NOVEMBER 12, 1987

The City Council of the City of Idaho Falls, Bonneville County, Idaho, met in Special Public Session in the Planning Center in the City Hall, 308 "C" Street, in the City of Idaho Falls, Idaho at 11:00 A.M., on November 12, 1987. The roll was called and the following found to be present: Mayor Pro-Tem Melvin Erickson; Councilmen Art Chandler, Wes Deist, Paul Hovey, and Ralph Wood. Absent: Mayor Thomas Campbell and Councilman Sakaguchi. There were also present: S. Craig Lords, Municipal Services Director; Velma Chandler, City Clerk; Dale Storer, City Attorney; J.D. Evans, City Controller; Steven Harrison, Manager the Electric Light Division.

Thereupon, the City Clerk presented to the Council the call of the November 12, 1987, special meeting of the Council signed by one-half plus one of the members of the Council in accordance with the requirements of Section 50-706, Idaho Code. Said call was entered upon the journal of the City Clerk and is as follows:

CALL OF MEETING

> A special meeting of the City Council of the City of Idaho Falls, Idaho, is hereby called to be held on November 12, 1987, commencing at 11:00 A.M., at the Planning Center in the City Hall, 308 "C" Street, in the City of Idaho Falls, Idaho.
>
> The object of the special meeting is the consideration of the sale and restructuring of the investments escrowed with the Idaho First National Bank for the retirement of the $48,000,000 General Obligation Electric Bonds, Series 1985, of the City of Idaho Falls, including the adoption of a resolution in connection therewith.
>
> Dated this 12th day of November, 1987.

The City Clerk then presented to the Council an affidavit evidencing the giving of not less than twenty-four (24) hours public notice of the agenda, date, time and place of the November 12, 1987, special meeting of the Council, in compliance with the requirements of Section 67-2343, Idaho Code, as amended. The affidavit was ordered recorded in the minutes of the meeting and is as follows:

STATE OF IDAHO)
:
COUNTY OF BONNEVILLE)

AFFIDAVIT

I, Velma Chandler, the duly qualified and acting City Clerk of the City of Idaho Falls, Bonneville County, Idaho, do hereby certify, according to the records of said City in my official possession, and upon my own knowledge and belief, that in accordance with the requirements of Section 67-2343, Idaho Code, as amended, I gave not less than twenty-four (24) hours public notice of agenda, date, time and place of the November 12, 1987, special meeting held by the City Council of the City of Idaho Falls, Bonneville County, Idaho, by causing a Notice of Public Meeting to be posted at the bulletin board, main floor in the City Hall, 308 "C" Street, Idaho Falls, Idaho, on November 10, 1987, at least twenty-four (24) hours before the convening of the meeting; said Notice of

Public Meeting having continuously remained so posted and available for public inspection during regular office hours until the convening of the meeting and by causing the Notice of Public Meeting to be furnished on November 10, 1987, to the following: KIDK TV, KIFI TV, KPVI TV, THE POST REGISTER, KID RADIO, KUPI RADIO, KTEE RADIO,, AND KFTZ RADIO. Also posted: BONNEVILLE COUNTY COURT HOUSE, LAW ENFORCEMENT BUILDING AND IDAHO FALLS PUBLIC LIBRARY.

The Notice of Public Meeting is as follows:

CALL OF SPECIAL MEETING

A special meeting of the City Council of the City of Idaho Falls, Idaho is hereby called to be held on November 12, 1987, commencing at 11:00 A.M., at the Planning Center in the City Hall, 308 Constitution Way, in the City of Idaho Falls, Idaho.

The object of the special meeting is the consideration of the sale and restructuring of the $48,000,000 General Obligation Electric Bonds, Series 1985, of the City of Idaho Falls, including the adoption of a resolution in connection therewith.

Dated this 10th day of November, 1987.

s/ Velma Chandler
City Clerk

IN WITNESS WHEREOF, I have hereunto subscribed my official signature and impressed hereon the official seal of the City of Idaho Falls, Idaho, this 12th day of November, 1987.

s/ Velma Chandler
City Clerk

After the meeting had been duly called to order, and the roll called with the above results, the following occurred.

The City Attorney advised the Council that the purpose of the special meeting was, in connection with the Escrow Account created under and pursuant to the provisions of an Escrow Agreement, dated as of May 1, 1986, by and between the City of Idaho Falls, Idaho and The Idaho First National Bank, Boise, Idaho, as Escrow Agent, to consider the adoption of a resolution authorizing and approving the sale of certain securities presently in the Escrow Account and the reinvestment and other disposition of the proceeds of such sale, for the purpose of reestablishing the Escrow Account in order to take advantage of more favorable investments in the Escrow Account, thereby increasing the savings to the City from the 1986 refunding of its $48,000,000 General Obligation Electric Bonds, Series 1985. Copies of a letter from Kirchner & Company describing the proposed transaction were distributed to and considered by the members of the Council present at the meeting.

Thereupon, the following resolution was introduced in written form by Attorney Dale Storer, was read in full by the City Clerk, and after discussion pursuant to motion made by Councilman Chandler, and seconded by Councilman Hovey, was adopted by the

following vote: Aye: Councilmen Art Chandler, Wes Deist, Mel Erickson, Paul Hovey, and Ralph Wood; Nay: None; carried.

The resolution was thereupon signed by the Mayor Pro-Tem, attested by the Clerk and declared to be in effect. The resolution is as follows:

R E S O L U T I O N (Resolution No. 1987-10)

A RESOLUTION approving the sale of certain securities and the reinvestment and other disposition of the proceeds of such sale for the purpose of reestablishing the Escrow Account created in connection with the refunding of the $48,000,000 General Obligation Electric Bonds, Series 1985 (as defined in the Escrow Agreement, the "Outstanding Bonds") of the City by the issuance of $48,000,000 General Obligation Electric Refunding Bonds, Series 1986, of the City (the "Refunding Bonds"), providing for the deposit of certain moneys and securities in which a portion of the proceeds of sale of the Refunding Bonds were invested, and specifying the duties of the Escrow Agent; and

WHEREAS, Article VI of the Escrow Agreement provides that all of the rights, powers, duties, and obligations of the Escrow Agent, the City and the City Council of the City under the Escrow Agreement shall be irrevocable and shall not be subject to amendment during the term of the Escrow Agreement, except as provided in Section 6.1 thereof; and

WHEREAS, there has been presented to the City Council a letter of Kirchner Moore & Company setting forth in detail the sale of certain securities held in the Escrow Account and the reinvestment and other disposition of the proceeds of such sale for the purpose of reestablishing the Escrow Account with more favorable investments (such actions being hereinafter sometimes referred to as the "Subsequent Action", for all purposes of Article VI of the Escrow Agreement); and

WHEREAS, an opinion (the Opinion") of Chapman and Cutler, nationally recognized bond counsel, to the effect that the Subsequent Action will not cause the Refunding Bonds or the Outstanding Bonds to become taxable under the laws of the United States of America providing for taxation of income nor violate the covenants of the City not to cause the Refunding Bonds or Outstanding Bonds to become "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986 (the "Code") as the successor provision to Section 103 (c) of the Internal Revenue Code of 1954, as amended, the provisions of H.R. 3838 not having been retroactively applied to the Refunding Bonds by the adoption of the Code, and that the Subsequent Action does not materially adversely affect the legal rights of the holders of the Refunding Bonds or the Outstanding Bonds, is to be made available to the City and to the Escrow Agent prior to giving effect to the Subsequent Action, all in compliance with the requirements of Section 6.1 (ii) (2) of the Escrow Agreement; and

WHEREAS, a report (the "Report") of Price Waterhouse, a firm of nationally recognized independent certified public accountants, to the effect that the amounts available and to be available in the Escrow Account for the payment of the Outstanding Bonds will remain sufficient to pay when due all principal of and interest and premium, if any, on the Outstanding Bonds after the Subsequent Action has been taken, and verifying the mathematical

computations of the yield on the obligations in the Escrow Account after the Subsequent Action has been taken, and verifying the mathematical computations of the yield on the obligations in the Escrow Account after the Subsequent Action has been taken, is to be made available to the City and to the Escrow Agent prior to giving effect to the Subsequent Action all in compliance with the requirements of Section 6.1(ii)(3) of the Escrow Agreement; and

WHEREAS, the Subsequent Action is in the best interests of the City and it is necessary to authorize the Subsequent Action, on the condition that the requirements of Article VI of the Escrow Agreement will have been met prior to the taking of the Subsequent Action;

NOW, THEREFORE, be it resolved by the Mayor Pro Tem and Council of the City of Idaho Falls, Bonneville County, Idaho, as follows:

Section 1. In Accordance with the provisions of Article VI of the Escrow Agreement, upon compliance with the conditions of Section 6.1(ii)(2) and (3) of the Escrow Agreement, the subsequent Action consisting of the sale of the Open Markets (defined in the Escrow Agreement) held in the Escrow Account and the reinvestment of a portion of the proceeds of such sale in United States Treasury Obligations of the State and Local Government Series (the "SLG's") maturing and bearing interest as set forth in Exhibit A to this resolution, to be held by the Escrow Agent in the Escrow Account, is hereby authorized.

Section 2. The City Clerk is hereby directed to supply to the Escrow Agent an executed and certified copy of this resolution in full compliance with the requirements of Section 6.1(ii)(1) of the Escrow Agreement. The Mayor, the City Clerk, the Municipal Services Director of the City, and the City Attorney, are each hereby authorized and directed to deliver or cause to be delivered to the Escrow Agent all other certifications, opinions, and documents required by Article VI to the Escrow Agreement in connection with the Subsequent Action and to issue written instructions to the Escrow Agent directing the Escrow Agent upon receipt of the opinion of bond counsel required in Section 6.1(ii)(2) of the escrow Agreement and of the Report required in Section 6.1(ii)(3) of the Escrow Agreement, to sell the Open Market securities held in the Escrow Account and to invert a portion of the proceeds so such sale in the SLG's for deposit into the Escrow Account in accordance with Exhibit A hereto and to direct the Escrow Agent to pay the balance of the proceeds of such sale not required to purchase the SLG's to the City for deposit into the Electric Light Fund of the Electric System of the City.

Section 3. All resolutions or parts thereof in conflict herewith are, to the extent of such conflict, hereby repealed, and this resolution shall take effect and be in full force immediately upon its passage and approval.

ADOPTED AND APPROVED, this 12th day of November, 1987.

s/ Melvin L. Erickson
Mayor Pro Tem

ATTEST:

s/ Velma Chandler
City Clerk

There being no further business, it was moved by Councilman Chandler, seconded by Hovey, that the meeting adjourn at 11:30 A.M., carried.

s/ Velma Chandler
City Clerk

s/ Melvin Erickson
Mayor Pro Tem

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