

MINUTES OF A MEETING OF THE BOARD OF DIRECTORS OF  
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE  
HELD IN THE DISTRICT OFFICE IN FORT WORTH, TEXAS, ON THE  
5th DAY OF FEBRUARY, 1951, AT 1:30 P.M.

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

PRESENT

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

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

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

1.

The Directors had previously received copies of the minutes  
of meetings held on January 19, 1951, at 1:30 P.M., and January 19,  
1951, at 2:30 P.M. Having found no objections thereto it was ordered  
that they be approved, signed and placed on record.

2.

Sidney L. Samuels, the Attorney for the District, brought  
before the Board the action of the Assistant Attorney General in  
Austin, Mr. George W. Sparks, the matter of an amendment to the Resol-  
ution adopted by this Board on the 5th day of December, 1950, con-  
cerning the issuance of the improvement bonds of the District, dated  
December 15, 1950, amounting to the principal sum of \$7,000,000.00,  
embraced in 7000 bonds each of the par value of \$1,000.00, which

amendment was in lieu of and in substitution of Section 5 of the foregoing resolution adopted on December 5, 1950.

It was explained by Mr. Samuels to the Board, that in the original resolution of December 5, 1950, at the instance and written solicitation of Messrs. Chapman and Cutler, the Attorneys for the purchasers of the aforesaid bonds, it was there provided in substance that in the event the tax levy for the payment of interest and redemption of principal of such bonds should be insufficient, then, that the deficit should be supplied by moneys drawn from other funds belonging to the District. Objection to this recitation had been offered by the Assistant Attorney General, who held that no other fund of the District should be utilized for such payment than moneys arising from the levy of taxes. In consequence of which a resolution had been prepared by the Assistant Attorney General aforesaid, covering this matter, which resolution containing such amendment was read and presented to the Board and having been read and discussed, it was thereupon moved by Director Hill, seconded by Director Priest, that such resolution in the exact form in which same had been prepared by said Assistant Attorney General, be passed and adopted as the act of the District. Said resolution so passed and adopted in full text is as follows:

"On this the 5th day of February, 1951, the Board of Directors of Tarrant County Water Control and Improvement District Number One convened in Special Meeting, with the following members, to-wit:

Joe B. Hogsett, President  
Houston Hill, Vice President  
Dan H. Priest, Secretary  
Gaylord J. Stone, Director  
W. L. Pier, Director,

comprising the entire membership of the Board of

"Directors, being present, and with the following members absent: None, constituting a quorum, and among other proceedings had were the following:

Mr. Hill introduced a resolution amending the resolution of this Board duly passed and adopted on the 5th day of December, 1950, authorizing the issuance of the improvement bonds of this District, dated December 15, 1950, amounting to the principal sum of \$7,000,000.00, and made a motion that it be adopted. The motion was seconded by Mr. Priest.

The motion carrying with it the adoption of the resolution prevailed by the following vote:

AYES: Joe B. Hogsett, Houston Hill, Dan H. Priest, Gaylord J. Stone and W. L. Pier.

NOES: None.

The President announced that the resolution had been adopted.

The resolution as adopted is as follows:

#### A RESOLUTION

AMENDING SECTION 5 OF A RESOLUTION ADOPTED DECEMBER 5, 1950, AUTHORIZING THE ISSUANCE OF \$7,000,000.00 IMPROVEMENT BONDS, SERIES 1950, OF TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE, FIXING THE DETAILS OF SAID BONDS, AND PROVIDING FOR THE PAYMENT THEREOF.

WHEREAS, on the 5th day of December, 1950, the Board of Directors of Tarrant County Water Control and Improvement District Number One duly adopted and entered of record a resolution authorizing the issuance of IMPROVEMENT BONDS, SERIES 1950, OF TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE, dated December 15, 1950, in the principal amount of \$7,000,000.00; and

WHEREAS, it is now considered necessary, appropriate and advisable that Section 5 of the aforesaid resolution be amended; therefore,

BE IT RESOLVED BY THE BOARD OF DIRECTORS OF TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE:

Section 1. That the resolution adopted, as aforesaid, on the 5th day of December, 1950, authorizing the issuance of the aforesaid bonds, be, and said order is, hereby amended as follows:

Section 5 of said resolution shall hereafter read and provide as follows:

"Section 5. That the District hereby covenants and agrees with each successive holder of each bond issued pursuant hereto: That in each year, following the year 1950, while any of the bonds herein authorized remain outstanding and unpaid, for the purpose of making provision for the due payment of the semi-annual interest thereon and for the payment of the principal of such bonds as they respectively mature or may be lawfully called for prior redemption under the terms hereof, there shall be, and there is hereby levied against and ordered, assessed, and collected of and from each one hundred dollars of taxable property in said District ad valorem taxes at a rate requisite, adequate and sufficient to raise the amounts so required to be produced to pay off and discharge the semi-annual interest on such bonds and the principal thereof as same matures. In each successive taxable year during the life of said bonds, at the time and period prescribed by law, a specific rate of taxation shall be named and fixed to be assessed, levied and collected for the purposes aforesaid, which rate shall in all cases be ample and adequate to yield the funds and revenue so to be applied, taking into consideration, among other things, delinquencies, cost of collection, or shrinkages in assessable values. That to pay the interest to be due June 15, 1951, on said bonds, there is hereby appropriated out of the proceeds of said bonds the sum of \$66,545.00, which sum shall be applied to the purpose named and none other."

Section 2. That except as amended, in conformity with the foregoing, said resolution of December 5, 1950, is hereby RATIFIED, APPROVED AND CONFIRMED.

The motion to adopt said resolution containing such amendment was then submitted to the Board and each and all of the Directors, who had continuously remained in this session of the meeting, to-wit: Joe B. Hogsett, Houston Hill, Dan H. Priest, Gaylord J. Stone and

and W. L. Pier, constituting the entire membership of the Board, voted "aye" thereon, and no Director voted in the negative. Following this adoption the President, Joe B. Hogsett, declared that the resolution was a part of the minutes of the Board and should be read and considered as a part of the original resolution that had been adopted on the 5th day of December, 1950, hereinbefore named, and it was so ordered.

3.

Having disposed of the foregoing matter, the Board considered the sale of the bonds under the terms of the meeting held by the Board in the City of Fort Worth, Texas, on November 14, 1950, in which the Harris Trust and Savings Bank, the Chase National Bank, William N. Edwards & Company, Dallas Union Trust Company, acting by and through W. N. Edwards, proposed to purchase the entire issue of said bonds, upon terms stated in such proposal, and the proposal for such purchase was accepted by the District. All the Directors of the Board, to-wit: Joe B. Hogsett, Houston Hill, Dan H. Priest, Gaylord J. Stone and W. L. Pier, constituting the entire membership of the Board, conferred about the matters hereinbefore recited; also present were George W. Thompson, President of the Continental National Bank, the Depository of the District, and Mr. Borden A. Davis, Comptroller of said bank. The major subject was the matter of the sale of the bonds, the delivery of same and security to be pledged by the Depository after the sale of the bonds and the deposit of the proceeds of sale. These were fully canvassed and also the matter of interest on time deposits in said Depository when the proceeds or part of the proceeds of the sale of such bonds should be deposited to the credit of

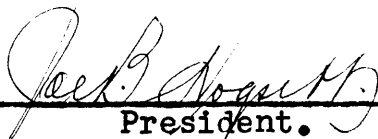
the District in said Depository. It was agreed by Mr. Thompson that in the case of time deposits, interest would be paid thereon by the Depository at the rate of 1.30 per cent per annum, but that 30 days' notice of the withdrawal of such time deposits should be given by the Depository to the District prior to the time of withdrawal of such funds and that the period of six months was the minimum of time permitted for time deposits by the Federal Reserve Bank regulations.

It was further agreed at the meeting that the further discussion of the subject of security by the Depository of funds to be deposited growing out of the issue of such bonds should be taken up and arranged at a future meeting.

It was further resolved that when the Board adjourned that it should meet again on Tuesday morning, February 6th, 1951, for the discussion of other matters involving the sale of the bonds and in temporary investment of the proceeds in Federal Government securities until the matter of a pledge of security by the local Depository should be satisfactorily arranged and approved by the Board of Directors.

4.

No other business appearing before the Board, the meeting thereupon adjourned.

  
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President.

  
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Secretary.