

COMMONWEALTH OF KENTUCKY
Department of Education
Office of District Support Services

Pledge of Collateral Agreement for Public School Funds

The undersigned, South Central Bank, Inc. Bank of Glasgow, Kentucky, hereinafter referred to as the Depository, hereby acknowledges itself bound to the Commonwealth of Kentucky, and the Allen County Board of Education, as depository of the 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 period not to exceed two (2) years, beginning July 1, 20 21.

As collateral for this undertaking, the undersigned hereby pledges obligations guaranteed by the U. S. Government, Kentucky School Revenue, and/or Federal Government Agency for surety bonds or other securitized collateral (type of collateral *) in the principal sum of \$11,000,000 * deposited in escrow with the South Central Bank, Inc. Bank of Glasgow, 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 Commissioner of Education.

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 a thirty (30) day notice, in writing, of its intention to do so to the chairperson of the Allen County Board of Education, by registered mail, addressed to such chairperson at the Local Board of Education, 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 a thirty (30) day 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 is not to be effectual until Federal Deposit Insurance Corporation (FDIC) 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 2 day of June, 2021.

Name of Bank South Central Bank, Inc.

By (Bank Official)  Title CFO

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 Allen County Board of Education on _____, 20 .

Chairperson _____ Secretary _____

*This collateral shall consist of investments that conform to KRS 41.240 and KRS 66.480.

FORM TO BE RETAINED AT THE LOCAL SCHOOL BOARD OFFICE

Pledge Inventory Report

South Central Rollup
Glasgow, KY
FROM 5/1/2021 TO 5/31/2021

Customer ID: 118363
Report Date: 5/28/2021
PAS Rep: Renee Kennedy
Account Rep: Luke Ferguson

Cusip	Description	Maturity/Refunded Dt	Group	Intent	S&P	Market Price Dt	Original Face	Book Value
Ticket	Location Code/Name			Coupon	Moody	Maturity (Yr)	Par	Market Value
Pledged: 3330 - ALLEN COUNTY BOARD OF EDUCATION								
3133EFNH6	FEDERAL FARM CREDIT	11/06/2026		AFS	AA+	5/21/2021	500,000.00	496,001.93
997045	FTB - First Horizon Bank	AGY		2.75000	Aaa	5.44	500,000.00	547,309.99
3136G0X30	FED NATL MTG ASSN	10/25/2022		AFS	AA+	5/21/2021	225,000.00	222,056.25
881372	FTB - First Horizon Bank	AGY		2.00000	Aaa	1.40	225,000.00	230,989.51
3137FKJN7	FHMS KF54 A	11/25/2028		AFS	NR	5/21/2021	1,150,000.00	806,221.33
1241396	FTB - First Horizon Bank	MBS		0.58725	Nr	7.49	804,348.16	808,771.05
3140X44A1	FNMA POOL #FM1716	10/01/2044		AFS		5/21/2021	365,000.00	120,080.05
1217394	FTB - First Horizon Bank	MBS		3.00000		23.35	118,902.43	124,600.23
31418DND0	FNMA POOL #MA3987	04/01/2040		AFS	Nr	5/21/2021	3,300,000.00	1,697,910.37
1228314	FTB - First Horizon Bank	MBS		2.50000	Nr	18.85	1,685,281.46	1,748,209.89
38380QKT8	GNR 2020-H16 FL	09/20/2070		AFS	NR	5/21/2021	1,500,000.00	1,505,508.80
1263259	FTB - First Horizon Bank	MBS		0.69925	Nr	49.34	1,487,091.90	1,514,912.25
38380RJ87	GNR 2020-190 AB	01/16/2062		AFS	NR	5/21/2021	850,000.00	872,471.72
1277785	FTB - First Horizon Bank	MBS		2.00000	Nr	40.66	843,919.98	859,660.55
38380RQH6	GNR 2021-10 AB	06/16/2062		AFS	NR	5/21/2021	2,000,000.00	2,055,923.55
1281999	FTB - First Horizon Bank	MBS		2.00000	Nr	41.07	1,988,526.52	2,028,677.40
831641FN0	SBIC 2019-10B 1	09/10/2029		AFS	Nr	5/21/2021	3,240,000.00	3,136,601.74
1216858	FTB - First Horizon Bank	MBS		2.28300	Nr	8.28	3,133,480.71	3,248,260.17
935007E67	WARREN CNTY KY SCH D	12/01/2035		AFS		5/21/2021	400,000.00	390,599.31
1271079	FTB - First Horizon Bank	MUN		2.00000	Aa3	14.51	400,000.00	398,131.99
10	Total Pledged: 3330 - ALLEN COUNTY BOARD OF EDUCATION						13,530,000.00	11,303,375.05
							11,186,551.16	11,509,523.03

This report reflects information submitted to us by the customer. It is not intended to be used as the official record of safekeeping location and/or pledged holdings. This information should be provided by the customer's safekeeper.