

MINUTES OF A SPECIAL 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  
10TH DAY OF MARCH, 1949, AT 1:00 P.M.

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

PRESENT

Joe B. Hogsett  
Houston Hill  
Dan H. Priest  
W. L. Pier .

ABSENT

Gaylord J. Stone

Also present were Sidney L. Samuels, General Attorney, and C. L.  
McNair, General Manager.

Director Hogsett acted in his capacity as President,  
and Director Priest acted in his capacity as Secretary, whereupon  
proceedings were had and done, as follows:

1.

Thereupon, President Hogsett presented to the Board the  
contract in writing of the Continental National Bank of Fort Worth  
to act as the Depositary to the District; to serve in that capac-  
ity until February 28, 1951, or until a successor Depositary is  
selected and qualified.

The Board having received written advice from Sidney L.  
Samuels, General Attorney, concerning the qualification of the  
Continental National Bank of Fort Worth, Texas, to serve as De-  
postary of the District, in which he reports: "That all statu-  
tory requirements for the selection of the Depositary for the  
District have been well and truly complied with; that the executed

Depository Bond and Contract for Pledge of Collateral Security is in due and lawful form, and that the District lawfully may now designate said bank to serve as District Depository, subject only to the Directors of the District giving approval to the type, character and sufficiency of the securities described in "EXHIBIT No. 1", as the same appears attached to the Depository Bond and Contract for pledge of Collateral Security. The certified copy of the Minutes of the Meeting of the Board of Directors of said Continental National Bank, show authorization for the execution and delivery of said bond and contract as the act and deed of said Bank."

It appearing to the Directors that said instruments were and are in due form of law and the collateral having been delivered to Mr. Joe B . Hogsett, the Custodian of Collateral, who acts, and acted, for and on behalf of the District, it was therefore, ordered by the Board, all members concurring, that the Depository Bond and Contract for Pledge of Collateral Securities (to be made effective March 15, 1949) be accepted, approved and adopted.

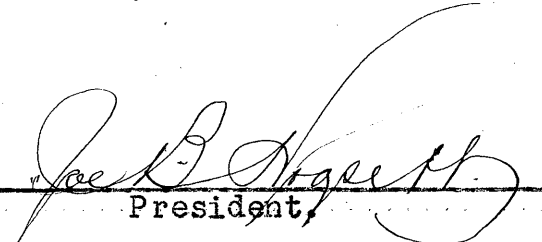
It was further ordered that one copy of said Contract with the Bond and Pledge be delivered to Mr. Joe B. Hogsett, President of the Board, and its Custodian of Pledges, to be held and kept by him in his capacity as such custodian. It was further ordered that a copy of all said instruments be attached to these Minutes and made a part hereof.

It was further ordered by the Board that the Cashier's

Check #238262 for \$1,000.00, dated March 7, 1949, payable to the order of the District, which accompanied the bid of the said Continental National Bank of Fort Worth, be endorsed payable to the order of the Continental National Bank, Fort Worth, Texas, without recourse on this District and delivered to said Bank for cancellation.

2.

The object of the Special Meeting having been accomplished, the meeting adjourned.

  
\_\_\_\_\_  
President.

  
\_\_\_\_\_  
Secretary.

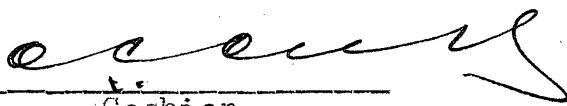
TO BE ATTACHED TO MINUTES OF A MEETING HELD ON MARCH 10, 1949,  
AT 1:00 P.M.

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March 18<sup>th</sup>, 1949.

RECEIVED from TARRANT COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NUMBER ONE, our Cashier's  
Check #238262, dated March 7, 1949, for  
\$1,000.00, which accompanied our proposal dated  
March 7, 1949, to act as Depositary for said  
District.

CONTINENTAL NATIONAL BANK,  
FORT WORTH, TEXAS.

By   
Cashier.

MAILED TO:

National Bank Examiner, Dallas, Texas.  
*401 Dallas National Bank Building,*  
TREASURY DEPARTMENT,  
Office of the  
Comptroller of the Currency.

December 2, 1949

The Continental National Bank of Fort Worth, Texas, delivered into the possession of Tarrant County Water Control and Improvement District Number One, Six Hundred Fifty Thousand (\$650,000.00) Dollars United States 2% Treasury Bonds of 1952/54 as pledge in lieu of other bond, to secure deposits of this District, in accordance with the terms of the Depositary Bond and Contract for pledge of collateral Security.

TARRANT COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NUMBER ONE.

By

  
Office Manager.

Fort Worth, Texas.

Dec. 2, 1949

DEPOSIT AND WITHDRAWAL

EXHIBIT NO. 2

(To be attached to Bond of Continental National Bank of Fort Worth, Fort Worth, Texas, to secure deposits of TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NO. ONE, as "Exhibit No. 2").

The following is a descriptive list of securities delivered by the Continental National Bank of Fort Worth, Fort Worth, Texas, pledged to secure deposits of Tarrant County Water Control And Improvement District Number One, on this 3rd day of November, A. D., 1949.

U. S. 2% Treasury Bonds of 1952/54 dated December 1, 1944 due December 15, 1954 with 12-15-49 and S. C. A.

Nos. 138712B, 140023C, 140611A, 140665E, 140911A at \$10,000.00 each....	\$ 50,000.00
Nos. 48614D, 57340L, 57535E, 57704D-06F at \$100,000.00 each.....	\$600,000.00
	<u>\$650,000.00</u>

(SIX HUNDRED FIFTY THOUSAND DOLLARS)

The foregoing securities, aggregating \$650,000.00, are pledged under bond of the Continental National Bank of Fort Worth, as District Depository of Funds of Tarrant County Water Control and Improvement District No. One: Bond dated March 8, 1949.

On this the 3rd day of November, 1949, The CONTINENTAL NATIONAL BANK OF FORT WORTH, FORT WORTH, TEXAS, hereby acknowledges receipt of Withdrawal of Securities heretofore pledged to secure TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT No. ONE: Said securities are described in Exhibit No. 1 attached to the bond of this bank, as the District's Depository, and the same are specifically described as follows:

U. S. 2-1/2% Treasury Bonds of 1967/72 ..... \$650,000.00

(SIX HUNDRED FIFTY THOUSAND DOLLARS)

THE WITHDRAWAL OF SECURITIES, as hereinabove set out, is due to the fact that the securities now under pledge are in excess of the amount required to adequately secure the District's deposits, and is in compliance with the law and provisions of the contract between the Bank and the District.

This RECEIPT is hereby designed as Exhibit No. 2 and is to be attached to the bond executed by said bank on March 8, 1949.

WITNESS OUR HANDS ON THIS THE 3rd DAY OF NOVEMBER, A. D., 1949.

CONTINENTAL NATIONAL BANK OF FORT WORTH

By J. Jacobson  
As Vice President

ATTEST:

[Signature]  
Cashier

THE ABOVE DESCRIBED SECURITIES DELIVERED & RECEIVED BY TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE.

By [Signature]  
As Custodian of Pledges

Fort Worth, Texas.

March 10, 1949.

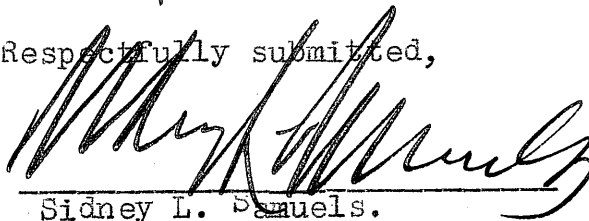
To the Board of Directors of  
Tarrant County Water Control and  
Improvement District Number One,  
502 Danciger Bldg.,  
Fort Worth, Texas.

Gentlemen:

Upon examination of the record concerning the qualification of the Continental National Bank of Fort Worth, Texas, to serve as Depository of your District, I find:

That all statutory requirements for the selection of the Depository for the District have been well and truly complied with; that the executed Depository Bond and Contract for Pledge of Collateral Security are in due and lawful form, and that the District lawfully may now designate said bank to serve as District Depository, subject only to the Directors of the District giving approval to the type, character and sufficiency of the securities described in "Exhibit No. 1", as the same appears attached to the Depository Bond and Contract for Pledge of Collateral Security. The certified copy of the Minutes of the Meeting of the Board of Directors of said Continental National Bank, show authorization for the execution and delivery of said bond and contract as the act and deed of said Bank.

Respectfully submitted,



Sidney L. Samuels.

DEPOSITARY  
BOND AND CONTRACT FOR  
PLEDGE OF COLLATERAL SECURITY.

1.

WHEREAS, the Continental National Bank of Fort Worth, Texas, a National banking association, having its domicile in the City of Fort Worth, Tarrant County, Texas, (hereinafter designated as "Bank") was selected and designated on March 8, 1949, by the Tarrant County Water Control and Improvement District Number One (hereinafter designated as "District") as the depositary for said District, which District is a body politic under the laws of the State of Texas; and whereas said Bank under said selection is to serve as such depositary in receiving and disbursing the moneys and funds of said District from the time of its qualification as such depositary to the time a successor depositary bank may qualify in the year 1951; and, whereas the said Bank now here seeks to qualify as such depositary by executing and delivering the within bond and securing the same by pledge of lawful collateral securities;

2.

Now, therefore: the said Continental National Bank of Fort Worth, Texas, now becomes firmly bound and held to pay to Tarrant County Water Control and Improvement District Number One, or to its successors or assigns, at its office in the City of Fort Worth, Tarrant County, Texas, the penal sum of Seven Hundred Thousand Dollars (\$700,000.00) for the payment of which said Bank does hereby bind itself, its successors and assigns:

This bond is conditioned that the said Bank will lawfully perform all duties and obligations as such depositary under the law applicable thereto and also shall perform other specific undertakings embraced in its tender of service



as depositary bank for the said District;

That it will pay all checks or vouchers legally drawn upon it, on presentation thereof; that it will faithfully keep an account of all funds or other things of value which may come into its hands as depositary bank for said District; and that all and singular the obligations, covenants and conditions set forth in this bond shall be kept, done and performed in the manner and way as may now or may hereafter be provided by the laws of the State of Texas governing such matters:

Upon the faithful performance of the foregoing, this bond shall have no further force or effect; but in case of default or breach in the performance of any one of said terms, covenants or conditions, this bond shall remain in full force and effect;

3.

To secure this bond, the said Bank being thereunto duly authorized by resolution of its Board of Directors does hereby pledge and actually deliver into pledge to said District, its successors and assigns, those securities which are particularly set forth in Exhibit No. 1 attached hereto and made a part hereof;

4.

In order to anticipate fluctuations in the amount of money which the District may at any time have on deposit, or may offer to deposit, in said Bank and the consequent fluctuations in the value of the securities which the District holds in pledge as security for the faithful performance of this bond; and further, to anticipate possible additions to or substitutions of the securities held in pledge by the District, it hereby is expressly stipulated that a specific description of the securities in pledge, or to be pledged, withdrawn from pledge or substituted in

pledge hereunder shall at all times be reflected in the records of the Depositary Bank, in the records of the District, and of the custodian of the pledged securities in the following manner, viz:

(a) There shall be executed at each such time a written accurate description of the additional securities to be pledged; or, the securities to be withdrawn from the pledge; or, in case of securities to be substituted, then of both the securities to be withdrawn and the securities to be substituted for such withdrawn securities:

(b) Such written description shall be verified and attested in triplicate by the appropriate officers of the parties hereto:

(c) Each such written descriptions so attested shall be kept and retained by each of said parties and the verified description retained by said District shall be attached to this Bond as an exhibit. Said attached exhibits shall be numbered in sequence and the same, and each of the same, shall thereupon become part of this Bond and shall have the same force and effect as though the securities so described had been specifically and originally described in the body of this bond. Further, the securities so placed under pledge shall thereupon become subject to all rights on behalf of the District in the same manner and to the same effect as though said securities had been delivered to said District at the time of the execution and delivery of the within Bond:

5.

It is further stipulated that the District shall have and exercise the right to require from time to time additional security or securities deemed by the District more

valuable in lieu of the securities specified in said Exhibit No. 1, but in all such instances, such securities shall be those permitted by appropriate law to be required from the said Bank. The discretion of the District, through its Board of Directors, with respect to the kind or sufficiency of the securities, the substitution thereof, or additions thereto, is recognized by the said Bank. These further stipulations are also made:

(a) Should default or breach on the part of said Bank occur under the terms of these articles, the District, through its Board of Directors, may, with or without notice, to the Bank, its successors or assigns, proceed to effect the sale and delivery of securities or so much thereof as may be deemed requisite to make the District whole, including any reasonable expense incurred in taking such step and in making sale. The District shall choose the way and manner of making sale to the end that the best results may be reasonably attained. But neither the District nor its Board of Directors shall incur liability in such proceeding save for actual fraud, or arbitrary disregard of the welfare of said Bank. In the event, after settling the demands of the District, any surplus remains from such sale, the same shall be delivered to the said Bank or its successors or assigns but only in the event that the District has been made whole and that no necessity exists for keeping such proceeds in pledge to secure any other obligation of the Bank hereunder. In making the District "whole" there shall be included any loss, injury, damage or liability of whatsoever nature or kind suffered by the said District by or through any wrongful act, conduct, omission, negligence, tort, or default by said Bank, its employees, agents, successors or assigns and also whatever expense incurred by the District in prosecuting its claim or claims.

6.

All securities for the protection of the District whether now or hereafter pledged shall be kept in a fire and burglar proof vault, safe, or deposit box, the master combination or key of which shall be held and kept during the period of this contract by the Directors of the District or by some person in the employ of the said District thereunto duly authorized by its Directors. Such vault, safe, deposit box, or container shall be situated on the premises of the Fort Worth National Bank in the City of Fort Worth, Tarrant County, Texas, and any loss, depreciation, injury, or damage that may be occasioned to such bonds or securities, or any of them, so contained therein shall be borne by said Depository Bank and not by said District, save and except in cases where the action of said District or someone by it duly authorized shall have directly produced such result. It is further stipulated that said custodian of pledges shall not be liable to either said Depository Bank or to said District, by reason of the custody or securities to be deposited hereunder, save and except where such liability may arise through the failure to exercise ordinary care or caution, or through the wrongful appropriation of the deposited securities by its own officers or employees. It is expressly provided, however, that said Depository Bank reserves the right and privilege to have said securities under dual lock or combination control and to have its Cashier or other officer of the Bank actually present whenever at any time, before default, the District or any one representing it, is to open said safe, vault, deposit-box or container for any purpose whatsoever. This provision, however, shall be effective only for such time as there has been no default committed by said Deposi-

tary Bank: From and after this date such bonds or securities shall be deemed to be in the exclusive possession and control of the District: Further in case of default, said Depository Bank hereby does expressly authorize the said Fort Worth National Bank upon whose premises said securities are to be kept to admit the District, upon demand, to the instant actual opening and taking of the pledged securities without the further consent or presence of any officer, agent or other representative of this the Depository Bank. This provision shall not be construed to alter or discredit the fact that the District is and shall at all times be in the exclusive actual possession and control of the bonds and securities placed in pledge hereunder: This the Depository Bank is not now, and shall not be in any sense, in possession or control (to include both actual and constructive possession and control) of the collateral security pledged under this contract, and upon which a lien hereby is created.

In the event that any part of said bonds or securities should be lost, misplaced or stolen; or otherwise appropriated without the written consent of the Board of Directors of said District; then the said Depository Bank shall be required and it hereby is made its duty as speedily as possible to replace the same or their equivalent to the satisfaction of the Directors of said District. It is provided, however, that if said District shall determine the safe, vault, deposit box or container so selected for the safe keeping of said bonds and securities, to be unfit for such purpose, or insecure, then such securities or bonds may be kept in some other safe place to be both fit and secure under the exclusive control of said District. The selection of such other place of deposit shall be made by said District on the one hand and by the said Depository Bank on the other; and in the event agreement

cannot be had for such arrangement, then the two parties shall select a third person and the majority shall control the designation.

It is further agreed that said District will during the life of this obligation permit this the Depository Bank to withdraw such part of pledged collateral bonds at such time as there may reasonably appear to be a substantial and unrequired excess in value of such securities. It is further agreed that subject to approval of the District that bonds once pledged as collateral may be substituted in whole or in part by other bonds or securities of equal value or amount and lawful eligibility for the bonds to be withdrawn.

It is further stipulated that if at any time it should appear to the Board of Directors of said District that all or any part of the securities held hereunder have depreciated in value so as to render said District unsafe, then and in that event, the Depository Bank herein shall be required, and it shall be its duty immediately to provide and substitute other securities found to be adequate, lawful, valid, collectible securities of intrinsic value equal to those so adjudged to be unsafe or insufficient.

It is further agreed that said Depository Bank may collect any maturing bond, having made required substitution therefor, under the terms of substitution as are provided in the foregoing paragraph. It is further agreed that said depository Bank may at all times before default collect all maturing interest on said securities, but in no event shall the value of said security fall below the full amount of the deposits or securities which said District may have with said Depository. It is further stipulated that all other and further bonds which may be executed by said Bank and all other and further securities pledged by said bank as collateral.

shall together with this contract constitute one entire transaction and be treated as such.


The execution of these presents and the doing of all other things incident to the present undertaking, have been and are authorized by resolution of the Board of Directors of the said Continental National Bank of Fort Worth, Texas, (hereinabove referred to as "Bank"), which resolution has been spread on the Minutes of said Bank in accordance with the action had and done at the meeting of its Board of Directors held on this the 8th day of March, A. D. 1949, as appears by the certified copy of the Minutes of said meeting, which shall be held herewith and constituted part hereof.

IN WITNESS WHEREOF, the said Continental National Bank of Fort Worth, has caused these presents to be signed in its name and as its act and deed by its President and has caused its corporate seal to be hereon duly impressed on the 8<sup>th</sup> day of March, A. D. 1949. (Three identicals executed).

CONTINENTAL NATIONAL BANK OF

FORT WORTH.

ATTEST:

  
Cashier.

By x

  
President.

DEPOSIT OF SECURITIES IN PLEDGE

EXHIBIT No. 1.

To be attached as Exhibit No. 1, to the "Depository Bond and Contract for pledge of Collateral Security", of CONTINENTAL NATIONAL BANK OF FORT WORTH, FORT WORTH, TEXAS, dated March 8, 1949, to secure deposits of TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE.

The following is a descriptive list of Securities delivered by the CONTINENTAL NATIONAL BANK OF FORT WORTH, FORT WORTH, TEXAS, as pledge in lieu of other bond to secure deposits of TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE.

United States 2½% Treasury Bonds of 1967/72  
Dated October 21, 1941, due September 15, 1972,  
with September 15, 1949, and S. C. A.

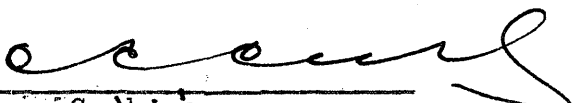
# 75183 C )		
# 75184 D )		
# 75185 E )	5 Bonds @ \$10,000.00 each	\$ 50,000.00
# 75186 G )		
# 75187 H )		
# 22324 D )		
# 22325 E )		
# 22551 A )	6 Bonds @ \$100,000.00 each	<u>600,000.00</u>
# 22552 B )		
# 22588 J )		
# 22772 B )		
TOTAL (SIX HUNDRED FIFTY THOUSAND DOLLARS)		\$ 650,000.00

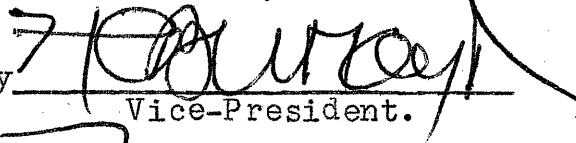
This Schedule is designated as "EXHIBIT No. 1", and shall be attached to the Depository Bond and Contract for pledge of Collateral Security", of Continental National Bank, dated March 8, 1949, to secure deposits of Tarrant County Water Control and Improvement District Number One.

WITNESS OUR HANDS on this the 8th day of March, 1949.

ATTEST:

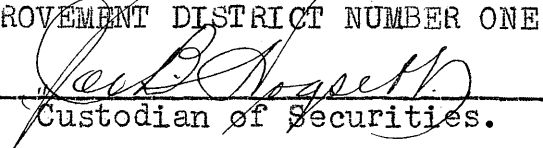
CONTINENTAL NATIONAL BANK OF  
FORT WORTH, TEXAS.

  
\_\_\_\_\_  
Cashier.

By   
\_\_\_\_\_  
Vice-President.

The Securities above described have been delivered into the possession of TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE, and have been approved as good and sufficient under the law.

TARRANT COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NUMBER ONE.

By   
\_\_\_\_\_  
Custodian of Securities.



STATE OF TEXAS  
TARRANT COUNTY



BEFORE ME, the undersigned authority, on this

day personally appeared Ed H. Winton, known to me to be the person whose name is subscribed to the foregoing instrument of writing, and acknowledged to me that he executed the same for the purposes and consideration therein expressed in his capacity as therein stated and as the duly authorized act and deed of the said Continental National Bank of Fort Worth, Texas.

IN WITNESS WHEREOF, I have hereunto subscribed my name and have impressed my Notarial Seal in the City of Fort Worth, Tarrant County, Texas, on the 9th day of March, A. D. 1949.

Ruth Harkrider (Ruth Harkrider)  
Notary Public in and for Tarrant  
County, Texas.

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THE FOREGOING contract as executed is hereby approved, adopted and made effective on this the 15th day of March A. D. 1949.

ATTEST:

San Priest  
Secretary.

TARRANT COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NUMBER ONE.

By Jack B. Noquest  
President.