

MINUTES OF A REGULAR MEETING OF THE BOARD OF DIRECTORS OF
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE
HELD IN THE DISTRICT OFFICE ON MAY 26, 1930, 3 O'CLOCK P.M.

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

PRESENT:

- W. R. Bennett
- C. A. Hickman
- Joe B. Hogsett
- W. K. Stripling

ABSENT:

- E. E. Bewley, out of city.

W. R. Bennett presided in his capacity as President; Director Stripling acted in his capacity as Secretary.

At this time and place the following proceedings were had and done, viz:

1. The Minutes of the Meeting of May 19, 1930, and the Minutes of the Called Meeting of May 23, 1930, were read, approved, and ordered of record.

2. Messrs. D. J. Porter and C. E. Farmer, representing a Committee of the Depositors of the Texas National Bank, now in the hands of the Receiver, appeared before the Directors to present the request that this District place with the Receiver of the Bank the proceeds of securities heretofore sold by the District, to protect it in replacing its funds theretofore on Deposit with the Texas National Bank, as the District's Official Depository. This request was based on a letter written to this District by Mr. D. J. Porter, on May 22, 1930. Said letter is attached to these Minutes as "Exhibit A", and is made part hereof. Both Mr. Porter and Mr. Farmer made oral argument to support the demand contained in the letter. At the conclusion of their argument, it was stated by President Bennett that the request involved purely matters of law: he stated that the discretion of the Directors would be strictly confined within the limits of the liability of the District, as a matter of law; He therefore requested Mr. C. E. Farmer, as Attorney for the Depositors' Committee, to present a brief of his authorities in support of the demand, in order that the same might be submitted to the Attorneys of the District, who would investigate the same in order to determine whether or not the brief might justify them in reaching a conclusion different from the opinion heretofore rendered by the Attorneys for the District to the Board of Directors. Mr. Farmer agreed to present such a brief, and he and Mr. Porter thereupon retired.

3. Director Hogsett presented a request of the Continental National Bank, the District's Depository, to withdraw from pledge certain securities, aggregating the sum \$105,000.00, and to substitute in lieu of the securities proposed to be withdrawn, certain securities in the sum of \$140,000.00. A specific description of the securities proposed to be withdrawn, and those proposed to be substituted, is attached to these minutes as "Exhibit B", and is here made part hereof. Director Hogsett, as a member of the Finance Committee,

reported that in his opinion the request should be granted, and that the District's balance, as of this date, would be amply secured in case the request was granted. He thereupon moved that the request, as made, do be granted, authorized, and that multiple reciprocal receipts in the usual form do be executed in the usual manner, and that one of said receipts be attached to these Minutes as "Exhibit C", and that one do be attached to the original bond of the Depository, as is provided for by the bond. Further, that Director Bewley, upon his return to the city, do be authorized to deliver the securities proposed to be withdrawn and to take into his possession the securities proposed to be substituted; further, that he be authorized to execute the reciprocal receipt, as hereby provided for. This motion was seconded by Director Stripling. Upon a vote being taken, the motion was carried and it is so ordered.

4. Thereupon, there was presented to the Directors a bond, executed by the Trinity Farm Construction Company, Inc., as Principal, and the American Surety Company, of New York, as Surety, for the sum of \$11,068.98, which bond was tendered to the District under the provisions of Chapter 78, Acts of the 41st Legislature of Texas, Second Called Session, whereby it is provided that moneys deducted from an estimate due to a Contractor, to cover labor and material claims, may, and shall, be paid over to the Contractors, in advance of the time the claims may have been litigated and determined. Said original bond is attached to these Minutes as "Exhibit D", and is hereby referred to as a part hereof. Upon consideration of the bond, Director Hogsett made a motion that the District do approve the bond being tendered, as good and sufficient under the law; further, that the District do execute and deliver to the Contractors its voucher check No. 2103, for the sum of \$5534.49, and that the amount of the check be charged to the Contractors, as payment made. This motion was seconded by Director Stripling. Upon a vote being taken the motion was carried and it was so ordered; the check was executed and ordered delivered.

5. Thereupon there was presented to the Directors a verified claim, filed by Kaker Bros of Bridgeport, Texas, wherein they set up that H. H. Lemon, subcontractor on the District's works, was indebted to them in the sum \$136.81. Upon consideration of this claim, Director Hogsett moved that the claim be received, and filed, that the contractors be advised of the claim, and that the amount of the claim be deducted from the next Engineers' Estimate of the amount to become due and payable to the Contractors. This motion was seconded by Director Stripling. Upon a vote being taken, the motion was carried and it is so ordered.


6. Thereupon there were presented to the Directors District Voucher Checks, to cover sums now due and payable by the District, as follows, viz:

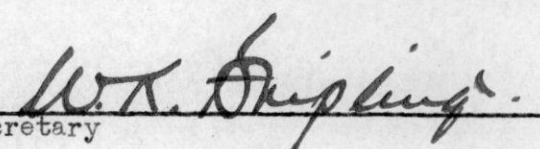
<u>NUMBER</u>	<u>NAME</u>	<u>COVERING</u>	<u>AMOUNT</u>
2098	Wm. R. Cunningham	Land Purchase	\$10713.75
2099	C. E. Cunningham, Guardian	Land Purchase	500.00
2100	Tom Parish, et ux	Land Purchase	11486.85
2101	Jacksboro Natl. Bank Acct. of S. Castleberry	Land Purchase	5454.00
2102	E. F. Liles	Rebate of Rent	8.25
2103	Trinity Farm Const. Co., Inc. McKenzie Const. Co. & Uvalde Const. Co.	Release of Reserve	5534.49

Upon examination of each of these accounts, and the vouchers to support the same, Director Hickman made a motion that the stated accounts do be allowed, as accounts now due and payable by the District, and that each of the checks do be executed, and delivered to the respective persons entitled to receive the same. This motion was seconded by Director Hogsett. Upon a vote being taken the motion was carried and it is so ordered.

7. REPORT OF LAND COMMITTEE: Director Hickman, Chairman of the Land Committee, presented a proposed contract by the District and J. R. Walker and wife, covering 31.28 acres of land, situated in Tarrant County, Texas, consideration to be \$65.00 per acre, the exact quantity of land to be certified by the District Engineers. Under this proposed contract the District was to have immediate possession of the land upon closing of the purchase. Written contract is in file. Upon consideration of this proposed contract, Director Hickman made a motion that the purchase, as proposed, do be approved, and authorized, subject only to the usual procedures for the delivery of valid title. This motion was seconded by Director Hogsett. Upon a vote being taken the motion was carried and it is so ordered.

There being no further business presented, the meeting was adjourned.


As President


As Secretary

"EXHIBIT C"
5/26/30.

"EXHIBIT 6"

WITHDRAWAL OF SECURITIES AND SUBSTITUTION
OF SECURITIES

ON THIS THE 26TH DAY OF MAY, 1930, The Continental National Bank of Fort Worth, Texas, hereby acknowledges receipt of withdrawal of Securities heretofore pledged to secure Tarrant County Water Control and Improvement District Number One. Said securities are described in "Exhibit 2" attached to the bond of this Bank, as the District's Depository, and the same are specifically described as follows, viz:

UNITED STATES $3\frac{1}{2}\%$ TREASURY NOTES, SERIES A-1930-32:	
Nos. J00014319, K-20, A-21, B-22, C00014323,	
D-24, E-25, F-26 @ \$5,000.00 each	\$40,000.00
No. A00031171 @ \$10,000.00 each	10,000.00
UNITED STATES $3\frac{1}{2}\%$ TREASURY NOTES, SERIES B-1930-32:	
Nos. K00000590, A-91, d-94 @ \$5,000.00 each	
	15,000.00
UNITED STATES $3\frac{1}{2}\%$ TREASURY NOTES, SERIES C-1930-32:	
Nos. 3C, 7448J, \$5,000.00 and \$10,000.00 respectively . . .	
	15,000.00
UNITED STATES $3\frac{1}{2}\%$ TREASURY NOTES, SERIES a-1930-32:	
Nos. H00001118, B00001562, C-63, \$5,000.00, \$10,000.00 and	
\$10,000.00 respectively	25,000.00
	<hr/>
	\$105,000.00

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE, as of this date, does acknowledge the receipt from the Continental National Bank of Fort Worth, Texas, to be deposited as collateral to secure the bond of said Bank as the Depository of this District, securities specifically described as follows, viz:

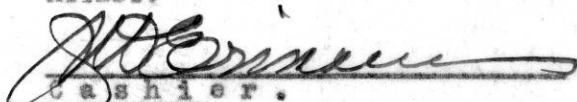
UNITED STATES FOURTH $4\frac{1}{2}\%$ LIBERTY LOAN GOLD BONDS OF 1933-38:	
Nos. J00323899, K900, A901 @ \$10,000.00 each	
	\$ 30,000.00

The withdrawal of securities and the substitution of securities as hereinabove related is in compliance with the terms of the Bond executed by the Continental National Bank on March 12, 1930, as an Official Depository of this District.

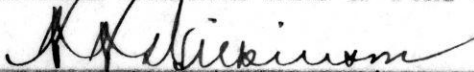
THIS RECIPROCAL RECEIPT is hereby designated as "Exhibit 6", and is to be attached to the Bond executed by said Bank on March 12, 1930.

WITNESS OUR HANDS on this the 26th day of May, A.D. 1930.

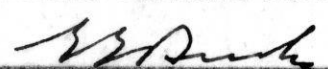
ATTEST:


Cashier.

CONTINENTAL NATIONAL BANK OF FORT WORTH,

BY: 
As President

TARRANT COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT NUMBER ONE,

BY: 
Custodian of Pledge.

AUTHORITY OF SIGNERS FOR SURETY

Transcript from the Record Book of the Board of Trustees of the American Surety Company of New York

"A meeting of the Board of Trustees of the AMERICAN SURETY COMPANY OF NEW YORK was held at the office of the Company, No. 100 Broadway, New York City, on Tuesday, January 21, 1930, at twelve o'clock noon.

* * * * *

"The Secretary read the report of the Nominating Committee as follows:

"To the Board of Trustees of

American Surety Company of New York.

Gentlemen:

"The Nominating Committee appointed by the Executive Committee of this Company at its meeting held Tuesday, November 26, 1929, for the purpose of nominating*** Officers of the Company, *** for the ensuing year and until their successors are elected, begs leave to report as follows:

"We nominate for * * * * *

PLACE	RESIDENT VICE PRESIDENTS	RESIDENT ASSISTANT SECRETARIES
Dallas, Texas	F. T. Anderson	F. T. Anderson
	Sam P. Cochran	H. G. Ericson
	Melvin D. George	✓ Melvin D. George
	E. R. Gregory	E. R. Gregory
	Don Houseman	F. H. Juergens
	Jacob Pfeiffer	M. Martenson
	C. P. Sheldon	Jacob Pfeiffer
	L. A. Stemmons	R. E. Pummill
	✓ E. A. Teague	M. M. Shafer
		C. P. Sheldon
		✓ E. A. Teague
		V. L. Waggoner

* * * * *

"WHEREUPON, it was

"RESOLVED, That the Secretary be authorized to cast one ballot, on behalf of the Trustees present, for the members of the Executive Committee, Finance Committee, Committee on Accounts, Committee on Capital Box, Officers and Counsel, as recommended by the Nominating Committee, for the ensuing year and until their successors are elected.

"The ballot was cast by the Secretary, whereupon the Chairman declared the aforementioned persons to have been unanimously elected to their respective offices for the ensuing year and until their successors are elected.

* * * * *

' The following resolution was duly adopted:

"RESOLVED, That the President, the Vice Presidents and the Resident Vice Presidents be, and they hereby are, and each of them is hereby, authorized and empowered to execute and deliver any and all surety bonds and undertakings for or on behalf of this Company, in its business and in accordance with its Charter; such bonds and undertakings to have in every instance, however, the seal of this Company affixed thereto, and to be attested by the signature of the Secretary, an Assistant Secretary, or a Resident Assistant Secretary of this Company."

* * * * *

STATE OF NEW YORK,

COUNTY OF NEW YORK,

I, F. A. O'CONNELL,

} ss.:

Assistant Secretary of the AMERICAN SURETY COMPANY OF NEW YORK, do hereby certify that I have compared the foregoing transcripts from the Record Book of the Board of Trustees of the AMERICAN SURETY COMPANY OF NEW YORK, with the original record of said Board, and that the same are correct transcripts from said Record Book.

And I further certify that I have compared the foregoing transcripts of resolutions with the originals thereof as recorded in the Record Book of the Board of Trustees of said Company, and do certify that the same are true and correct transcripts therefrom, and of the whole of said original resolutions; and that the said resolutions have not been revoked or rescinded.

Given under my hand and the seal of the Company, at the City of New York this 22nd day of January, 1930.

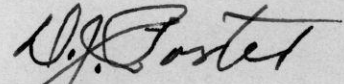
F. A. O'Connell
ASSISTANT SECRETARY.

It may be that you gentlemen consider this a ridiculous situation that anyone might think your deposit was illegally secured and, therefore, not secured at all. If so, you can console yourselves with the thought that a large number of other depositors thought everything was lovely in the safety of their deposits.

At any rate, I want to make the purpose of this letter perfectly clear. I am calling upon you to put your money back with ours, and I am giving you a fair chance to do so. Therefore, if a contest is made out of this matter you must shoulder the blame therefor.

Believing you know this is respectfully submitted, and that we are awaiting your prompt reply, I am

Very truly yours,



D. J. Porter,
Chairman Depositors Association.

Headquarters:
815 Texas National Bldg.

May 23, 1930.

Mr. D. J. Porter, Chairman
Depositors Association
815 Texas National Bldg.
Ft. Worth, Texas

Dear Sir:

Acknowledging your letter of May 22nd:

Your letter will be submitted to the
Water Board for consideration at the meeting
Monday afternoon, May 26th.

In the event the Board takes any action you
will be promptly notified.

Yours very truly,

WUB:lm

President
TAARRANT COUNTY WATER CONTROL AND
IMPROVEMENT DISTRICT #1

MAY 26 1930



PLEASE ADDRESS YOUR REPLY TO WRITER

"EXHIBIT B"
5/26/30.

CONTINENTAL NATIONAL BANK

OF FORT WORTH

CAPITAL \$ 750,000 — SURPLUS \$ 250,000

FORT WORTH, TEXAS

May 26, 1930.

J. G. WILKINSON, CHAIRMAN
H. H. WILKINSON, PRESIDENT
A. E. THOMAS, VICE-PRESIDENT
ED. H. WINTON, VICE-PRESIDENT
J. E. WILLIS, VICE-PRESIDENT AND TRUST OFFICER
H. C. BURKE, JR., ASST. VICE-PRESIDENT AND ASST. TRUST OFFICER
H. C. WALLEMBERG, ASST. VICE-PRESIDENT
JOHN H. ERIKSEN, CASHIER
OSCAR VOGEL, ASST. CASHIER
V. M. BLAKELY, ASST. CASHIER

Board of Directors,
Tarrant County Water Control and
Improvement District Number One,
Fort Worth, T e x a s.

Gentlemen:-

The balances to the credit of the Tarrant County Water Control and Improvement District Number One, as reflected by our books, as of close of business May 24, 1930, were as follows:

Construction Fund	\$ 886,523.36
Interest & Sinking Fund	93,290.24 ✓

a total of \$979,813.60, to secure which you are holding at this time Government Securities of the par value of \$1,060,000.00. ✓

Accordingly, we submit herewith for your approval our application to take down the following United States Treasury Notes out of our pledge described as "Exhibit 2", dated March 13, 1930:

U.S. 3 1/2%, Treasury Notes, Series A-1930-32:	
Nos. J00014319, K-20, A-21, B-22, C00014323,	
B-24, E-25, F-26 @ \$5,000.00 each	\$40,000.00
No. A00031171 @ \$10,000.00	10,000.00
U.S. 3 1/2%, Treasury Notes, Series B-1930-32:	
Nos. K00000590, A-91, D-94 @ \$5,000.00 each	15,000.00
U.S. 3 1/2%, Treasury Notes, Series C-1930-32:	
Nos. 3C, 7448J, \$5,000 & \$10,000 res.	15,000.00
Total	\$80,000.00

In addition, we would like to take down, out of the above described Exhibit, the following U. S. Treasury Notes:

U.S. 3 1/2%, Treasury Notes, Series A-1930-32:	
Nos. H00001118, B00001562, C-63	\$25,000.00
and give you in substitution therefor, the following :	
U.S. Fourth, 4 1/2%, Liberty Loan Gold Bonds of 1933-38:	
J00323899-K900-A901 @ \$10,000 each	\$30,000.00

Respectfully submitted,

[Signature]
Cashier



JHR:S

See Chap. 78 Acts 2nd C.S. 41st, 42nd.

The State of Texas,)

County of Tarrant.)

KNOW ALL MEN BY THESE PRESENTS, that we, Trinityfarm Construction Company, a corporation chartered under the laws of the State of Delaware, with its principal office in Texas, at Dallas, Texas, as principal, and American Surety Company of New York, as surety, acknowledge ourselves well and truly bound to pay to _____

Nash Hardware Company Inc., Fort Worth, Texas.

A. E. Want & Company Inc., " " "

Hubb Diggs & Company Inc., " " "

Ritchie-Cartan & Turner Inc., " " "

the sum of Eleven Thousand Sixty Eight Dollars and 98/100 -
(\$11,068.98) in lawful money of the United States of America.

The condition of this obligation is such, however, that,

Whereas, the above-named Nash Hardware Company Inc., A. E.

Want & Company, Inc., Hubb Diggs & Company Inc., Ritchie-Cartan

& Turner Inc.

have severally filed claims with Tarrant County Water Control and Improvement District Number One as follows:

Nash Hardware Company Inc. \$907.85; A. E. Want & Company Inc.

\$4,575.08; Hubb Diggs & Company Inc. \$28.80; Ritchie-Cartan & Turner

Inc. \$22.76.

_____ ; and have attempted to fix a lien secured or claimed under the provisions of Chapter 17 of the General Laws of the State of Texas, passed by the Thirty-ninth Legislature in Regular Session;

Now, if the undersigned Trinityfarm Construction Company, as principal, and American Surety Company of New York, as surety, shall well and truly pay to the said Nash Hardware Company Inc., A. E. Want &

Company Inc., Hubb Diggs & Company Inc., Ritchie-Cartan & Turner Inc.

severally, or their respective assigns, the amount of their respective claims, or such portion or portions thereof as may be proved to have been liens, under the terms of Chapter 17, General Laws of the State of Texas, passed by the Regular Session of the Thirty-ninth Legislature, together with all court costs, including attorney's fees if any shall be assessed, which may be adjudged against Trinityfarm Construction Company in actions brought by any claimant or claimants hereon, then this obligation shall become null, void and of no effect, but if Trinityfarm Construction Company and/or American Surety Company of New York shall fail or refuse to make such payments or any of same their obligation shall remain in full force and effect.

In testimony whereof, Trinityfarm Construction Company, as principal, and American Surety Company of New York, as surety, have caused these presents to be duly executed and delivered at Fort Worth in Tarrant County, Texas, this the 21st day of May, A.D. 1930.

Attest: B. Middleton
Secretary

TRINITYFARM CONSTRUCTION COMPANY
By J. H. Kivren Vice-President

O.K.
S.C.

"EXHIBIT D"
5/26/30.

TRINITY FARM CONSTRUCTION COMPANY

LEVEE - DRAINAGE - IRRIGATION - DAMS
CAPITAL \$2,000,000.00

E. P. HARWELL, PRESIDENT
T. H. HARDIN, VICE PRESIDENT
J. D. KIRVEN, VICE PRESIDENT
D. K. WOODWARD, JR., VICE PRESIDENT
C. C. MIDDLETON, SECY-TREAS.



M. A. ROSE } ENGINEERS
J. C. BISSET }
W. F. JOHNSON } SUPERINTENDENTS
JESS WILSON }
R. L. CREECH }

DALLAS, TEXAS

May 20th, 1930.

Mr. M. A. Rose,
Ireland Hampton, Attorney,
Eapps Building,
Fort Worth, Texas.

Dear Sir:

We are enclosing original bond and four copies for \$11,068.98, which is executed by the American Surety Company. This bond is twice the amount of the accounts that have been filed with the District in the Lemon matter. Please deliver this bond with the four copies to Mr. Hampton.

If Mr. Hampton approves of this bond please have him to release the balance of the April estimate due us at the earliest possible moment.

One copy should be mailed to each of the claimants who have filed with the District. This I take it, to be done by Mr. Hampton.

Yours very truly,

C. C. Middleton

CCM:DLN

*Deposit to our account #1
H. Worth & mail me duplicate
CM*

"EXHIBIT A"
5/ 26/ 30.

Ft. Worth, Texas, May 22, 1930.

Tarrant County Water Control & Improvement
District No. 1,
Ft. Worth, Texas.

Attention of Mr. Walter Bennett, Chairman

Gentlemen:

I wish to talk with you for a few minutes through the medium of this letter in regard to the assets of the defunct Texas National Bank, which closed its doors with you, the Tarrant County Water Control & Improvement District No. 1, and the City of Ft. Worth holding approximately \$1,600,000.00 of the Bank's assets as security for your deposits. You proceeded to sell these securities (hurriedly, so it seemed to those most interested) and paid yourselves your deposits in full.

So it came to pass, on the 20th day of May, the Texas National Depositors Association, after considerable investigation, met in session and passed a resolution instructing the Chairman (who is the writer) to request Mr. R. L. Van Zandt, Receiver, to take action necessary to recover on the assets mentioned above which were formerly held by the City and Water Control Board. Another clause instructed this Chairman, in case the Receiver within a reasonable time neglects, fails or refuses action, to proceed with necessary legal steps for recovery. Therefore, it will be necessary for me, within a few days, to notify Mr. Van Zandt of the action desired. Before doing so, it is evident that the proper action for me is to take the matter up with you as I am one who does not wish to influence or take action against his City, County, or State, or any constructive business thereof, without first giving them a fair chance to do what I consider right and proper. This is also true of the people I represent. They would not care to be placed in the position of influencing or taking action against anyone before they had given them an opportunity to do what we believe to be the right thing.

It is not the purpose of the writer to enter into a legal discussion of this matter, but the people I represent are convinced, after investigation, that upon the closing of the bank you did not have a legally secured deposit, but rather was your status that of a common depositor. Therefore, The Texas National Depositors Association, representing the best interest of all those depositors who stand to lose anything in the collapse of the bank, are requesting you, and I am taking the liberty of making this request public, that you put your money back with the Receiver of the Texas National Bank and take your loss, as it may appear, along with us.