

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
JUNE 29, 1933, AT 3:30 P. M.

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

W. R. Bennett,
E. E. Bewley
W. K. Stripling
Joe B. Hogsett
C. A. Hickman.

W. R. Bennett as President presided and W. K. Stripling acted in his capacity
as Secretary.

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

1.

President Bennett presented to the Board of Directors for consideration
a proposed resolution which in words, figures and symbols was as follows, viz:

"STATEMENT OF FACTS, FINDINGS AND ORDERS
BASED THEREON:

"(a) WHEREAS, this District has now caused to be executed and duly
"registered with the Comptroller of the State of Texas four hundred
"and sixty-three (463) bonds, designated as Series "D-2" of this Dis-
"trict, for the principal sum One Thousand Dollars (\$1000.00) each,
"dated November 16, 1931, bearing interest from date at the rate of
"five per cent (5%) per annum, payable semi-annually, on March 15th,
"and September 15th in each year, and having attached interest coupon
"No. 4 maturing on September 15, 1933, together with subsequently
"maturing coupons, which said bonds bear serial numbers and have ma-
"turities as follows, viz:

<u>"YEAR OF MATURITY</u>	<u>BOND NUMBERS, INCLUSIVE</u>	<u>PRINCIPAL MATURING</u> <u>SEPTEMBER 15</u>
" 1935	5819 - 5864	\$ 46,000.00
" 1936	5865 - 5871) 5875 - 5911)	46,000.00
" 1937	5912 - 5928) 5930 - 5958)	46,000.00

<u>"YEAR OF MATURITY</u>	<u>BOND NUMBERS, INCLUSIVE</u>	<u>PRINCIPAL MATURING SEPTEMBER 15</u>
" 1938	5959 - 5987) 5989 - 6005)	\$ 46,000.00
" 1939	6006 - 6049) 6051 - 6052)	46,000.00
" 1940	6053 - 6098	46,000.00
" 1941	6099 - 6114) 6116 - 6145)	46,000.00
" 1942	6146 - 6192	47,000.00
" 1943	6193 - 6239	47,000.00
" 1944	6240 - 6286	47,000.00
		<hr/> \$ 463,000.00

"(b) AND WHEREAS, this District is now advised that the Reconstruction Finance Corporation stands ready to accept delivery of said bonds as executed and registered, and to pay to this District the principal sum Four Hundred Fifty Thousand, Twelve Dollars and Eighty-Five Cents (\$450,012.85), plus the earned interest which may be accrued on the coupons numbered 4 attached to said bonds:

"NOW THEREFORE, BE IT ORDERED: It expressly is provided as the irrevocable act and deed of this District that the terms and conditions embraced in the resolution adopted by the Executive Committee of Reconstruction Finance Corporation on April 25, 1933, as amended by the Amendment thereof, adopted by said Executive Committee on May 23, 1933; together with the terms and conditions of "SCHEDULE A" attached to said Resolution of April 25, 1933, do be ratified, approved and adopted as the controlling basis for effecting the sale of the four hundred sixty three (463) bonds of this District, designated as "Series D-2;" and, the appropriate officers of this District hereby expressly are authorized and directed to execute and deliver to said Reconstruction Finance Corporation the contract embraced in said "Schedule A", in the manner conforming to the applicable law. A true copy of said Resolution of April 25, 1933, the Amendment thereof, of May 23, 1933, and of said "Schedule A," in folio, are attached to this resolution as "Exhibit A," and reference is hereby made to said instruments to

"the same effect as though they were fully set out herein:

" THAT THE appropriate officers, the qualified Statutory Depository
"and the attorneys for this District, without other and further orders
"or action by this Board, hereby do be authorized and directed to do
"any and all things appropriate to be done in order to effect an actual
"sale of the bonds hereinbefore described and to procure the payment of
"the proceeds thereof into the Depository for this District, all of
"which shall be done in a manner conforming to the applicable law."

After due consideration of the foregoing proposed resolution Director
Bewley made a motion that the same do be adopted as the act, deed and ordin-
ance of this District. Director Hickman seconded the adoption of said resolu-
tion. Upon a vote being taken Directors W. R. Bennett, E. E. Bewley, W. K.
Stripling, Joe B. Hogsett and C. A. Hickman voted for the resolution and no
director voted against the same: In all appropriate things it is so ordered.

W. K. Stripling
As Secretary

APPROVED:

W. R. Bennett
As President.

AS DIRECTORS of TARRANT COUNTY WATER CONTROL AND IMPROVEMENT
DISTRICT NUMBER ONE, we hereby give evidence of our approval and confirmation
of the above and foregoing action taken by the Board of Directors of said Dis-
trict.

WITNESS OUR HANDS on this the 29th day of June, A. D. 1933

I HEREBY CERTIFY that the signatures appearing
on this page are the genuine respective signa-
tures of W. R. Bennett, E. E. Bewley, C. A.
Hickman, Joe B. Hogsett and W. K. Stripling,
who compose the Board of Directors of Tarrant
County Water Control and Improvement District
Number One.

WITNESS MY HAND and the seal of Continental
National Bank of Fort Worth, Texas, (as deposi-
tory for said District) this July 3, 1933.

W. E. ...
As Cashier of Continental National Bank of
Fort Worth, Texas.

E. E. Bewley
C. A. Hickman
Joe B. Hogsett

RECONSTRUCTION FINANCE CORPORATION
WASHINGTON

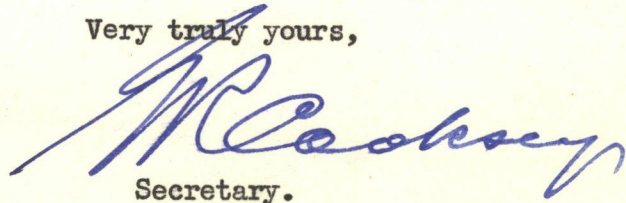
May 25, 1933.

Tarrant County Water Control and
Improvement District Number One,
Capps Building,
Fort Worth, Texas.

Dear Sirs:

We enclose herewith certified copy of resolution adopted by the Executive Committee of this Corporation on May 23, 1933, which resolution amends the resolutions adopted April 25, 1933, heretofore sent to you.

Very truly yours,



Secretary.

Enclosure.

RECONSTRUCTION FINANCE CORPORATION

Resolution of Executive Committee

Re:

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE

(\$450,012.85 Self-Liquidating Loan for Waterworks)

RESOLVED, that the resolutions adopted by the Executive Committee on April 25, 1933, authorizing a loan in the amount of \$450,012.85 to Tarrant County Water Control and Improvement District Number One, be and the same hereby are amended by deleting all of subdivision (1) of Section 1 of said resolutions and substituting in lieu thereof the following:

"(1) shall be payable, both as to principal and interest, in such funds as are then legal tender for the payment of debts due to the United States, at the principal office of Central Hanover Bank and Trust Company in the City of New York, New York."

* * *

I, G. R. COOKSEY, the Secretary of Reconstruction Finance Corporation, do hereby certify that the foregoing is a true and correct copy of a resolution of the Executive Committee of said Corporation, duly adopted on the 23rd day of May, 1933.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Corporation this 25th day of May, 1933.


Secretary.

RECONSTRUCTION FINANCE CORPORATION

Resolutions of Executive Committee

re

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE

(\$450,012.85 Self-Liquidating Loan for Water Works)

WHEREAS, the Board of Directors of this Corporation on January 23, 1933, approved and authorized a loan in the amount of \$450,000 to Tarrant County Water Control and Improvement District Number One (herein called the "applicant") to aid in financing the completion of certain reservoirs and other works (herein called the "project"), constituting part of the water supply and flood control system (herein, together with all future improvements, extensions and replacements, called the "water system") of the City of Fort Worth, Texas; and

WHEREAS, the said Board, on March 28, 1933, duly authorized and adopted certain resolutions, pursuant to an amendment dated March 9, 1933, to the application of the applicant, cancelling and rescinding the resolutions adopted January 23, 1933, and authorizing a loan to the applicant, on the terms and conditions therein set forth, in the amount of \$450,012.85; and

WHEREAS, the applicant has filed with this Corporation a further amendment dated April 22, 1933, to its application previously filed in connection with the proposed loan, which amendment contemplates the sale to the Corporation of certain general obligation bonds of the applicant without any pledge of the applicant's net operating revenues, as provided in the aforesaid resolutions of the Board of Directors adopted March 28, 1933;

NOW, THEREFORE, BE IT

RESOLVED, that the Executive Committee of the Corporation hereby cancels and rescinds the resolutions adopted by the Board of Directors on March 28, 1933, authorizing a loan to the applicant in the amount of \$450,012.85.

FURTHER RESOLVED, that the Treasurer of this Corporation is hereby authorized and directed, in the name and on behalf of this Corporation, to purchase from the applicant the 5% general obligation bonds (herein described and herein called the "Bonds") of the applicant at a price of 97.195% of their principal amount, plus interest accrued to the date of delivery of the Bonds, the total amount of all the Bonds to be purchased hereunder being limited to an aggregate principal amount of \$463,000, provided, however, that the Bonds shall be of the

kind and description, and such purchase shall be made at the time, in the manner and subject to the terms and conditions, hereinafter set forth, to-wit:

1. The Bonds:

- (a) shall be general obligations of the applicant, secured by its full faith and credit and its power to levy, on all taxable property located within its territorial limits, ad valorem taxes, unlimited as to rate or amount, for the payment of principal of and interest on the Bonds;
- (b) shall be bearer coupon bonds, registerable as to principal;
- (c) shall be dated as of November 16, 1931;
- (d) shall be in the denomination of \$1,000 each;
- (e) shall bear interest at the rate of 5% per annum, payable semi-annually on March 15 and September 15 of each year, and shall have attached all interest coupons unmatured on the date of purchase thereof;
- (f) shall be designated "Series D-2";
- (g) shall be part of a total authorized issue of similar bonds (except as to dates, maturities and series designation) in the aggregate principal amount of \$6,500,000, of which the applicant has represented that, as of April 22, 1933, \$5,690,000 aggregate principal amount have been issued and are outstanding in the hands of the public, \$84,000 aggregate principal amount have been issued and re-acquired by the applicant and are held in its Sinking Fund, \$20,000 aggregate principal amount have matured and been paid and the remaining \$706,000 aggregate principal amount have not yet been issued (the \$463,000 aggregate principal amount of Bonds to be purchased by this Corporation to be a part of said \$706,000 unissued bonds);
- (h) shall mature serially in the following amounts, on September 15 of the following years:

<u>Year</u>	<u>Amount</u>
1935	\$ 46,000
1936	46,000
1937	46,000
1938	46,000
1939	46,000
1940	46,000
1941	46,000
1942	47,000
1943	47,000
1944	<u>47,000</u>
Total	\$463,000

- (i) shall be payable, both as to principal and interest, in gold coin of the United States of America of or equal to the standard of weight and fineness existing on the date thereof, at the principal office of the Central Hanover Bank and Trust Company, in the City of New York, New York.

2. This Corporation shall not be under any duty or obligation to purchase such Bonds:

- (a) if the applicant shall have refused or failed to furnish on demand (at applicant's expense) to this Corporation, or to any of its duly authorized representatives, all such statements, audits, reports or other information as

may be requested of it respecting any of the matters enumerated in sub-section (b) of this section 2, or shall have refused or failed to permit all such examinations and inspections as this Corporation may desire to make, by any of its duly authorized representatives, respecting any such matters;

- (b) if this Corporation shall have expressed dissatisfaction for any reason whatever with respect to:
- (1) any proceedings taken or proposed to be taken by the applicant respecting the Bonds or the security therefor;
 - (2) any of the purposes for which the applicant proposes to expend the proceeds of the loan;
 - (3) the project, the cost thereof, or the status or progress of the work thereon or incidental thereto;
 - (4) any contracts let or proposed to be let for the construction of the project or any work incidental thereto;
 - (5) the authority of the applicant, under any necessary or appropriate federal, state, municipal or other franchises, permits, certificates or other authorizations or approvals, to acquire, construct, maintain or operate the water system, or any part thereof, or to observe or perform any of the terms or conditions contained in Schedule A hereto;
 - (6) the financial or any other affairs of the applicant;
or
 - (7) the observance or performance by the applicant of any of the terms or conditions contained in this resolution or in Schedule A hereto.
- (c) Unless this Corporation shall be furnished with a specimen (including signatures) of one of the proposed Bonds in text and form satisfactory to the Treasurer and to Counsel for this Corporation.
- (d) Unless this Corporation shall be furnished (without expense to it) with the final opinion of Messrs. Chapman & Cutler, of Chicago, Illinois, or of another recognized firm of municipal bond attorneys, satisfactory to the Treasurer, evidencing to the satisfaction of Counsel for this Corporation that the Bonds have been validly executed, delivered and issued and are the valid and binding obligations of the applicant in accordance with the terms and provisions thereof, and secured by pledge of the full faith and credit of the applicant and by its power to levy, on all taxable property located in the territorial limits of the applicant, ad valorem taxes for payment thereof unlimited as to rate or amount. Such opinion shall be accompanied by (i) a duly certified transcript of all proceedings and other appropriate supporting papers evidencing the legality of the authorization of the issue of bonds of which the Bonds of Series D-2 constitute a part, which transcript shall be returned by this Corporation to the applicant within a reasonable time after the date of the making of the loan, provided Counsel for this Corporation shall be satisfied that the bond record in the office of the Attorney General of the State of Texas contains records similar to such transcript, (ii) a duly certified transcript of proceedings and other appropriate supporting papers evidencing the legality of the authorization, issuance, execution and delivery of the Bonds of Series D-2, and (iii) a certificate of the Attorney General of the State of Texas to the effect that the bond records showing

the validity of the Bonds is on file in his office as a public record at all times subject to inspection by the public and subject to production upon a subpoena duces tecum issued by the State and Federal Courts in the State of Texas. An unsigned copy of such opinion (accompanied by preliminary copies or drafts of transcripts of such proceedings and such other appropriate supporting papers, containing blanks where necessary) shall be delivered to this Corporation at its office in the City of Washington, D. C., for approval as to form, at least fourteen (14) days before the time for delivery of the Bonds.

- (e) Unless this Corporation shall be furnished (without expense to it) with the written opinion of the Attorney General of the State of Texas, satisfactory to Counsel for this Corporation, approving the legality, sufficiency and effectiveness of the applicant's water permits.
 - (f) Unless this Corporation shall be furnished with assurances satisfactory to its Counsel following substantially the text and form of Schedule A hereto.
 - (g) Unless this Corporation shall be furnished with evidence satisfactory to its Counsel, that the prior right of the State Board of Education of the State of Texas to purchase the Bonds has been duly waived.
 - (h) Unless this Corporation shall be furnished with a certificate, duly executed by the President of the applicant, showing to the satisfaction of the Corporation that there has been no adverse change in the financial or physical condition of the applicant or the water system from that set forth in the application.
 - (i) Unless this Corporation shall be furnished with two duly executed copies of the instrument delivered by the applicant, pursuant to the provisions of Subdivision (d) of Section 5 of Schedule A hereto annexed, to The Continental National Bank, of Fort Worth, Texas, the presently acting depository of the applicant.
 - (j) Unless the form and text of the Bonds shall be satisfactory to the Treasurer and to Counsel for this Corporation.
 - (k) Unless the Bonds shall be delivered to this Corporation or upon its order, at its office in the City of Washington, D. C., or at such other place as may be designated by or acceptable to the Treasurer, before the expiration of the period during which this Corporation is authorized by law to make loans.
3. Anything elsewhere in this resolution contained to the contrary notwithstanding, this Corporation shall not be under any duty or obligation at any time to make such loan if:
- (a) at any time this Corporation shall advise the applicant in writing that it is not satisfied as to the validity of the Bonds or the security therefor, or as to compliance by the applicant with any of the terms or conditions hereof or of Schedule A hereto, and the applicant shall not correct such matter or matters to the satisfaction of this Corporation within such time as this Corporation may prescribe, or
 - (b) any of the representations or statements made by the applicant in its application, or in any supplement thereto or amendment thereof, or in any other document or paper presented or submitted by the applicant to this Corporation, shall be found at any time by this Corporation to be incorrect or incomplete in any material respect.

4. Promptly upon the receipt by the applicant of a certified copy of this resolution, the applicant shall notify this Corporation in writing that it approves and accepts all the terms and conditions hereof and of Schedule A hereto.

FURTHER RESOLVED, that

- (a) On or before January 23, 1935, the applicant may repay, repurchase or cause to be sold to third parties all (but not less than all) of the Bonds at the time held by this Corporation, by paying or causing to be paid to this Corporation a sum equal to 97.195% of the principal amount of such Bonds, plus (i) unpaid interest on such Bonds accrued at the coupon rate to the date of such payment, and plus or minus, as the case may be, (ii) such amount (taking into account realized discount on Bonds theretofore purchased from this Corporation, if any, pursuant to the provisions of Subdivision (c) of Section 5 of Schedule A hereto annexed) as will adjust to the rate of $5\frac{1}{2}\%$ per annum the current yield to this Corporation, to such date, of all the Bonds of the applicant theretofore purchased by it. At the time of such payment the applicant shall also pay to this Corporation any outstanding expenses paid or incurred by it which are reimbursable in accordance with the provisions of these resolutions and of Schedule A hereto annexed.
- (b) In case of any such repurchase or sale, this Corporation may impose such conditions as it may deem advisable restricting the use of its name in connection with any offering of Bonds to the public.
- (c) The above-mentioned payment to this Corporation and the delivery of the Bonds at the time held by it shall be made at such time (not earlier than 10 days after receipt by the Treasurer of a written notice from the applicant of its election to exercise the foregoing rights, nor later than 30 days after such receipt) and at such place as shall be designated by the Treasurer.
- (d) In case this Corporation shall be satisfied that not less than 75% of the sum so paid to it was obtained through the sale of such Bonds or of other long term obligations of the applicant similarly secured, on terms such that the yield to maturity of such Bonds or other obligations from the date of such sale, computed on the basis of the purchase price (exclusive of accrued interest) paid for such Bonds or other obligations, is less than $5\frac{1}{2}\%$ per annum, this Corporation will refund to the applicant a sum equal to the amount, if any, by which
- (1) an amount equal to interest at $5\frac{1}{2}\%$ per annum on the aggregate purchase price (exclusive of accrued interest) paid by this Corporation for all Bonds of the applicant theretofore purchased by this Corporation pursuant to these resolutions, such interest to be computed for the period from the date of the purchase of such Bonds by this Corporation to the date of the above-mentioned payment to it (in the case of Bonds purchased pursuant to Subdivision (c) of Section 5 of Schedule A hereto prior to such payment, to the date of purchase thereof)
- exceeds
- (2) an amount equal to interest at a rate equal to the above-mentioned yield to maturity, on such aggregate purchase price for the above-mentioned period;

provided that no such refund shall be made which would reduce the current yield of such Bonds to this Corporation during such period to a rate less than 4% per annum.

- (e) The rights of the applicant under this resolution shall not be assignable without the prior written consent of this Corporation. All such rights shall terminate at the expiration of 10 days after written notice to the applicant that this Corporation contemplates or has commenced negotiations for the sale for its own account of any of such Bonds to third parties. This Corporation will, however, extend such rights for an additional 20 days in case prior to such expiration it shall be satisfied that the applicant is actively engaged in negotiations which reasonably may be expected to place the applicant in a position to exercise such rights.

FURTHER RESOLVED, that this Corporation hereby agrees that, to the extent that it shall hold all or any of the Bonds from time to time, it will sell such Bonds to the applicant to the extent that the applicant is obligated to purchase such Bonds pursuant to the provisions of Section 2 and Section 5 of Schedule A hereto attached, the price in each case to be the principal amount of such Bonds plus accrued interest to the date of payment therefor, and further agrees that it will retain, until 30 days after the respective dates when the applicant shall be required to repurchase Bonds from this Corporation pursuant to the above-mentioned Section 2 (but in no event later than January 23, 1935) an amount of the Bonds (not exceeding, however, \$140,000 aggregate principal amount) of the latest outstanding maturities sufficient to enable it to sell to the applicant the amount of Bonds that the applicant is obligated to repurchase from R. F. C. pursuant to said Section 2. In the event that, on or before January 23, 1935, the applicant shall purchase any Bonds from this Corporation pursuant to the aforesaid Section 2 of Schedule A, this Corporation will refund to the applicant a sum, to be determined by this Corporation in its discretion, which shall be computed so that the yield to this Corporation on the Bonds so repurchased, during the period in which such Bonds shall have been held by this Corporation, shall have been at the rate of 5½% per annum, and the Bonds so repurchased shall be excluded from all calculations made for the purpose of determining any refund provided for under Subdivision (d) of the preceding resolution. The agreement set forth in this resolution shall not be assignable without the written consent of the Corporation.


FURTHER RESOLVED, that the Treasurer of this Corporation is hereby authorized and directed to do, or to cause to be done, all things necessary or appropriate in connection with the purchase of the Bonds under the authority of the foregoing resolution and the acceptance of and payment for the Bonds.

FURTHER RESOLVED, that the Secretary of this Corporation is hereby authorized and directed to certify a copy of the foregoing resolutions and to deliver such certified copy to the applicant.

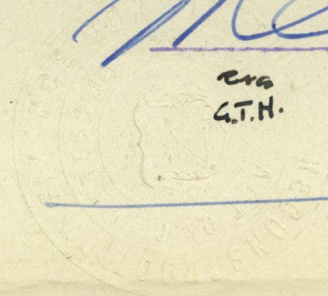
* * * * *

I, G. R. COOKSEY, the Secretary of the RECONSTRUCTION FINANCE CORPORATION, do hereby certify that the foregoing is a true and correct copy of resolutions of the Executive Committee of said Corporation duly adopted on the 25th day of April, 1933, and that attached hereto is a true copy of Schedule A therein referred to.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Corporation this 9th day of May, 1933.


Secretary

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G.T.H.



SCHEDULE A

RESOLUTIONS OF DIRECTORS

(Pursuant to Section 2 (f) of Resolutions adopted by the Executive Committee of Reconstruction Finance Corporation on April 25, 1933)

WHEREAS, the Executive Committee of the Reconstruction Finance Corporation (herein called "R. F. C."), by resolutions (herein called the "R. F. C. Resolutions") duly adopted on April 25, 1933, has authorized a loan to Tarrant County Water Control and Improvement District Number One (herein called the "borrower"), to aid in financing a certain project (more fully described in the R. F. C. Resolutions and herein called the "project"), such loan to be effected through the purchase by R. F. C. of \$463,000 in principal amount of 5% bonds of the borrower (such bonds and the security therefor being more fully described in the R. F. C. Resolutions and herein called the "Bonds"); and

WHEREAS, it is one of the conditions set forth in the R. F. C. Resolutions that before R. F. C. shall purchase any of the bonds the borrower shall give to R. F. C. assurances following substantially the text and form hereof:

NOW, THEREFORE, IT IS HEREBY RESOLVED, that, if R. F. C. shall make such loan under the authority of the R. F. C. Resolutions:

1. The borrower, and all contractors engaged in the construction of the project, will, at all times while the borrower is disbursing the proceeds of the loan made by R. F. C., comply with the following conditions:
 - (a) No convict labor shall be directly employed on such construction.
 - (b) In the employment of labor directly engaged in such construction, preference shall be given, where they are qualified, first, to ex-service men with dependents and, second, to persons who are either citizens of the United States or who have filed declarations of intention to become citizens, which said declarations of intention continue valid and in good standing.
 - (c) Except in executive, administrative and supervisory positions and except with respect to operators of steam shovels, trucks and/or concrete-mixers, no individuals directly employed on such construction shall be permitted to work more than thirty hours in any one week. ①
 - (d) The rate of wage for laborers and mechanics directly employed on such construction shall not be less than the prevailing rate of wage in the same locality for work of the same character, or, in the event that there is no work of precisely the same character in the same locality, then for work of like character.

(e) No machinery or materials shall be used in or employed in connection with such construction except such as shall have been produced or manufactured in the United States or its territories.

2. The purchase price paid for the bonds including accrued interest shall be deposited in a bank or banks which are members of the Federal Reserve System in a special account or accounts from which withdrawals and expenditures shall be made (except as to the amount paid as accrued interest) only for the following purposes and in not exceeding the respective amounts specified, to-wit:

(a) Deposit to conform to a decree of court, pending action award of \$128,538 made in condemnation proceedings of 9.54 miles of C.R.I. & G.R.R. Right of Way at Berkshire Levee.....	\$257,076.00
(b) Telephone property to be acquired.....	3,913.00
(c) Construction of Berkshire Levee.....	31,000.00
(d) Construction of Eagle Mountain Reservoir.....	10,000.00
(e) Labor and material in connection with construction work on Eagle Mountain Reservoir between August 1, 1932 and October 28, 1932.....	102,779.00
(f) Engineering, Legal and Miscellaneous.....	45,244.85
	<u>\$450,012.85</u>

The amount received as accrued interest shall be applied only to the payment of the first installment of interest on the Bonds.

Every such deposit shall be continuously secured by pledge by the bank or banks to the borrower of direct obligations of the United States Government having an aggregate market value (exclusive of accrued interest) at least equal to the sum at the time on deposit; and, at any time, or from time to time, upon request, the borrower shall furnish to R. F. C. evidence, satisfactory to Counsel for R. F. C., that such deposited obligations are actually in the possession of the borrower and subject to sale and the application of the proceeds thereof by the borrower, in case of default by the depositary bank.

The borrower agrees that (1) the balance, if any, of the deposit of \$257,076 returned to the borrower upon the final determination of the above-mentioned condemnation proceedings, (2) the balance, if any, of the portion of the purchase price paid in respect of the construction work referred to in the foregoing items (c) and (d) remaining unexpended after the completion of the project, and (3) the balance, if any, of the portion of the purchase price paid in respect of the foregoing item (f) remaining unexpended after the completion of the project, shall be promptly applied by the borrower, if on or before January 23, 1935, to the purchase of Bonds from R. F. C. pursuant to the agreement of R. F. C. set forth in the R. F. C. Resolutions to sell Bonds to the borrower to such extent; and if after said date or to the extent that such moneys shall be in excess of an amount sufficient to purchase, at the principal amount thereof and accrued interest, \$140,000 principal amount of the Bonds, to the purchase, as soon as practicable, of the Bonds, from R. F. C. or subsequent holders thereof, at the principal amount thereof and accrued interest. In such latter case the Bonds to be first purchased shall be such Bonds as shall be then held by R. F. C., and if R. F. C. shall then hold bonds of an aggregate principal amount in excess of the sum so available for the purchase of Bonds, the Bonds to be purchased from R. F. C. shall be in the inverse order of maturities and serial numbers. The Bonds purchased by the borrower pursuant to the foregoing provisions shall forthwith be cancelled and no

AMENDED: see
ATTACHED. ALSO:
DIST. MIN. 8/1/33.

Bonds shall be issued in lieu thereof.

3. As long as any of the Bonds shall be outstanding, R. F. C. shall have access to, and the right and privilege to inspect by its duly authorized representative or representatives, from time to time and at any time during usual business hours, the borrower's water system (more fully described in the R. F. C. Resolutions and herein called the "water system"), and any and all plans, specifications, contracts, records, documents and other papers pertaining thereto and/or pertaining to the financial and other affairs of the borrower, and, during such period, the borrower (at its own expense) shall furnish to R. F. C. from time to time upon request and in such form and detail as R. F. C. may require, full and satisfactory reports, audits, statements and other information respecting all such matters.
4. The borrower will pay all costs, charges and expenses incident to compliance with all terms and conditions of the R. F. C. Resolutions to be complied with on the part of the borrower, including, without limiting the generality of the foregoing, the cost of preparing the Bonds, obtaining all legal opinions to be furnished by the borrower, all traveling, telegraphic, telephone, and similar expenses hereafter incurred by R. F. C. in connection with the loan, the reasonable cost of any investigations or inspections made by or on behalf of R. F. C. as permitted hereunder, and the reasonable fees and expenses of such special counsel, auditors, and engineers as R. F. C. in its discretion may retain in connection with any matter arising out of the loan.
5. As long as any of the Bonds are outstanding, the borrower will observe and perform the following terms and conditions:
 - (a) The borrower will fix rates and collect charges for the facilities and/or services afforded by the sale of water to the City of Fort Worth, Texas, which will provide revenues (herein called the "operating revenues") in an amount at least equal to the sum of (1) the current expenses of operation and maintenance of the water system, (2) the principal of and interest on the Bonds as the same shall become due, and (3) the principal of and interest on, as the same shall become due, all other indebtedness of the borrower, if any, payable from the operating revenues.
 - (b) All operating revenues, together with all other revenues received by the borrower from sources other than taxation, shall be deposited and kept in a separate account in the bank at the time acting as the depository of the borrower, from which shall be paid, first, the reasonable expenses of operation and maintenance of the water system, and any balance (hereinafter referred to as "net operating revenues") shall be applied by the borrower in the manner provided in Subdivision (c) of this Section 5, and to no other purpose.
 - (c) The borrower agrees that it will apply all of its net operating revenues to the purchase of the Bonds from time to time, at the principal amount thereof and accrued interest, to the extent that the Bonds shall be held by R. F. C. or by any purchaser from R. F. C. of the Bonds of an aggregate principal amount of at least \$50,000 who shall be willing at the time to sell all or any of such Bonds to the borrower at such price. Such net operating revenues shall be applied first to the purchase of such of the Bonds as shall at the time be held by R. F. C., in the inverse order of maturities and serial numbers. If at any time R. F. C. shall cease to hold any of the Bonds, the borrower will offer to the aforesaid purchasers of the Bonds from R. F. C. to purchase bonds held by them, at the principal amount thereof and accrued interest, to the extent possible out of net operating revenues then available for such purpose (such offer to be sent by

registered mail to such purchasers as aforesaid as shall have notified the borrower in writing of their address to which any such offers should be mailed), and in case the said purchasers shall accept such offer for an aggregate amount of Bonds in excess of the amount then to be purchased, then the Bonds to be purchased shall be selected by the borrower by lot. All purchases of Bonds out of net operating revenues pursuant to this Subdivision (c) shall be made quarterly on the last day of March, June, September and December of each year, to the extent possible out of the net operating revenues derived during the three calendar months ending next prior to said respective dates. Each offer as aforesaid to purchasers of Bonds from R. F. C. shall be made not later than the 10th day of the month following the end of the three-months' period in question and shall continue for a period of 15 days from the date of mailing, and to the extent not accepted at the expiration of such 15-day period the borrower shall be entitled to apply the net operating revenues in question to any other proper purpose. The Bonds purchased by the borrower pursuant to this Subdivision (c) shall forthwith be cancelled and no bonds shall be issued in lieu thereof.

- (d) The borrower agrees to deliver a certified copy of this resolution and of the R. F. C. Resolutions to the bank acting from time to time as its depository, together with an instrument, in form satisfactory to R. F. C., duly executed on behalf of the borrower, requesting such depository to keep the borrower's net operating revenues in a separate account and to apply such net operating revenues to no purpose other than as provided in Subdivision (c) of this Section 5.
- (e) The borrower will proceed with construction work in the project in accordance with plans and specifications, or modifications thereof, which shall previously have been submitted to and approved by R. F. C., and will carry such construction to completion with such diligence as may be requested by R. F. C. The borrower will not incur any obligation payable out of the proceeds of the loan or make any payment out of such proceeds in respect of the items described in Subdivisions (b), (c), (d), (e) and (f) of Section 2 hereof without previously obtaining the written consent of R. F. C. to the incurring of such obligation or the making of such payment. The borrower will notify R. F. C. of the letting of all contracts for construction of the proposed work and will cause all such construction contracts to be secured by adequate surety company performance bonds satisfactory to the Treasurer of R. F. C. as to surety and amount. In the event that the Treasurer of R. F. C. shall ever be dissatisfied as to the adequacy of any such surety bonds, the borrower will, if so requested by said Treasurer, furnish to R. F. C. a surety bond for completion of construction of the project or for completion of any separate contract therefor, which said bond or bonds shall be satisfactory to said Treasurer both as to surety and amount.
- (f) The borrower will at all times efficiently maintain and carry on the operations and business of the water system and will keep the same in good condition, repair and working order.
- (g) Any moneys realized by the borrower upon the sale of any property or equipment of the water system or upon any insurance (exclusive of loss of use and occupancy insurance) covering the same shall be used, in so far as permitted by law, only (1) for replacements, repairs, betterments, improvements, extensions or additions to the water system or (2)

in the manner provided in Subdivision (c) of this Section 5 with respect to net operating revenues.

- (h) The proceeds of any insurance covering loss of use and occupancy shall be deemed to be operating revenues.
- (i) The borrower will at all times keep proper books of record and account (separate entirely from all other records and accounts of the borrower) in which full and correct entries shall be made of all dealings or transactions of or in relation to the properties, business and affairs of the water system. The borrower, not later than two months after the close of each of its fiscal years, will deliver to R. F. C. a balance sheet and an income and surplus account, showing, respectively, in reasonable detail, the financial condition of the water system at the close of such preceding fiscal year and the result of operations thereof during such year. Said balance sheets and income and surplus accounts shall at all times during usual business hours be open to examination and inspection by any holder of the Bonds.
- (j) The borrower will from time to time levy and collect ad valorem taxes, unlimited as to rate or amount, on all taxable property located in the territorial limits of the borrower, in an amount sufficient to enable the borrower to pay (without recourse to its net operating revenues) the principal of and interest on the Bonds and all other obligations of the borrower, according to the terms thereof; and, to the extent required, will apply the taxes so collected to the prompt payment of such principal and interest.

AND IT IS HEREBY FURTHER RESOLVED, that the Secretary of this Tarrant County Water Control and Improvement District Number One is hereby authorized and directed to certify a copy of the foregoing resolutions and to deliver such certified copy to the Reconstruction Finance Corporation, addressed to its Treasurer.

* * * * *

I, W. K. Stripling, the Secretary of Tarrant County Water Control and Improvement District Number One, do hereby certify that the foregoing is a true and correct copy of resolutions duly adopted at a meeting of its Board of Directors regularly convened and held on the 29th day of June, 1933, at which a quorum was present and acting throughout.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of Tarrant County Water Control and Improvement District Number One, this 29th day of June, 1933.

W. K. Stripling
Signature

As Secretary
Title

SEAL

RECONSTRUCTION FINANCE CORPORATION

Resolution of Board of Directors

re

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE

(\$450,012.85 Self-liquidating Loan for Waterworks)

RESOLVED, that the resolutions adopted by the Executive Committee on April 25, 1933, as amended by resolutions adopted by the Executive Committee on May 23, 1933, authorizing a loan in the amount of \$450,012.85 to Tarrant County Water Control and Improvement District Number One, be and the same hereby are amended as follows:

1. By deleting the last sentence of Section 2 contained in Schedule A annexed to said resolutions, to-wit:

"The Bonds purchased by the borrower pursuant to the foregoing provisions shall forthwith be cancelled and no Bonds shall be issued in lieu thereof."

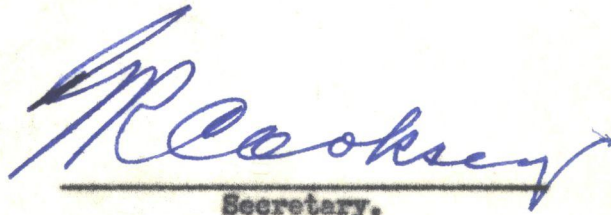
2. By substituting in lieu of the foregoing sentence the following:

"The Bonds purchased by the borrower pursuant to the foregoing provisions shall not be deemed to be Bonds purchased from R. F. C. within the meaning of Subdivision (c) of Section 5 of said Schedule A and none of the provisions of said Subdivision (c) shall apply to the Bonds so purchased by the borrower."

* * * * *

I, G. R. COOKSEY, the Secretary of RECONSTRUCTION FINANCE CORPORATION, do hereby certify that the foregoing is a true and correct copy of the resolution of the Board of Directors of said Corporation duly adopted on the 22d. day of July, 1933.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Corporation this 22d. day of July, 1933.


Secretary.

G.R.C.

RECONSTRUCTION FINANCE CORPORATION
WASHINGTON

July 22, 1933.

W. R. H.

Tarrant County Water Control and
Improvement District Number One,
Capps Building,
Fort Worth, Texas.

Dear Sirs:

We enclose herewith certified copy of resolution adopted by the Board of Directors of this Corporation on July 22, 1933, which resolution further amends the resolutions adopted April 25, 1933, heretofore sent to you, as such resolutions have heretofore been amended by the resolutions adopted May 23, 1933.

Very truly yours,

G. M. Coakley
Secretary.

Enclosure.
