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A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF ABILENE, TEXAS, APPROVING SECURITIES PLEDGED BY THE FIRST STATE BANK AND AUTHORIZING THE MAYOR TO EXECUTE A DEPOSITORY AGREEMENT IN CONNECTION THEREWITH.

WHEREAS, the First State Bank was, on June 12th, 1969, designated as a depository of City Funds; and

WHEREAS, said bank has submitted a Depository Agreement, setting forth the securities pledged for such funds; and

WHEREAS, it is the opinion of the City Council that such agreement for deposit security should be approved, and that the Mayor should be authorized to execute same, for and on behalf of the City of Abilene; now, therefore,

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF ABILENE,

TEXAS:

PART 1: That the securities pledged by the First State Bank, in the amount of One Million Sixteen Thousand Dollars (\$1,016,000.00), be, and are hereby, in all things, approved, as provided in the agreement attached hereto.

PART 2: That the Mayor be, and he is hereby, authorized to execute such Depository Agreement, for and on behalf of the City of Abilene.

PART 3: That this resolution shall take effect immediately from and after its passage.

ADOPTED this 26th day of June, A. D., 1969.

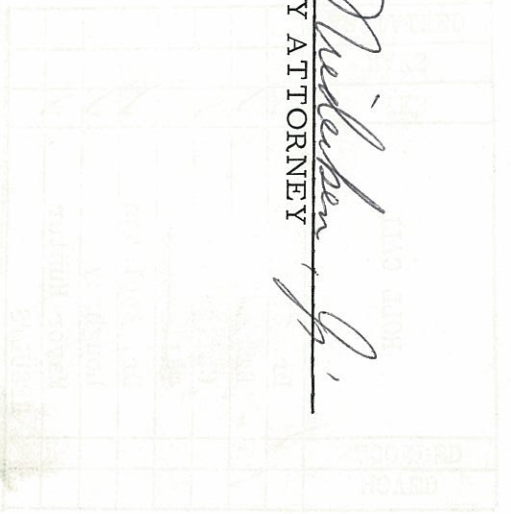

MAYOR

ATTEST:


CITY SECRETARY

APPROVED:


CITY ATTORNEY



PLEDGE CONTRACT

STATE OF TEXAS)
)
COUNTY OF TAYLOR)

WHEREAS, on the 12th day of June, 1969, the City Council of the City of Abilene by resolution of said date, designated the First State Bank, Abilene, Texas, as a depository for funds of said City for a term expiring July 1, 1970, pursuant to an application of said bank duly filed with said Board and after notice duly given as required by law by the city secretary of the City of Abilene, and

WHEREAS, in the resolution designating said bank as a depository of the funds of said City it was provided that said bank should file a depository bond or pledge securities in lieu of such bonds as required by law; and

WHEREAS, said bank has elected to pledge securities to secure said deposit in lieu of a bond

NOW THEREFORE, the First State Bank, Abilene, Texas, hereby tenders the list of securities shown by Exhibit "A," herunto attached, as a pledge to secure the City of Abilene, Texas, in its deposits of funds of said City, as provided for in said designation, said securities being in the par and appraised value of

\$ 1,016,000.00 . These said securities during the life of this contract to be retained and held in the custody of the Mercantile National Bank, Dallas, Texas, called Escrow Agent. The First State Bank, Abilene, Texas, will at all times keep on deposit with said Escrow Agent an amount of securities equal in value to the total amount of deposit of the City of Abilene included in said depository contract, less, however, such amount of said deposit provided for new or hereafter by the Federal Deposit Insurance Corporation. All future deposits of securities with said Escrow Agent to be approved by the City Council of the City of Abilene or its designated agent for that purpose. In the event of a reduction in the amount of deposit, the amount of said securities pledged with said Escrow Agent may be proportionately withdrawn. The First State Bank shall have the right at all time to collect interest accruing on said securities. It shall also have the right to substitute securities for existing securities in the same amount at any time with the approval of the City of its authorized agent. It shall also have the right to collect any maturing security, but at the same time must replace an equal amount of acceptable securities in lieu thereof. It is the condition of this pledge that The First State Bank, Abilene, Texas, will faithfully perform all duties and all obligations devolving

by law, city charter, or ordinance upon is as such city depository, and that it shall faithfully upon presentation, pay any and all checks and drafts upon said depository by the City of Abilene whenever any funds shall be in said deposits subject to check in the particular fund upon which said check or draft may be drawn, and that the said bank shall faithfully keep all funds of said City deposited within and account therefore according to law. During the life of this contract the said City of Abilene shall have the first and prior lien upon all of said Escrow Agent to secure the faithful performance of this contract and the observance of the above conditions.

By agreement between the parties of any time the Escrow Agent may be changed and the securities deposited with such other Escrow Agent as may be agreed upon.

This agreement of pledge shall take effect upon the approval thereof of the City of Abilene to be evidenced by the Mayor hereunto affixed, attested by the City Secretary and the seal of said City and by a certified copy of the resolution of the City Council of said City approving this agreement, attached to a copy of this agreement and, finally, by the written acceptance of said Escrow Agent to be evidenced by the signature of an officer thereof.

WITNESS WHEREOF, The First State Bank, Abilene, Texas, has caused these presence to be executed by John A. Wright, its President hereunto duly authorized and lawfully authorized by resolution of its Board of Directors and its Corporate Seal hereunto affixed, this 16th day of June, 1969.

ATTEST:

THE FIRST STATE BANK, ABILENE, TEXAS

Cashier



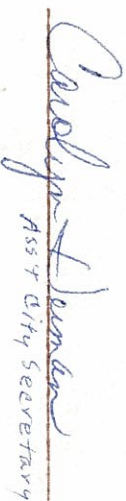
President



ATTEST:

ACCEPTED BY:

The City of Abilene



Asst. City Secretary



Mayor

EXHIBIT "A"

Securities held in Mercantile National Bank, Dallas, Texas

| <u>AMOUNT</u> | <u>DESCRIPTION</u> | <u>YIELD</u> | <u>DATE</u> |
|---------------|--|--------------|-------------|
| 100M | The Twelve Federal Intermediate Credit Banks Cons. Coll. Trust Debenture | 5-5/8% | 7-1-69 |
| 75M | U. S. Treasury Notes of Series C-1970 | 6-3/8% | 5-15-70 |
| 25M | City of Bay City Waterworks and Sanitary Sewer System Tax Bonds | 3.9% | 12-1-81 |
| 25M | Beaumont Independent School District Schoolhouse Bonds | 2-3/4% | 6-1-70 |
| 30M | City of Brownfield, Texas, Waterworks and Sewer System Revenue Bonds, Series 1961 | 3.75% | 11-1-75 |
| 25M | Culberson County Rural High School District Unlimited Tax Refunding Bonds, (School Building) Series 1968 | 5% | 6-1-79 |
| 50M | Eanes Independent School District School Building Unlimited Tax Bonds, Series 1968 | 4-3/4% | 10-15-82 |
| 25M | City of Fort Worth, Texas, General Obligation Bonds, Series 78 | 3% | 11-1-71 |
| 25M | City of Fort Worth Street Improvement Bonds, Series 84 | 2-1/4% | 3-1-76 |
| 25M | City of Fort Worth, Texas, General Purpose Bonds, Series 1965 | 3% | 5-1-79 |
| 25M | Greenville Hospital District Hospital Bonds, Series 1968 | 5% | 6-1-81 |
| 10M | Par Value City of Hereford, Texas, Waterworks and Sewer System Revenue Bonds Series 1964 | 3.375% | 1-1-78 |
| 10M | Par Value Hereford Rural High School District School Building Bonds, Series 1962 | 3.4% | 7-1-74 |
| 200M | U. S. Treasury Notes, Series A-1975 | 5-3/4% | 2-15-75 |
| 10M | Hereford, Texas, Waterworks and Sewer System Revenue Bonds, Series 1964 | 3-3/8% | 1-1-76 |
| 33M | Housing Authority of the City of Asheville, North Carolina, New Housing Authority Bonds | 2-1/8% | 8-1-73 |
| 21M | Housing Authority of the City of Brookhaven, Mississippi New Housing Authority Bonds | 2-1/8% | 8-1-73 |
| 9M | Housing Authority of the City of Clarksdale, Mississippi New Housing Authority Bonds | 2-1/8% | 8-1-73 |
| 25M | Housing Authority of the City of Montgomery, Alabama New Housing Authority Bonds | 2-1/8% | 2-1-73 |
| 18M | Napa Housing Authority Idaho, New Housing Authority Bonds | 2-1/8% | 8-1-73 |

Securities held in Mercantile National Bank,
Dallas, Texas

| <u>AMOUNT</u> | <u>DESCRIPTION</u> | <u>YIELD</u> | <u>DATE</u> |
|---------------|--|--------------|-------------|
| 38M | Housing Authority of the Township of Woodbridge, New Jersey, New Housing Authority Bonds | 2-1/8% | 8-1-73 |
| 15M | Abilene Independent School District Schoolhouse Bonds | 4-1/2% | 12-15-71 |
| 7M | Alamo, Texas, Public Housing Authority, New Housing Authority Bonds | 2-1/8% | 8-1-73 |
| 25M | City of San Antonio, Texas, General Obligation Bonds | 3.20% | 10-1-78 |
| 60M | Stonewall County Hospital District Bonds | 3-7/8% | 7-10-72 |
| 15M | Texas City Independent School District of Galveston County, Texas, Bonds | 3% | 2-15-78 |
| 25M | City of Texas City, Texas, General Obligation Bonds | 3-1/4% | 2-1-78 |
| 40M | Vernon Independent School District School Building Bonds | 3-1/2% | 4-1-74 |
| 25M | Ysleta Independent School District Schoolhouse Bonds | 3/20% | 12-15-78 |

1,016M