

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF CONTINENTAL NATIONAL BANK OF FORT WORTH, FORT WORTH, TEXAS, A NATIONAL BANKING CORPORATION, HELD AT ITS OFFICE AND DOMICILE IN THE CITY OF FORT WORTH, TARRANT COUNTY, TEXAS, ON THE 12TH DAY OF MAY, A. D. 1953.

The call of the roll disclosed the presence of Directors, constituting more than a quorum, as follows:

Lionel W. Bevan
Raymond E. Buck
William A. Colley
A. J. Duncan
Jess M. Fry
E. P. Halton
Donald L. Hutt
Fred Korth
W. A. Landreth
Dan Levy
A. P. Mitchell
Otto W. Monnig
C. K. Shannon, Jr.
W. K. Stripling
W. K. Stripling, Jr.
George Thompson, Jr.
J. Mac Thompson
Oscar Vogel
H. H. Wilkinson
Glen Woodson

Director George Thompson, Jr. acted in the capacity as Chairman, and presided over the meeting; ~~Director~~ L. C. Mersfelder acted in his capacity as Secretary.

A quorum being present, the following proceedings were had and done, as follows:

1.

The Chairman stated that the object of the meeting was to announce to the Directors, that on May 5, 1953, the Directors

of Tarrant County Water Control and Improvement District Number One, subject only to lawful qualification, had selected this Bank as its designated Depository, and to authorize and execute certain proceedings which are now necessary, and which will hereafter become necessary, in order to enable Continental National Bank of Fort Worth, Fort Worth, Texas, to comply with the requirements of the law, whereby this Bank may become qualified as the Depository for Tarrant County Water Control and Improvement District Number One, to serve said District as such Depository Bank until February 28, 1955, or until a successor Depository Bank can be selected and qualified under the law. He thereupon presented to the Directors, a proposed resolution which is in words, figures and symbols as follows, viz:

"There have been presented to the Directors here assembled certain instruments in writing, as follows:

1. A proposal from this Bank to serve said District as a Depository and bearing date the 1st day of May, 1953;
2. A proposed Depository Bond for the penal sum One Million Fifty Thousand (\$1,050,000.00) Dollars, embracing a proposed contract for the Pledge of Collateral Securities, wherein this Bank is Obligor and Tarrant County Water Control and Improvement District Number One is Obligee:

Said instruments as presented now constitute a record of this Bank, and the same here are referred to, to the same effect as though they were embodied herein.

The terms and conditions of said dual purpose instruments are well known to each and all of the Directors present, and we do hereby approve, ratify and confirm each and all of the provisions of said designated written instruments as being such as should be executed by the appropriate officers of this Bank, in the name of this Bank and as the act, deed and obligation of this Bank, to the end that this Bank may be established as the lawful official depository for said District.

It is anticipated that said District will require the delivery in pledge of bonds and other securities which lawfully may be approved by the Directors of said District as security for said bond;

further that, the security to be placed in pledge shall not in any event be less in value than the amount which said District may at any time desire to place on deposit in this Bank. It is expressly provided that additional bond, and further security, and, or, other security, will be furnished by this Bank at all times as and when the same should be furnished.

NOW, Therefore, be it resolved by this Board of Directors:

(1) That the qualified officers of this Bank hereby are authorized to execute and deliver to the Directors of said District the appropriate Depositary Bond and Contract for Pledge of Collateral Security, herein referred to:

(2) That the appropriate officers of this Bank do, subject to the approval by the Board of Directors of said District, deliver into the absolute possession and control of said District, as pledges for the security of said bond, negotiable bonds and securities eligible under the law and required by the District. We hereby do authorize the withdrawal from pledge, and, or, the substitution in pledge of other collateral securities, and, or, the giving into pledge of other or additional collateral bonds and securities, as and when the same may be required to be done in order to make effectual the provisions and intent of said bond and contract. We hereby do authorize the duly constituted officers of this bank, in the name and as the act of the Bank to do any and all things now required, and as well those things which hereafter may be required, in order to comply with the terms and intent of said bond and contract: These things they may do without other and further action by this Board of Directors: The said officers of this Bank hereby are directed to exercise their judgement and discretion in regard to all matters required to be done hereunder, and we do hereby in all things ratify and confirm any and all acts which the appropriate officers of this Bank may do with respect to the contract with said District and the bond in connection therewith and the pledge to the District of the collateral securities required by said District from time to time to safeguard the repayment of any and all funds, moneys and other things of value deposited and placed in the custody of this

Bank as the Depository of the District.

Upon the reading of said resolution and proposed order based thereon Director A. J. Duncan made a motion that the same do be adopted as the act and deed of the Bank. This motion was seconded by Director Otto W. Monnig; Thereupon, the motion was put to a vote and the following named Directors voted for the motion, viz:

<u>Lionel W. Bevan</u>	<u>A. P. Mitchell</u>
<u>Raymond E. Buck</u>	<u>Otto W. Monnig</u>
<u>William A. Colley</u>	<u>O. K. Shannon, Jr.</u>
<u>A. J. Duncan</u>	<u>W. K. Stripling</u>
<u>Jess M. Fry</u>	<u>W. K. Stripling, Jr.</u>
<u>E. P. Halton</u>	<u>George Thompson, Jr.</u>
<u>Donald L. Hutt</u>	<u>J. Mac Thompson</u>
<u>Fred Korth</u>	<u>Oscar Vogel</u>
<u>W. A. Landreth</u>	<u>H. H. Wilkinson</u>
<u>Dan Levy</u>	<u>Glen Woodson</u>

No Director voted against the motion. Thereupon said resolution was declared to be unanimously carried. It is ordered that said resolution become a Minute Record of this Board of Directors; further, that a certified copy of these Minutes do be delivered to the Directors of Tarrant County Water Control and Improvement District Number One.

CONTINENTAL NATIONAL BANK OF FORT WORTH,
FORT WORTH, TEXAS

By *George Thompson* President. By *L. C. Mersfelder* Secretary.

I, L. C. Mersfelder, Secretary of the Board of Directors of the Continental National Bank of Fort Worth, Fort Worth, Texas, do hereby certify that the above and foregoing is a true copy of the Minutes of the Meeting held on the 12th day of May, 1953, by the Board of Directors of this Bank.

L. C. Mersfelder
Secretary.

DEPOSITARY
BOND AND CONTRACT FOR
PLEDGE OF COLLATERAL SECURITY.

1.

WHEREAS, the Continental National Bank of Fort Worth, 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 May 5, 1953, 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 1955; 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, 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 One Million Fifty Thousand (\$1,050,000.00) Dollars, (to be increased or lowered by fluctuations in the amount of deposits of the District, as hereinafter explained and set forth), 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 deposi-

tary 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 Depository 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.

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, removed, withdrawn, 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 pledged collateral security fall below the full amount of the deposits of moneys 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.

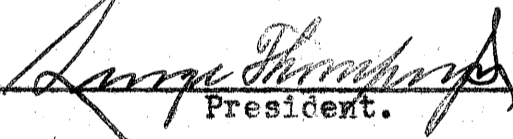
The execution of these presents and the doing of all other things incident to the present undertaking, have been and are authorized by resolution of the Board of Directors of the said Continental National Bank of Fort Worth, Fort Worth, Texas, (hereinaabove referred to as "Bank"), which resolution has 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 12th day of May, A. D. 1953, 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, Fort Worth, Texas, 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 thereon duly impressed on the 12th day of May, A.D. 1953. (Three identicals executed).


CONTINENTAL NATIONAL BANK OF FORT WORTH,
FORT WORTH, TEXAS.

ATTEST:

By



President.

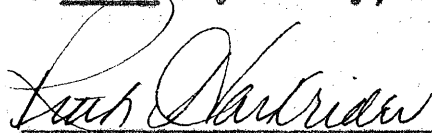


Cashier.

STATE OF TEXAS
COUNTY OF TARRANT

BEFORE ME, the undersigned authority, on this day personally appeared George Thompson, Jr., 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, 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 13th day of May, A.D. 1953.



RUTH HARKRIDER
Notary Public in and for Tarrant
County, Texas.

THE FOREGOING contract as executed is hereby approved, adopted and made effective on this the 19th day of May, A.D. 1953.

TARRANT COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NUMBER ONE.

ATTEST:

By 
President.


Secretary.

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 May 12, 1953, 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 2% Treasury Bonds of 1952/54
dated December 1, 1944, due December 15,
1954 with June 15, 1953 and S. C. A.

Bonds #138712B, 140023C, 140611A, 140665E, 140911A
5 Bonds @ \$10,000.00 each \$ 50,000.00

Bonds #48614D, 57340L, 57535E, 57704D, 57705E, 57706F
6 Bonds @ \$100,000.00 each 600,000.00

United States 1-3/8% Treasury Notes Series
A-1954 dated December 15, 1949, due March
15, 1954, with September 15, 1953 and S.C.A.

Treasury Notes #8540, 8541, 8542, 8543
4 Treasury Notes @ \$100,000.00 each 400,000.00

TOTAL (ONE MILLION FIFTY THOUSAND DOLLARS) \$ 1,050,000.00

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 of Fort Worth, Fort Worth, Texas, dated May 12, 1953, to secure deposits of Tarrant County Water Control and Improvement District Number One.

WITNESS OUR HANDS on this the 12th day of May, 1953.

CONTINENTAL NATIONAL BANK OF FORT WORTH,
FORT WORTH, TEXAS.

ATTEST:

[Signature]
Cashier.

By *[Signature]*
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 *[Signature]*
Custodian of Securities.

FORT WORTH PRESS COMPANY
AFFIDAVIT OF PUBLICATION

THE STATE OF TEXAS }
COUNTY OF TARRANT } ss.

BEFORE ME, the undersigned, a Notary Public in and for said County, State of Texas, on this day personally appeared ... Margie Smith to me well known, who, after being by me duly sworn, states as follows:

NOTICE TO ALL BANKS AND BANKERS OF TARRANT COUNTY, TEXAS

Notice for bids for depository for Tarrant County Water Control and Improvement District Number One. The District at its office, 402 Dancer Building, Fort Worth, Texas, at any time between the hours of 10:00 A.M. and 1:00 P.M. on the 5th day of May, 1953, will receive sealed bids on which to base the selection of a statutory banking depository to serve the District until a successor banking depository is selected in the year 1955, in time and manner as provided by law. Forms for such bids may be had on application at the District's office, as well as all other information material for the placing of valid and lawful bids. All sealed bids so received shall be publicly opened and read aloud by the Directors in the office of the District at 1:30 P.M. on the 5th day of May, 1953, or as soon thereafter as practicable, and award will be made as provided by law. Witness the execution hereof, this 14th day of April, 1953.

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE.
Joa B. Hogsett, President.

THAT, she 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:

April 18, April 25, May 2, 1953 carried advertising referring to
Tarrant County Water Control Improvement District No. 1

a true copy of which is attached hereto.

Margie Smith

SUBSCRIBED and sworn to before me, this... 13

day of..... May A. D. 19 53..

Martin L. Ethridge
Notary Public In and For Tarrant County, Texas.

Martin L. Ethridge