



Bullitt County Public Schools

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Shepherdsville, Kentucky 40165

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www.bullittschools.org

TO: Jesse Bacon, Superintendent *JB*
FROM: Lisa Lewis, Director of Finance *Lewis*
DATE: June 4, 2019
RE: Bond Depository—Stock Yards Bank

On June 2, 2015, bids were received and opened for Banking Services. Stock Yards Bank was awarded the bid for FY 16 and FY 17 with renewal for two additional two-year periods. Stock Yards Bank currently pays interest at the rate of .30% Annual Percentage Yield with \$10,000,000 excluded from the interest calculation. We have received excellent service from Stock Yards Bank and they are very professional and helpful every time we have needed them. Funds are collateralized at 103% of our balance.

Attached you will find the Bond of Depository Form to be executed for Stock Yards Bank. I ask for renewal of banking service with Stock Yards Bank and approval of the Bond of Depository.

B. Lewis

Bond of "Depository" for Public School Funds

4/29/13

COLLATERAL SECURITY AGREEMENT

THIS COLLATERAL SECURITY AGREEMENT (This "Agreement"), dated this 24th day of June, 2019, is by and between Bullitt County Board of Education [Official custodian of public funds] ("the Depositor") and Stock Yards Bank & Trust Company, an institution organized under the laws of the United States [or the Commonwealth of Kentucky, or the state of incorporation] and authorized by law to do banking business in the Commonwealth of Kentucky ("the Bank").

RECITALS

- A. The Depositor, through action of its governing entity, has designated the Bank as a depository for funds of the Depositor. All funds on deposit with the Bank to the credit of the Depositor are required to be secured by collateral as provided for in KRS 41.240 (the "Public Funds Law").
- B. To perfect the security interest of the Depositor in the collateral to be pledged by the Bank hereunder, Stock Yards Bank & Trust Company (the "Trustee") will hold the collateral in a custody account for the benefit of the Depositor.
- C. The parties hereto desire to provide the collateralization of the Depositor's funds as required by the Public Funds Law, on the terms and conditions set forth herein.

AGREEMENT

THEREFORE, IN CONSIDERATION of the foregoing and mutual covenants and promises set forth below, the parties hereto agree as follows:

1. During the term of this Agreement, the Depositor will, through appropriate action of its governing entity, designate the officer, or officers, who singly or jointly will be authorized to represent and act on behalf of the Depositor in any and all matters of every kind arising under this Agreement. The Bank's deposit agreement is incorporated herein for all purposes; however, to the extent that any provision in such deposit agreement conflicts with the provisions hereof, the provisions of this Agreement will control.
2. The Bank hereby pledges to the Depositor and grants to the Depositor a security interest in certain assets owned by the Bank and held by the Trustee for the benefit of the Depositor, in accordance with the terms of this Agreement (hereinafter, the "Collateral"), to secure the deposits held by the Bank for the Depositor as required by the Public Funds Law.
3. The total of the market value of the Collateral securing such deposits will be in an amount at least equal to the amount of such deposits, reduced to the extent that such deposits are insured by an agency or instrumentality of the United States government.
4. The Bank has heretofore or will immediately hereafter deliver to the Trustee Collateral of the kind and character permitted by the Public Funds Law, of sufficient amount and market value to provide adequate Collateral for the funds of the Depositor deposited with the bank. The Collateral or substitute collateral, as hereinafter provided for, shall be kept and retained by the Trustee in trust so long as the depository relationship between the Depositor and the Bank shall exist hereunder, and thereafter until all deposits made by the Depositor with the Bank hereunder, or any portion thereof, shall have been properly paid out by the Bank to the Depository or on its order.
5. The Bank shall cause the Trustee to accept the Collateral and hold the same in trust for the purpose herein stated.
6. Should the Bank fail at any time to pay and satisfy when due, any check, draft, or voucher lawfully drawn against any deposit, or in the case the Bank becomes insolvent, or fails to maintain adequate collateral as required by this Agreement, or in any manner breaches its contract with the Depositor, the Depositor may give written notice of such failure, insolvency, or breach. In the event the Bank shall fail to cure such failure, insolvency, or breach within three days of its receipt of such written notice from the Depositor, it shall be the duty of the Trustee,

upon demand of the Depositor, supported by proper evidence of any of the above-listed circumstances, to surrender the Collateral to the Depositor. The Depositor may sell all or any part of the Collateral and out of the proceeds thereof pay the Depositor all damages and losses sustained by it, together with all expenses of any and every kind incurred by it on account of such failure or insolvency, or sale, accounting to the Bank for the remainder, if any, of such proceeds or Collateral remaining unsold.

7. Any sale of the Collateral, or any part thereof, made by the Depositor hereunder may be either at public or private sale; provided, however, that three days' notice of the time and place where such sale shall take place shall be given to both the Depositor and the Bank, and such sale shall be to the highest bidder thereof for cash. The Depositor and the Bank shall have the right to bid at such sale.
8. If the Bank shall desire to sell or otherwise dispose of any one or more of the securities constituting part of the Collateral deposited with the Trustee, it may substitute for any one or more such securities other securities of the same market value and of the character authorized herein,. Such right of substitution shall remain in full force and may be exercised by the Bank as often as it is desired; provided, however, that the aggregate market value of all collateral pledged hereunder shall be at least equal to the amount of Collateral required hereunder. If at any time, the aggregate market value of the Collateral so deposited with the Trustee is less than the amount required hereunder, the Bank shall immediately deposit with the Trustee such additional Collateral as may be necessary to cause the market value of such Collateral to equal the total amount of required Collateral. The Depositor shall have the right to reject substituted collateral by the Bank. The Bank shall be entitled to income on securities held by the Trustee, and the Trustee may dispose of such income as directed by the Bank without approval of the Depositor, provided a breach of contract does not exist.
9. The Bank shall cause the Trustee to promptly forward within three business days to the Depositor copies of safekeeping or trust receipts covering all the Collateral held for the Bank, including substitute collateral as provided for herein.
10. If at any time the Collateral in the hands of the Trustee shall have a market value in excess of the amount required hereunder, the Depositor shall authorize the withdrawal of a specified amount of Collateral equal to the amount in excess of that required, and the Trustee may deliver this amount of Collateral, and no more, to the Bank, taking its receipt therefor, and the Trustee shall have no further liability for Collateral so redelivered to the Bank.
11. Either party shall have the right to terminate this Agreement by advance written notice to the other of its election to do so, and this Agreement shall be void from and after the expiration of sixty days after the receipt of such notice, provided all provisions of this Agreement have been fulfilled.

12. When the relationship of the Depositor and the Bank has ceased to exist and when the Bank shall have properly paid out all deposits of the Depositor, the Depositor shall give to the Trustee written notice to that effect; whereupon the Trustee shall redeliver to the Bank all Collateral then in its possession belonging to the Bank, taking its receipts therefor.

EXECUTED THIS 4th day of June, 2019, by the undersigned duly authorized officers of the parties hereto.

DEPOSITOR:

By: _____

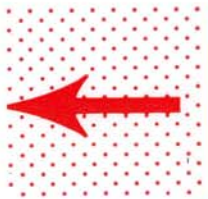
TITLE: _____

BANK:

STOCK YARDS BANK & TRUST COMPANY

By: SG S Jals

Title: Vice President



Reportfolio

Stock Yards Bank & Trust Co., Louisville, KY
Published: 6/3/2019 2:09:22 PM

Management Report

Pledged To: BULLITT COUNTY BOARD OF EDUCATION

Date: 31-May-19
Page: 1

Section V-C

Safekeeping

Code	Cusip Trans#	Description Maturity	Prerefund	Pool Coupon	Moody StdPoor	Original Face Pledged Percent	Original Face Value	Pledged Par Value	Pledged Book Value	Pledged Market Value
Location		FAS 115								
BKNY	3128MMVQ3	FHLMC Pool #G18622		G18622		\$15,000,000.00	\$7,000,000.00	\$5,150,078.15	\$4,955,537.79	\$5,155,485.73
	502541201810290	12/1/2031		2.500		46.67%				
BANK OF NEW YORK		AFS								
BKNY	3128P8E80	FHLMC Pool #C91959		C91959		\$10,000,000.00	\$7,600,000.00	\$6,549,921.83	\$6,680,362.44	\$6,645,616.19
	476773201710240	11/1/2037		3.000		76.00%				
BANK OF NEW YORK		AFS								
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2 MBS - Fixed Rate										
BKNY	313384KL2	FHLB Discount Note				\$50,000,000.00	\$4,000,000.00	\$4,000,000.00	\$3,980,579.56	\$3,979,806.67
	517731201905290	8/15/2019		0.000		8.00%				
BANK OF NEW YORK		AFS								
BKNY	3135G0ZY2	FNMA Bullet			Aaa	\$20,000,000.00	\$20,000,000.00	\$20,000,000.00	\$20,072,529.11	\$19,938,480.00
	447497201610240	11/26/2019		1.750	AA+	100.00%				
BANK OF NEW YORK		AFS								
BKNY	3130A66T9	FHLB Bullet			Aaa	\$20,000,000.00	\$10,000,000.00	\$10,000,000.00	\$9,985,910.88	\$9,945,530.00
	477284201710310	9/11/2020		1.625	AA+	50.00%				
BANK OF NEW YORK		AFS								
<hr/>										
3 Agency Notes/Bonds - FR										
BKNY	3136APCJ9	FNR 2015-33 P				\$13,200,000.00	\$6,200,000.00	\$2,497,348.22	\$2,547,707.23	\$2,512,949.90
	409444201510201	6/25/2045		2.500		46.97%				
BANK OF NEW YORK		AFS								
<hr/>										
1 CMOs - Fixed Rate										
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Total Pledged	9	To: BCB	BULLITT COUNTY BOARD OF EDUCATION			\$34,000,000.00	\$6,200,000.00	\$2,497,348.22	\$2,547,707.23	\$2,512,949.90
		\$0.00	Munis with Maturity Under 2 Years			\$14,197,348.20	\$54,800,000.00	\$48,197,348.20	\$48,222,627.02	\$48,177,868.50
		\$0.00	Munis with Maturity Over 2 Years							



** If no data is shown, then there are no pledges for the current period.