to call, the call not to be issued until such time as the legislature of Texas had made certain what would be the procedure lawful for this District to pursue in the selection of its depository for the succeeding biennium.

There was full consideration of this matter, whereupon Mr. Winton stated that he would withhold his intended bid and it was the unanimously announced sense of the Directors of the District that: The existing depository contract should be (and it was) perpetuated under the written tender of continued service made by the depository bank; the published notice continued in force until action concerning the selection of a depository actually may be consummated; that the meeting be recessed subject to call, and that no call should be issued until such time as the legislature of Texas may have made final provision for causing the state's depository law to harmonize with the related provisions of the banking act.

Thereupon, the meeting was recessed as ordered.

ATTEST:

  
As Secretary

  
As President

EXHIBIT "A"

THE STATE OF TEXAS,  
County of Tarrant

3/8/37 10:00 A.M.

Before me, a Notary Public in and for said County and State, this day personally appeared... ~~Eula Meador, Clerk~~... ~~brooks paper~~ for The Fort-Worth Star-Telegram, Evening, published by the Carter Publications, Inc., at Fort Worth, in Tarrant County, Texas; and who, after being duly sworn, did depose and say that the following clipping

of an advertisement referring to.....

To all banks and bankers of Tarrant County, Texas notice for bids for depository for Tarrant Co. Water Control and Improvement Dist. No. 1 was published in the above named paper on

March 15, 22 and 29, 1937

105 BIDS WANTED

TO ALL BANKS AND BANKERS OF TARRANT COUNTY, TEXAS.—NOTICE FOR BIDS FOR DEPOSITORY FOR TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE.—In conformity to the appropriate provisions of law, the District, at its office in Room 406 in the Capps Building in Fort Worth, Texas, at any time prior to 3 o'clock p. m. on the 8th day of April, 1937, will receive sealed bids on which to base the selection of a statutory depository to serve the District until a successor depository is selected in the year 1939, in time and manner as provided by law. Forms which must be used for making bids hereunder may be had at the District's office, or by mailed request, and therewith will be furnished all other information material for the placing of valid and lawful bids, will be furnished therewith. All bids received will be publicly opened by the Board of Directors of the District at the time and place hereinbefore stated and award will be made as provided by law. Witness the execution hereof, (this 11th day of March, 1937.) TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE. By (Signed) C. A. HICKMAN as President. Attest: (Signed) W. K. STRIPLING as Secretary. (Seal.)

Signed... *Eula*

Subscribed and sworn to before me, this the 29th day of March, 1937

*Bertie Whitworth*... Notary Public.  
Tarrant County, Texas.

**BIDS AND PROPOSALS**

TO ALL BANKS, Bankers of Tarrant County, Texas. Notice for bids for depository for Tarrant County Water Control and Improvement District Number One. In conformity to the appropriate provisions of law, the District, at its office in Room 406 in the Capps Building in Fort Worth, Texas, at any time prior to 3 o'clock p. m. on the 8th day of April, 1937, will receive sealed bids on which to base the selection of a statutory depository to serve the District until the successor depository is selected in the year 1939, in time and manner as provided by law. Forms which must be used for making bids hereunder may be had at the District's office, or by mailed request, and therewith will be furnished all other information material for the placing of valid and lawful bids, will be furnished therewith. All bids received will be publicly opened by the Board of Directors of the District at the time and place hereinbefore stated and award will be made as provided by law. WITNESS the execution hereof, this 11th day of March, 1937.  
Tarrant County Water Control and Improvement District Number One.  
(Signed): C. A. Hickman, as President.  
Attest: (Signed) W. K. Stripling, as Secretary.

STATE OF TEXAS                      0  
                                                  0     SS  
COUNTY OF TARRANT              0

Before me, a Notary Public, in and for said County and State, this 30th day of March 1937 personally appeared the undersigned, to me well known, being duly sworn, states as follows:

That he is Bookkeeper of The Fort Worth Press, a daily Newspaper with a general circulation published in the City of Fort Worth, State of Texas, and that said publication of the following dates: March 15, 22, 29th 1937 carried the advertising referring to BIDS AND PROPOSALS- TO ALL BANKS-, a true copy of which is attached hereto.

THE FORT WORTH PRESS

Notary Public, Tarrant County, Texas.

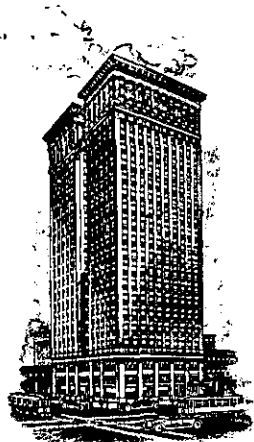


EXHIBIT "B"

4/8/37 10:00 A.M.

# CONTINENTAL NATIONAL BANK

OF FORT WORTH

H. O. KINSON, PRESIDENT  
ED. WINTON, VICE-PRESIDENT  
J. E. WILLIS, VICE-PRESIDENT  
AND TRUST OFFICER  
H. C. BURKE, JR., ASST. VICE-PRESIDENT  
AND ASST. TRUST OFFICER  
H. C. WALLEBERG, ASST. VICE-PRESIDENT  
ZETA GOSSETT, ASST. VICE-PRESIDENT  
JOHN H. ERIKSEN, CASHIER  
OSCAR VOGEL, ASST. CASHIER

FORT WORTH, TEXAS

April 7, 1937.

The Board of Directors,  
Tarrant County Water Control and  
Improvement District Number One,  
Fort Worth, Texas.

Re: Depository for your District

Gentlemen:

The writer, acting for the Continental National Bank of Fort Worth, Texas, holds before him the published advertisement circulated by your District in conformity to the law requiring your District to choose biennially an official statutory depository, to serve your District for the ensuing two years.

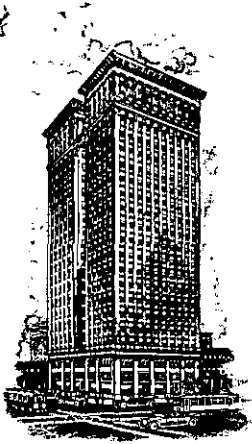
The present year is one in which such a choice must be made. The advertisement recites that, on tomorrow morning at 10:00 o'clock all banks and bankers of Tarrant County who desire to bid for selection as depository for your District must appear at the office of the District at 10:00 o'clock A.M. (on April 8, 1937) and there deliver to you their respective sealed bids, wherein they will present their proposals for service, which, among other things, under the provisions of the statute now in force with respect to the District (Art. 2546 of R.C.S. of 1925) will require that the award of contract for depository must be based upon that bid which offers to pay to the District the largest rate of interest per annum, computed upon the daily balances of the District, to be payable to the District monthly - this being the substance of the provisions here deemed material to the present proposal.

Having acted as Depository for your District for more than six years, we have desired to continue our service to the District and therefore will appear at the time and place stated, with a prepared and sealed bid to be delivered, opened and available to become the basis for award of the contract, in competition with such other bids as may be delivered to you; however;

In a conference with your attorneys, we have had presented to us certain suggestions on their part, which we, in substance, understand to be:

(a) In view of the amended National Banking Act (which will control all banks that are members of the Federal Reserve Banking System) our bank after midnight of August 23, 1937, can not lawfully pay to any owner of any "demand deposit" any interest thereon; (b) There have been pending in the legislature of Texas two or more bills introduced for the purpose of causing the state depository laws to be in harmony with the National Banking Act in the particular above specified; (c) There has been unexpected delay on the part of the legislature in enacting any bill which could offer any basis for harmonizing the





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OSCAR VOGEL, ASST. CASHIER

FORT WORTH, TEXAS

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State's depository laws with the law of the Federal Government above cited, for which reason; (d) Your attorneys have stated that they have endeavored to delay your procedures for the selection of a depository to serve for the remainder of the year 1937, all of the year 1938 and for sixty (60) days next after February 1939, in order to regulate your proceedings according to the new law, in case there is to be one, which cannot be doubted, and; (e) They have expressed to us their opinion (or fear) that your District cannot lawfully select a depository based upon a proposal for service which would provide that payment of interest on the daily balances to your credit in your "demand" deposits can not be paid after August 23, 1937: The conflict of such a proposal with your present law seems obvious.

There are certain other considerations which should be contemplated as the basis for controlling your procedures and our course in this matter, which are: Under the appropriate law and our existing contract with you, we must continue to serve you as a depository until a successor depository has been selected and has qualified; subject, however, to the contractual provision that we can not be compelled to serve for a period exceeding sixty (60) days next after the expiration of the period during which we were to have served you under the present contract, in the absence of a written consent on our part to so serve you: This letter will be firm evidence of our willingness to continue our service to you under the terms of the existing contract and to perpetuate its effectiveness until such time as a successor depository may validly be chosen without infringement of the National Banking Act or the administrative rulings thereunder and to be equally free from vice under such depository act as the legislature may provide; it being firmly acknowledged by you that we can not continue to pay you interest on the average daily balances on your "demand deposits" after midnight of August 23, 1937, however, to have the matter finally adjusted in a timely manner, our proposal for hold-over service as depository will end at midnight of July 31, 1937.

*J. J. Hampton*  
Grelona Hampton

We are delivering this letter in advance of your day for the receipt of bids, upon the suggestion of your attorneys, in order to place you in a position lawfully to delay your award of a depository contract, under your completed publication of notice therefor, and in conformity to the present statute, until such time as there may be certainty as to what course will clearly be lawful both for you and for this bank.

Respectfully,

CONTINENTAL NATIONAL BANK OF FORT WORTH, TEXAS

By

*[Signature]*  
Vice President

Attest:



*[Signature]*  
Cashier