

COMMONWEALTH OF KENTUCKY
Department of Education
Office of District Support Services

Pledge of Collateral Agreement for Public School Funds

The undersigned, South Central 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, 2024 .

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 \$14.5 million* deposited in escrow with the First Horizon Bank of Memphis, Tennessee, 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 10th day of June 2024.

Name of Bank South Central Bank, Inc.

By (Bank Official)  **Title :** CFO, Russel Harris

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** _____

*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 5/1/2024 TO 5/31/2024

Customer ID: 118363
Report Date: 5/30/2024
PAS Rep: Renee Kennerly
Account Rep: Luke Ferguson

Cusip	Description	Maturity/Refunded Dt	Intent	S&P	Market Price Dt	Original Face	Book Value
Ticket	Location Code/Name	Group	Coupon	Moody	Maturity (Yr)	Par	Market Value
Pledged: 3330 - Allen County Board of Education							
38383U4Q0	GNR 2022-173 CA	11/20/2044	AFS		5/23/2024	900,000.00	733,527.80
1439238	FTB - First Horizon Bank	MBS	5.50000		20.49	733,744.95	725,762.69
831641FN0	SBIC 2019-10B 1	09/10/2029	AFS	nr	5/23/2024	3,240,000.00	2,430,906.12
1216858	FTB - First Horizon Bank	MBS	2.28300	Nr	5.28	2,429,701.85	2,164,694.27
831641FR1	SBIC 2021-10A 1	03/10/2031	AFS	NR	5/23/2024	600,000.00	522,987.20
1294995	FTB - First Horizon Bank	MBS	1.66700	Nr	6.78	522,987.20	450,720.83
935007E67	WARREN CNTY KY SCH D	12/01/2035	AFS		5/23/2024	400,000.00	392,308.52
1271079	FTB - First Horizon Bank	MUN	2.00000	Aa3	11.51	400,000.00	307,308.00
9128284V9	US Treasury Bond	08/15/2028	AFS	AA+	5/23/2024	2,100,000.00	2,234,696.52
1296386	FTB - First Horizon Bank	TRS	2.87500	Aaa	4.21	2,100,000.00	1,962,849.00
18	Total Pledged: 3330 - Allen County Board of Education					26,060,000.00	18,098,527.17
						17,801,296.21	15,424,265.07

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.