MARCH 5, 1948

Minutes of a regular Meeting of the City Council of the City of Idaho Falls, Idaho, held March 5th, 1948, were recorded.

There were present at said Meeting: E. W. Fanning, Mayor; Lee Walker, City Clerk; Councilmen Crabtree, Wasley, Sutton; Absent: Freeman; when the following proceedings were had, to-wit:

Minutes of the last regular Meeting were read and approved.

The following monthly reports were read and approved: City Clerk, Sanitary & Meat Inspector, Power Plant Supt., Chief of Fire Dept., Electric Line Supt., Electrical Inspector, Waterworks Supt., Plumbing Inspector, Street & Park Commissioner.

The Finance Committee presented the following list of claims covering bills for the month of February 1948, in the sum of $62,408.66 which had been checked by the Purchasing Agent and approved by them, and they recommend that the same be allowed.

#1725	State Treasurer	132.40
#1726	American National Bank	1,514.00
#1727	American National Bank	7,180.43
#1728	Bank of Eastern Idaho	4,133.71
#1729	First Security Bank of Idaho	12,799.26
#1730	Abramson Tent & Awning Co.	3.50
#1731	American National Bank	26.56
#1732	C. C. Anderson Stores Co.	46.44
#1733	Ashton Glass & Paint Co.	1.20
#1734	A. P. Salvage	1.50
#1735	Auto Parts	50.81
#1736	B & B Key & Gun Shop	4.20
#1737	Bair's Tire Shop	48.65
#1738	Blue Bell Company	1,016.94
#1739	Boise Payette Lumber Co.	28.73
#1740	Bonneville Auto Co.	62.46
#1741	Bonneville Floral Co.	5.00
#1742	Bonneville Lumber Co.	42.85
#1743	J. Ed Browning & Son	9.59
#1744	Burstein-Applebee Co.	20.08
#1745	Burroughs Adding Machine Co.	54.95
#1746	Carpenter Paper Co.	33.21
#1747	Chamber of Commerce	75.00
#1748	Dad Clay's Garage	2.10
#1749	Colson's Sign Shop	49.50
#1750	Columbia Carbon Co.	9.00
#1751	Continental Oil Co.	26.30
#1752	Contor Equipment Co.	122.30
#1753	Craggs Drug	1.50
#1754	Decker Brothers	12.75

#1755	Bank of Eastern Idaho	5.77
#1756	Ellsworth Brothers	17.19
#1757	First Security Bank of Idaho	22.04
#1758	Fletcher Oil Co.	2,071.85
#1759	Fred's Café	73.80
#1760	General Electric Supply Corp.	984.36
#1761	The B. F. Goodrich Co.	21.57
#1762	Mrs. Helen Harrill	5.00
#1763	Heiner Equipment & Supply Co.	119.58
#1764	Clyde Hess Inland Cola Co.	120.51
#1765	Home Service Laundry	5.00
#1766	The Idaho Commoner	53.60
#1767	Idaho Falls Battery Co.	38.54
#1768	Idaho Falls Electric Co.	10.11
#1769	Idaho Falls Foundry	16.50
#1770	Idaho Falls Sheet Metal Works	20.05
#1771	Idaho Typewriter Exchange	3.60
#1772	Iowa Manufacturing Co.	10.12
#1773	Johnson Welding & Iron Works	40.50
#1774	Roy J. Keller Co.	7.92
#1775	Ken's Auto Body	23.11
#1776	Max Ker & Son Lumber Co.	2.85
#1777	Kopke Electronics Co.	12.30
#1778	S. H. Kress Co.	4.46
#1779	K's Drive Inn	31.50
#1780	S. C. Lawlor Company	26.25
#1781	Lowder's Shell Service Station	2.25
#1782	George A. Low Company	87.83
#1783	Lundahl's Motor, Inc.	7.60
#1784	MacKenzie Auto Equipment Co.	27.98
#1785	Mason Typewriter Exchange	1.50
#1786	Meierotto Machine Shop	7.20
#1787	Mendenhall's of Idaho Falls	53.93
#1788	Merrill-Thompson, Inc.	5.50
#1789	Messer Spring Shop	18.00
#1790	Meyers Industrial Co.	21.00
#1791	The Midland Elevators	446.35
#1792	The Mt. States Tel. & Tel. Co.	115.59
#1793	Musselman Equipment Co.	32.57
#1794	Norris Motor	1.47
#1795	Mutual Benefit Health & Accident Assn.	347.14
#1796	Obrey's Welding	19.45
#1797	Oden Motor Supply Co., Inc	50.65

#1798	Pioneer Machinery Co.	140.45
#1799	Polmar Co., Inc	32.50
#1800	The Post Register	105.80
#1801	Reed's Riteway Stores	14.19
#1802	Reed Hardware & Implement	11.93
#1803	Paul Roberts	94.26
#1804	Rogers Brothers Seed Company	4.50
#1805	Sawtooth Co.	73.22
#1806	Schwendiman Sound Service	6.15
#1807	George M. Scott & Sons	17.30
#1808	Shattuck Insurance Agency	5.00
#1809	Shell Oil Company	1.25
#1810	Sheehan's Welding	29.40
#1811	Smith-Hart Co.	233.66
#1812	Soft Water Service	3.75
#1813	Standard Oil Company of Calif.	10.18
#1814	State Insurance Fund	3,009.69
#1815	The Texas Company	33.40
#1816	Tri-State Lumber Co.	3.58
#1817	T & T Radio Measurement Co.	5.00
#1818	George C. Tway & Company	11.67
#1819	Lee Walker, City Clerk	201.77
#1820	West's Welding & Machine Co.	10.00
#1821	Webb Manufacturing Co.	27.69
#1822	Western Stores	3.40
#1823	Western Machinery Co.	19.58
#1824	L. E. Wood Co.	23.86
#1825	F. W. Woolworth Co.	3.07
#1826	Zion's Wholesale Grocery	37.33
#1827	General Electric Supply Corp.	2,109.26
#1828	American National Bank	154.40
#1829	American National Bank	645.71
#1830	Bank of Eastern Idaho	387.69
#1831	First Security Bank of Idaho	1,722.06
#1832	Auto Parts Co.	63.90
#1833	Boise Payette Lumber Co.	7.22
#1834	Contor Equipment Co.	15.00
#1835	Crane Co.	246.93
#1836	Crane O'Fallon Co.	14.66
#1837	Holland Furnace Co.	4.00
#1838	The Idaho Falls Foundry	5.75
#1839	A. M. Moore	6.00
#1840	Mt. States Tel. & Tel. Co.	9.50

#1841	Obrey's Welding	46.50
#1842	Reed Hardware & Implement Co.	16.91
#1843	Rensselaer Valve Company	1,202.95
#1844	Salt Lake Hardware Co.	215.66
#1845	A. J. Schoonover	4,000.00
#1846	Smith-Hart Co.	14.15
#1847	Tri-State Lumber	1.47
#1848	Lee Walker, City Clerk	33.58
#1849	American National Bank	571.80
#1850	American National Bank	3,805.57
#1851	Bank of Eastern Idaho	91.69
#1852	First Security Bank of Idaho	3,111.61
#1853	Appliance Service Center	8.37
#1854	B & B Key & Gun Shop	1.40
#1855	Brown's Heating & Appliance Co.	2.15
#1856	Burns Construction Co.	18.82
#1857	Columbia Vise & Mfg. Co.	18.30
#1858	Ellsworth Brothers	2.70
#1859	Graybar Electric Co.	21.63
#1860	Idaho Falls Electric	102.57
#1861	Idaho Falls Welding & Repair Shop	37.84
#1862	Marshall-Wells Company	57.00
#1863	Meierotto Machine Shop	1.00
#1864	Mendenhall's of Idaho Falls	7.95
#1865	Modern Electric Supply Co.	109.66
#1866	Mt. States Tel & Tel. Co.	30.30
#1867	Pacific Transformer Co.	35.28
#1868	Reed Hardware & Implement Co.	26.77
#1869	Paul Roberts	36.37
#1870	The Sharple's Corp.	20.24
#1871	Sheehan's Welding	6.56
#1872	Utah Power & Light Co.	520.00
#1873	Lee Walker, City Clerk	38.84
#1874	Wasatch Oil Co.	5,596.00
#1875	Westinghouse Electric Supply	505.68
#1876	Western Powder Company	16.67

It was moved by Wasley, seconded by Sutton, that the bills for the month of February, 1948, in the sum of $62,408.66 be allowed, and warrants be drawn on the proper funds in payment of same. Roll call voting Aye: Wasley, Sutton, Crabtree; Nay: None; Motion carried.

The following applications for Bartenders permits were read: Howard Stone, W. S. Quinn, James L. Jensen. It was moved by Sutton, seconded by Crabtree, that the permits be approved. Roll call voting Aye: Sutton, Crabtree, Wasley; Nay: None; Motion carried.

The following applications for Punchboard licenses were read:

White Horse Bar	K's Drive Inn
Airport Service Station	Don Wilson Drug

It was moved by Wasley, seconded by Crabtree, that the licenses be granted. Roll call voting Aye: Sutton, Crabtree, Wasley; Nay: None; Motion carried.

The following applications for licenses were read: BEER: Hoffman's Grocery; SLOT MACHINE: Jacks Club & The Mint. It was moved by Crabtree, seconded by Wasley, that the licenses be granted. Roll call voting Aye: Crabtree, Wasley, Sutton; Nay: None; Motion carried.

STATE OF IDAHO)
COUNTY OF BONNEVILLE : SS.
CITY OF IDAHO FALLS)

The City Council of the City of Idaho Falls, Bonneville County, State of Idaho, met in regular session on Friday the 5th day of March, 1948, at the hour of 8 o'clock P.M. at the City Council Chambers in the City Hall in the City of Idaho Falls, Idaho. Due and legal notice of said Meeting having been given as required by law and the rules and Ordinances of the City.

On roll call, the following members, constituting a quorum, were present: E. W. Fanning, Mayor; Thomas L. Sutton, Councilman; Ray Crabtree, Councilman; T. C. Wasley. Absent: Russell A. Freeman, Councilman. Also present: Lee Walker, City Clerk.

After the transaction of other business not pertinent to the following, the Mayor reported that Edward L. Burton and Company and Continental National Bank and Trust Company, both of Salt Lake, City, Utah, hereinafter known as the sellers, had at the request of and in accordance with instructions given them by the City of Idaho Falls, sold for the City at par and accrued interest, $259,000.00 Local Improvement District No. 19, 4% street paving, curb & gutter, sidewalk bonds, and that sales of said bonds had been made by the sellers in accordance with and based on information and statements contained in a prospectus dated January 15, 1948, which had been certified as full, true, and correct by the Mayor and the City Clerk of said City, for and on behalf of the City, which prospectus is as follows:

$259,000.00
UNSEALED PORTION OF $628,425.78
IDAHO FALLS, IDAHO, LOCAL IMPROVEMENT DISTRICT #19
4%-STREET PAVING, CURB AND GUTTER, AND SIDEWALK BONDS

Dated October 15, 1947 To Mature Serially Oct. 15th, as Shown Below:

Principal and annual interest payable at the City Treasurer's Office in Idaho Falls, Idaho. (These bonds are redeemable at any time at par and accrued interest in numerical order on not less than thirty days' published notice.) Denomination - $500.00.

LOCAL IMPROVEMENT DISTRICT #19

Actual Valuation, Officially Estimated, 1946	$8,982,376.00
Assessed Valuation of Real Estate, 1946	272,375.00
Assessed Valuation, Improvements, 1946	766,050.00
Total Assessed Valuation, 1946	1,038,425.00

The assessed valuation in Idaho Falls is extremely low as compared with the actual valuation. As an example, lots assessed at $90.00 sold recently at $750.00. Homes assessed at $900.00 recently sold at $8,750.00, actual sales. To give a check on the assessed valuation as compared with actual valuation the City checked with local real estate dealers on sales made in the early months of 1947. Lots and improvements in the District assessed at $34,625.00 sold for $299,475.00. Taking this as an average, property in the District was, and is, selling for 8.65 times its assessed valuation. Using this as a basis, the actual value of the lots in this improvement district would be $2,356,043.75 and of the improvements would be $6,626,332.50, or a total valuation of $8,982,376.25. However, since this check was made, there have been a total of 92 new homes completed or under construction in the District, which would greatly increase the assessed valuation of the improvements of the District.

These bonds are being issued to pay for the cost of paving, curb and guttering and construction of sidewalks in various sections of Idaho Falls, Idaho, principally in the Southeast Section, which is the newer section and the section in which most of the new construction is taking place.

The bonds are, in the opinion of Counsel, a special tax lien against the abutting property, which line is superior to the lien of any mortgage or other encumbrances, other than general taxes, whether prior in time or not.

(The City's history of payment of special assessment taxes in Idaho Falls during the past ten years is covered more fully on page 2. Record is good). (Note No. 1)

SECURITY FOR THE BONDS

1. Tax lien against abutting property (Note #2.)
2. Guaranty Fund Levy-present assessed valuation should provide about $8,000.00 annually or about 12½% of the annual bond payments. (Note #3).
3. Special Reserve Fund – Approximately $70,000 to be used only to pay the principal and interest on this issue, as long as any bonds of this issue are outstanding. (Note #4).
4. The City is to purchase the last maturing 15% of the bonds with its own funds in the amount of approximately $90,000. (Note #5).

The bonds are offered subject to issuance, legality and delivery, legality to be approved by Pershing, Bosworth, Dick and Dawson, bond attorneys of Denver, Colorado.

AMOUNT	MATURITY	PRICE	YIELD
$40,500.00	October 15, 1948	$100.00	4.00%
41,000.00	October 15, 1949	100.00	4.00%
40,000.00	October 15, 1950	100.00	4.00%
28,000.00	October 15, 1951	100.00	4.00%
29,000.00	October 15, 1952	100.00	4.00%
25,000.00	October 15, 1953	100.00	4.00%
24,000.00	October 15, 1954	100.00	4.00%
24,500.00	October 15, 1955	100.00	4.00%
7,000.00	October 15, 1956	100.00	4.00%

Note #1—

The City of Idaho Falls has operated under the present Local Improvement District law in local Improvement District No. 17; also in No. 18. Improvement District No. 17 was created approximately ten years ago. This District had over 500 pieces of property assessed, with a very considerable amount of vacant property. All bonds of Local Improvement District No. 17 had been paid. There are not delinquencies. Every property owner has paid the assessment in full and $1,875.60 surplus has reverted to the City's General Fund. Improvement District No. 18 has outstanding only $2,500.00 Local Improvement Bonds with one year yet to run. The City has on hand in this fund, $4,129.40 with which to retire these bonds. A substantial sum will go into the City's General Fund from this District.

The history of payment of special assessment taxes in Idaho Falls for the past ten years has been favorable. The City, during this time, has not sold a single piece of property for delinquency of special assessment taxes. As soon as an assessment becomes delinquent the City Treasurer marks the same delinquent on the assessment roll and adds to the amount a penalty of 2%. Within ten days thereafter the City Treasurer issues to the City a delinquency certificate on the property, which certificate has the force and effect of a sale of the property to the City for the amount thereof, bearing interest at the rate of 10% per annum. At anytime within two years from the date of the certificate the owner of the property, or anyone on his behalf, may redeem the property by paying to the City Treasurer the amount stated in the certificate, together with interest thereon at the rate of 10% per annum. If the property is not redeemed within two years, after giving proper notice, the City Treasurer issues a Deed to the City, or, if the certificate has been assigned, then to the person holding the original delinquency certificate under assignment.

Note #2—

Tax Lien Against Abutting Property. The Idaho Statutes provide special assessment bonds are a special tax lien against the abutting property, which lien is superior to the lien of any mortgage or other encumbrance, other than general taxes, whether prior in time or not.

In the case of delinquencies in the payment of special assessment taxes the law provides "which lien shall be superior to the lien of any mortgage or other encumbrance, whether prior in time or not, and shall constitute such lien until paid, subject to the extinguishment on any lien by the sale of any property on account of the non payment of general taxes."

"Whenever any installment of any assessment made for the payment of interest or principal of such bonds so issued is not paid when due and shall become delinquent the municipality may, at its option, by a Resolution duly adopted by the City Council, declare all unpaid installments and the whole assessment made against any property to pay the cost and expenses of such improvement to be immediately due and payable and delinquent and may thereupon cause a delinquency certificate to be issued against said property for the whole of the assessment against it, in the manner hereinafter provided for the issuance of delinquency certificates, upon any installment of such assessment becoming delinquent, and any such City Council must pass such Resolution upon the written request of the holders of one-half of any such bond issue, filed with the City Clerk."

Note #3 –

The 1947 Session of the Idaho Legislature passed a law providing that cities issuing special assessment bonds after the date of the passage of the law can levy a general tax on all taxable property in the City of one mill, for a guaranty fund, the purpose being to guarantee the payment of principal and interest on local improvement district bonds, and can continue such levy until there has been accumulated in a guaranty fund an amount equal to 5% of all outstanding local improvement district bonds. If and when the fund is reduced below 5% through the payment of principal and interest on local improvement district bonds that might otherwise have gone delinquent, the City can then again levy to build the funds up to the 5%. This levy on the present assessed valuation of Idaho Falls should produce approximately $8,000.00 annually.

Section 11 of Ordinance No. 605 passed by Idaho Falls City on November 7, 1947, provides that "The City shall, by its general Ordinance of appropriation, provide for the levying of a tax not to exceed one mill in any one year for the purpose of creating a local improvement guaranty fund for the payment of bonds herein authorized, in the manner and to the extent provided for in Chapter 182, Session Laws of Idaho, 1947, and that said fund is exclusively pledged for the payment of bonds herein authorized."

Note #4 –

The City has agreed that it will take the approximately $70,000 due it in cash for engineering and supervision and other contingencies, and place this money in a special reserve fund to be held either in cash or invested in U. S. Government Bonds, to be used only to pay the principal and interest on bonds of this issue. Any balance in the fund after the bonds are redeemed, principal and interest, to revert to the City's General Fund. This is equivalent to approximately 9% of the total issue of bonds.

Note #5 –

These bonds are to be due and callable numerically so that the early bonds are callable and paid first. The City has agreed to purchase the last maturing 15% of the bonds with its own funds in an amount of approximately $90,000. This means that the City is in effect guaranteeing payment to the extent of at least 15% of the bonds, as all of the prior maturing bonds must be paid before the City is paid for its bonds. The payment of principal and interest on all bonds in the hands of the public is to be a charge prior to the payment of principal and/or interest of the bonds of this issue purchased and held by the City. In the event of a default in the payment of principal and/or interest on these bonds, the City is to receive payment on the bonds owned by it, only after the interest and principal of the outstanding bonds held by others than the City, is paid in full.

The cost of making these improvements, based on bids submitted to the City Council, including engineering, is $4.752 per front foot for paving, including curb and guttering and surface drainage, and $2.05 per front foot for the portions having sidewalks only. This means that for a fifty foot lot the annual assessment for paving only would be $23.76, and the annual assessment for sidewalks only would be $10.25. Of the total cost of $808,371.18, which includes engineering, the City's portion for street intersections, and alleys is $88,396.78, which will be paid in cash by the City. There has already been collected from property owners $179,945.40 in cash, leaving a total of $628,425.78 of bonds to be issued against the district, and of this amount the City is purchasing 15%, being the long bonds.

FINANCIAL INFORMATION ABOUT IDAHO FALLS CITY

Actual Valuation, Officially Estimated	$62,500,000.00
Assessed Valuation, 1947	6,482,378.00
General Obligation Bonded Debt	None
Invested in Government Bonds (October 31, 1947)	100,000.00
Special Assessment Bonds (excluding this issue)	2,500.00

Population of Idaho Falls – 1940 census – 15,024
Population of Idaho Falls - present estimate - 20,000

TAX COLLECTION RECORD
Idaho Falls City

Year	Current Tax Levy	Uncollected 12-01-1947
1946	$50,938.61	$1,550.51
1945	48,302.85	617.81
1944	39,588.15	37.09
1943	39,518.70	None

RECEIPTS AND DISBURSEMENTS
Idaho Falls City

Years Ended April 30	Receipts and Balances	Expenditures	Balance End of Year
1947	$1,368,823.99	$915,122.71	$453,701.28
1946	1,228,324.54	649,767.28	578,557.26
1945	990,288.38	433,845.31	556,443.07
1944	797,353.39	383,823.98	413,529.41

WATER DEPARTMENT

Year	Gross Revenue	Operation and Maintenance Expenses	Net Profit
1946	$96,061.43	$40,628.29	$55,433.14
1945	88,167.26	29,082.16	60,085.10
1944	81,320.10	18,839.10	62,481.00

LIGHT DEPARTMENT

Year	Gross Revenue	Operation and Maintenance Expenses	Net Profit
1946	$439,326.84	$192,909.95	$246,416.89
1945	402,710.30	83,884.68	318,825.62
1944	384,484.99	61,536.61	322,948.38

DESCRIPTION OF IDAHO FALLS:

IDAHO FALLS, IDAHO, the County Seat of Bonneville County, is a progressive, modern community, the third largest City in Idaho, and is the business and shopping center for a rich agricultural district serving approximately 150,000 people. Potatoes, wheat, sugar beets, barley, oats, seed peas, and fruits are the principal crops. Four sugar beet factories are located within 25 miles of Idaho Falls, and nearby are two potato dehydration plants, a potato alcohol plant, and creameries. Sheep, cattle, hog and poultry raising, and dairying, are all on a large scale, all to the wealth produced in this section each year.

The City's business section gives the impression of a City much larger in size. The school system is an excellent one, and the City owns and operates its own water and power systems. The City's tax levy is small. The Power and Water Departments bring in enough revenues to provide most of the operating revenue of the City. The City has a reserve in cash and government bonds of $275,840.37.

Edward L. Burton Company
160 South Main Street
Salt Lake City, Utah

Gentlemen:

In connection with the sale of $628,425.78 of Local Improvement District No. 19, Idaho Falls, Idaho, 4% Street paving, curb and gutter, and sidewalk bonds, the City Council of the City of Idaho Falls has had prepared the foregoing information, a copy of which has been incorporated into the official records of Idaho Falls City, and the statements contained in the above prospectus are, to our best knowledge and belief, correct and you are hereby authorized to offer the bonds for sale on the basis of the above and foregoing prospectus; and to make the statements contained therein for and on behalf of Idaho Falls City.

By Order of the City Council of Idaho Falls City, Idaho, this 15th day of January, 1948.

ATTEST: s/ Lee Walker — CITY CLERK

s/ E. W. Fanning — MAYOR

(SEAL)

The Mayor further stated that sale of said bonds by the sellers had been made with the understanding that all of the other bonds of said Local Improvement District No. 19 had been sold elsewhere.

After a general discussion of the situation, Councilman Sutton introduced the following Resolution and moved its adoption:

R E S O L U T I O N

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF IDAHO FALLS, IDAHO:

1. That all statements made in the foregoing prospectus in connection with 4% bonds of Local Improvement District No. 19 of the City of Idaho Falls are hereby ratified and confirmed as being true and correct and are adopted as the statements and representations of said City, and that the sales of $259,000.00 bonds of said Local Improvement District No. 19 made by Edward L. Burton and Company and Continental National Bank and Trust Company, both of Salt Lake City, Utah, for and on behalf of said City are approved, all of the other bonds of said Improvement District having heretofore been sold elsewhere.

2. The City hereby agrees and covenants that as a condition of these sales and as part consideration of the sale of all of the bonds of said District, it will, so long as said bonds or any of them are outstanding and said bonds and the interest thereon or any of them are unpaid, do and perform the following:

A. If any installment of an assessment against any piece or pieces of property in said District for the payment of the principal of and the interest on said bonds is not paid when due, the City shall, by proper Resolution or Ordinance, declare all unpaid installments made against such property to be immediately due and payable and delinquent, and shall cause immediately a delinquency certificate to be issued against said property for the entire unpaid amount of the assessment levied against it, and if such property is not redeemed within the legal period provided by law, the City shall immediately at the expiration of such redemption period sell said property and place the proceeds from the sale thereof in the Local Improvement District No. 19 Bond and Interest Fund. However, the Statute of Limitations shall not begin to run against such assessment until the last installment thereof shall become due.

B. The City shall at the time if fixes its annual budget and tax levies for the year 1948 provide for and cause to be levied a general tax on all taxable property in the City, of one mill to be used for the purpose of establishing and providing a guaranty fund, and shall annually thereafter provide for and cause to be levied a general tax on all taxable property in the City of one mill until there has been accumulated in the guaranty fund an amount equal to 10% of all outstanding Local Improvement District No. 19 Bonds, such guaranty fund to be used to pay the principal of and interest on any of the outstanding bonds of this issue as the same become due when the collections from the special improvement taxes from the assessments levied for that purpose are not collected in a sufficient amount to pay the principal of and the interest on said bonds. Thereafter if at any time such guaranty fund is reduced below 10% of the outstanding Local Improvement District No. 19 Bonds in said City, the City shall again cause to be levied a tax of one mill on all of the taxable property in said City, or such proportion as may be necessary to replenish such guaranty fund and maintain it at an

amount equivalent to 10% of the then outstanding Local Improvement District No. 19 Bonds.

C. From the amount due the City for engineering, legal, advertising and other expenses incidental to the creation of Local Improvement District No. 19, the making of improvements therein and the issuance of the bonds, which sum is to be received by the City from the sale of said Local Improvement District No. 19 Bonds, the City shall set aside in a special reserve fund all of such money not needed to pay advertising, legal and other incidental expenses, and in any event not less than $70,000, to be used as an addition reserve funds to pay the principal of and the interest on outstanding bonds of Local Improvement District No. 19 if and when funds to pay such principal or interest are not available from the collection of special improvement district taxes or in the guaranty fund hereinabove mentioned, and whenever any installment of principal or interest on said bonds is due and payable and funds for the payment thereof are not available from the collection of such improvement district taxes or in the guaranty fund said payment shall promptly be made out of this reserve fund. This fund may be retained in cash or invested in U. S. Government Bonds, and after all of the bonds of Local Improvement District No. 19 and the interest thereon are paid, any balance remaining in the fund shall revert to the City.

D. The City agrees to purchase with its own funds and will pay for said bonds coincident with the delivery of the other bonds to the purchasers thereof the last maturing 15 (being the highest numbered bonds of the issue) in the amount of approximately $94,425.78 of this issue, which bonds are to be retained by the City until all of the other outstanding bonds of Local Improvement District No. 19 and the interest thereon have been paid in full, and the payment of the principal and the interest when due on all of the other bonds of said District is to be made prior to the payment of the principal and the interest due on these bonds purchased and held by the City, and if for any reason payment is not made when due of the principal of or the interest on any of the other bonds of this issue, no payment is to be received or taken by the City. Principal or interest on any of the bonds which it holds until after both the principal of and the interest on the bonds held by others are paid in full, it being the intention of the City to subordinate any payments due on its bonds to payment due on the first maturing and lowest numbered 85% of the bonds of the issue.

E. The Mayor and City Clerk are hereby authorized and directed to furnish an executed copy of this Resolution to Edward L. Burton and Company and Continental National Bank and Trust Company, both of Salt Lake City, coincident with the delivery of the bonds which they have sold for the City as a part of the consideration for their sale of bonds of Local Improvement District No. 19.

PASSED by the City Council of the City of Idaho Falls, Idaho, this 5th day of March, 1948.

ATTEST: s/ Lee Walker — s/ E. W. Fanning
CITY CLERK — MAYOR
(SEAL)

Councilman Wasley seconded the motion and the same upon being put to a vote was unanimously carried, the vote being as follows: Aye: Mayor E. W. Fanning, Councilmen Thomas L. Sutton, Ray Crabtree, T. C. Wasley; Russell A. Freeman was absent.

There being no further business to come before the Meeting, the Meeting was, on motion duly made, seconded and unanimously carried, adjourned.

Dated at Idaho Falls, Idaho, this 5th day of March, 1948.

ATTEST: s/ Lee Walker — s/ E. W. Fanning
CITY CLERK — MAYOR
(SEAL)

STATE OF IDAHO)
COUNTY OF BONNEVILLE : SS.
CITY OF IDAHO FALLS)

I, Lee Walker, the duly qualified and acting City Clerk of the City of Idaho Falls, Idaho, do hereby certify that the foregoing nine (9) pages constitute a true and correct copy of the minutes of the Meeting of the City Council of Idaho Falls, Idaho, held on the 5th day of March, 1948, insofar as the same refer to the Local Improvement District No. 19, Idaho Falls, Idaho, bonds and that there is on file and is a part of the permanent records of the City, a copy of the prospectus mentioned therein.

IN WITNESS WHEREOF, I have hereinto set my hand and affixed the Corporate Seal of the City of Idaho Falls, Idaho, this 5th day of March, 1948.

s/ Lee Walker
(SEAL) CITY CLERK

A letter from Old Faithful Beverage Company in regards to installing waste paper cans on the intersections of the Business District was read. The Mayor referred the letter to the Sanitary and Health Department.

It was moved by Crabtree, seconded by Wasley, that the Meeting adjourn. Roll call voting Aye: Sutton, Crabtree, Wasley; Nay: None; Meeting was adjourned.

PASSED AND APPROVED THIS 19th DAY OF MARCH.

ATTEST: s/ Lee Walker — s/ E. W. Fanning
CITY CLERK — MAYOR
(SEAL)