

COMMONWEALTH OF KENTUCKY
Department of Education
Office of District Support Services

Bond of Depository for Public School Funds

The undersigned, The Peoples Bank of Taylorsville, Kentucky, hereinafter referred to as the Depository, hereby acknowledges itself bound to the Commonwealth of Kentucky, and the Spencer County Board of Education, in the penal sum of 103% of current daily balances, as depository of the Spencer County Board of Education, shall well and truly discharge the duties of said office according to law, account for, to the proper authorities, and pay over to all parties legally entitled thereto on proper warrants all funds that may come into its hands as Depository of the Board of Education aforesaid for a maximum of 2 years, beginning July 1, 2012.

As collateral for this undertaking the undersigned hereby pledges Collateral per attached- US Govt Agencies, US Govt Bond, KY School Revenue Bonds, Depository Bond (type of collateral** - attach portfolio) in the principal sum of 103% of current daily balances *** deposited in escrow with The Peoples Bank of Taylorsville, Kentucky, hereinafter referred to as the Escrow Agent, evidenced by the safekeeping receipt filed in the offices of the local board of education, provided, however, that at no time shall the amount of collateral be reduced without the execution of a new bond which shall have prior approval by the Kentucky Department of Education, Division of School Finance, Frankfort, Kentucky.

The undersigned, the Depository, hereby reserves the right unto itself, (1) to detach and collect for its own use and benefit all coupons of said bonds as they mature; (2) to substitute for any of said bonds, other United States Government bonds and/or Kentucky School Revenue Bonds of the same face or par value; (3) to terminate all liability under this bond and escrow deposit by giving thirty (30) days notice, in writing, of its intention to do so to the chairperson of the Spencer County Board of Education, by registered mail, addressed to such chairperson at Taylorsville, Kentucky, and to the chairperson of the Kentucky Board of Education, by registered mail, addressed to such chairperson at Frankfort, Kentucky. Within the thirty days, the Depository shall make statements with the board, pay over all funds in its hand to the board, and exhibit to the Escrow Agent a copy of the settlement, duly receipted by the secretary and chairperson of the board. The Board of Education shall cancel this bond only by giving thirty (30) days notice in writing, of its intention to do so, to the Depository, by registered mail, and to the chairperson of the Kentucky Board of Education by registered mail.

It is further conditioned that liability of this bond in not to be effectual until Federal Deposit Insurance protection is exhausted.

IN WITNESS WHEREOF, the undersigned has caused its corporate name to be subscribed and its corporate seal to be affixed hereof, this 1st day of July, 2012.

Name of Bank The Peoples Bank

By (Bank Official)  Title Assistant Vice President

We hereby certify to the Commissioner of Education that the bond appearing hereon is a true copy of the bond executed and delivered by the Depository of this Board of Education, and it was approved by the _____

Board of Education on _____, 20__.

Chairperson _____ Secretary _____

* Should agree with penal sum.

** This collateral shall consist of United States Government Bonds, Kentucky School Revenue Bonds, and/or Federal Government Agency Obligations.

*** May not be less than penal sum.

INVOICE

DATE 11/01/11

DURHAM-MUDD

INSURANCE

407 COLUMBIA HIGHWAY


PHONE 932-4343

P. O. BOX 310

GREENSBURG, KY 42743

The Peoples Bank
PO Box 369
Taylorsville, Ky. 40071

MORTGAGEE:

RENEWAL DATE	POLICY NUMBER	COMPANY	PROPERTY AND COVERAGE	AMOUNT	PREMIUM
11/01/12	3776635	Liberty Mutual	Depository Bond Ky Surcharge Spencer Co Brd	2,660,000	

IP Pledged Securities

Peoples Bank 60941
Taylorsville, KY
From 5/1/2012 To 5/31/2012

Customer ID: 60941
Report Date: 5/29/2012
PAS Rep: Renee Kennerly
Account Rep: Andrew Patterson

Cusip Grp	Intent Ticket	Description	Loc	Safekeeping Agent	Rate	Maturity	Original Face Par/Current Face	S & P Moody	Date Priced	Book Value Market Value
PLEDGED TO: BOE SPENCER COUNTY BOARD OF EDUCATION										
3128X1JY4 AGY	AFS 685307	FED HOME LN MTG CORP	FTB	FIRST TENNESSEE BANK	4.6000	06/05/2018	1,050,000.00 1,050,000.00	AA+ Aaa	05/23/2012	1,129,205.61 1,251,253.50
3128X2RL1 AGY	AFS 599843	FED HOME LN MTG CORP MTN	FTB	FIRST TENNESSEE BANK	5.3500	08/01/2015	1,000,000.00 1,000,000.00	AA+ Aaa	05/23/2012	1,076,981.33 1,145,800.02
3133X0PF0 AGY	AFS 612640	FED HOME LN BK	FTB	FIRST TENNESSEE BANK	5.3750	08/15/2018	1,000,000.00 1,000,000.00	AA+ Aaa	05/23/2012	1,083,401.37 1,241,829.99
3133XWE70 AGY	AFS 629958	FED HOME LN BK	FTB	FIRST TENNESSEE BANK	2.5000	06/13/2014	1,000,000.00 1,000,000.00	AA+ Aaa	05/23/2012	1,012,308.43 1,043,069.99
31398AU34 AGY	AFS 670956	FED NATL MTG ASSN	FTB	FIRST TENNESSEE BANK	2.3750	07/28/2015	1,000,000.00 1,000,000.00	AA+ Aaa	05/23/2012	1,007,343.68 1,055,989.99
31368TQNO MBS	AFS 74192	FNMA POOL #199461	FTB	FIRST TENNESSEE BANK	6.5000	12/01/2022	516,650.00 43,233.37		05/23/2012	43,219.60 48,982.11
31377SYD4 MBS	AFS 449130	FNMA POOL #386008	FTB	FIRST TENNESSEE BANK	4.5200	04/01/2013	1,000,000.00 1,000,000.00		05/23/2012	996,148.60 1,013,030.01
3138A8SQO MBS	AFS 702550	FNMA POOL #AH6826	FTB	FIRST TENNESSEE BANK	4.0000	03/01/2026	1,020,000.00 867,121.51		05/23/2012	901,814.19 931,600.64
700254EM3 MUN	AFS 325753	PARK CNTY COLO SCH DIST NO 001	FTB	FIRST TENNESSEE BANK	4.5000	12/01/2018	350,000.00 350,000.00	AA- Aa2	05/23/2012	357,958.26 396,245.49
858865BX5 MUN	AFS 451669	STEPHENSON CNTY ILL	FTB	FIRST TENNESSEE BANK	5.0000	12/01/2017	330,000.00 330,000.00	BBB- Wr	05/23/2012	351,172.80 386,697.30
858865BY3 MUN	AFS 451668	STEPHENSON CNTY ILL	FTB	FIRST TENNESSEE BANK	5.0000	12/01/2018	350,000.00 350,000.00	BBB- Wr	05/23/2012	371,560.31 404,691.06
TOTAL PLEDGE FOR PLEDGE ID: BOE SPENCER COUNTY BOARD OF EDUCATION										
Total Pledged: 11				Orig Face: 8,616,650.00	Current Face: 7,990,354.88	Market Value: 8,919,190.04	Book Value: 8,331,114.18			

10,0559.49.92
- 250,000.00 FOTC
9,805,949.92
- 2,145,949.92 = 7,660,000.00

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Full
more 7,500,000.00