

*See: LETTER attached to exhibit "B"*

MINUTES OF A CALLED MEETING OF THE BOARD OF DIRECTORS OF  
TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE  
HELD IN THE DISTRICT OFFICE IN FORT WORTH, TEXAS, ON THE  
19TH DAY OF JUNE, A. D. 1932, 2 P.M.

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The call of the roll disclosed the presence, or absence, of Directors as follows:

PRESENT:	ABSENT:
W. R. Bennett	(none)
E. E. Bewley	
W. K. Stripling	
C. A. Hickman	
Joe B. Hogsett	

W. R. Bennett presided in his capacity as President; W. K. Stripling acted in his capacity as Secretary.

At this time and place the following proceedings were had and done, viz:

1.

President Bennett explained that the object of the meeting was to meet an emergency existing in the financial affairs of the District and to make provision therefor.

2.

Thereupon Director Hickman moved the adoption of certain Findings of Fact, Conclusions and Orders Based Thereon, as follows:

" FINDINGS OF FACT, CONCLUSIONS AND ORDERS BASED THEREON

" (a) The total bonds authorized on October 8, 1927, for the purpose of constructing the works of this District are in total par sum "\$6,500,000.00: The bonds under said authorization, which have been issued and sold by this District are the total par sum \$5,335,000.00, leaving a balance of bonds authorized, unsold and now in the Treasury of this District, in the par sum \$1,165,000.00.

" (b) Under the provisions of Section 7 of Chapter 280 of the Forty-first Legislature of Texas, Regular Session, this District has power, in case of an existing emergency in the matter of funds not being available



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"to meet lawfully authorized obligations of the District, to borrow money upon  
"the notes of the District to meet such obligations, provided said notes shall  
"mature on a date not later than six (6) months next after the date of any  
"emergency loan, and further provided that such loan shall not exceed a sum  
"in excess of Twenty-five (25) per centum of the authorized bonds unsold at the  
"time of such an emergency, and loaned to care for the same.

" (c) By said act it further is provided that this District has the  
"power to pledge bonds of the District authorized but not sold, as collateral  
"for such an emergency loan to the District, under the limit, however, that  
"the par value of the bonds so pledged shall not exceed the amount of the  
"loan by more than Ten (10%) per cent. of the amount of such loan, and that  
"the money procured upon any such loan must be applied to the purpose for  
"which the pledged bonds were authorized.

" (d) On February 4, 1930, this District entered into a contract  
"for the construction of its works, which contract, among other things, pro-  
"vides in substance that as the work progresses the Engineer for the District  
"shall make monthly estimates of the value of the work done and the materials  
"furnished in the preceding month; further, that on or before the Tenth (10th)  
"day of the month the District shall pay to the contractors Eighty-Five (85%)  
"per cent of the amount of the labor and material furnished during the preced-  
"ing month. The contract further provided that failure on the part of the  
"District to make such payment would afford ground to the Contractor to abandon  
"the work, and thereupon to be entitled to compensation for the damages occa-  
"sioned to the Contractor by reason of the default on the part of this District.

" (e) In the month of October, 1931, this District endeavored to  
"effect a sale of authorized bonds of this District, of the par value  
"1,250,000.00, but no bids for these bonds were made. Since that time the con-  
"dition of the bond market has been such that it has been deemed prudent by  
"the Directors of the District to postpone sale of the bonds, by reason whereof  
"the Directors of the District have found it necessary to arrange temporary  
"financing for the District. It now is estimated by the Directors that the



"sum One Hundred Thousand (\$100,000.00) Dollars will be adequate to enable  
"the District to meet its obligation to accrue and mature in the months  
"of June and July, 1932.

" (f) It is not practical at this time for the District to re-  
"quest the Contractors to delay or cease work until such time as the Dis-  
"trict may actually have sold its bonds, due to the fact that at the present  
"time the earth work in the river section of the Eagle Mountain Dam is not  
"at sufficient elevation which would give assurance that possible flood  
"waters would not top the earth work now in place and thereby cast upon the  
"Contractors the added cost to restore materials of large value already in  
"place. It is urgent that the Contractors with all possible dispatch con-  
"tinue their work for the completion of the Eagle Mountain Dam in order that  
"the same may be freed from flood danger and in order to put it in a position  
"to render the service for which it is intended.

" (g) Other than outstanding bonds and current account maturities  
"for the month of June, 1932, this District has no indebtedness whatever,  
"and there now remains available to it Emergency Borrowing Power equal to  
"Twenty-Five (25%) per cent. of One Million One Hundred Sixty-Five Thousand  
"(\$1,165,000.00) Dollars of bonds, which have been authorized but not sold.

" CONCLUSION BASED ON THE FOREGOING FACTS

" There does now exist, and the Directors of this District hereby  
"do declare an existing emergency in the matter of funds not being available  
"to meet lawfully authorized obligations of the District, in order to make  
"compensation for work necessary now to be done by the Contractors for this  
"District, and to meet other necessary overhead expenses of the District.

" NOW THEREFORE, BE IT ORDERED:

" 1 - That this District do borrow all or any part of One Hundred  
"Thousand (\$100,000.00) Dollars, to be covered into the "Construction Fund"



"of this District in the Continental National Bank of Fort Worth as the  
"qualified Official Depository for this District, as a condition precedent  
"to the execution and delivery of the notes of this District, and the  
"pledge of collateral to secure the same, as hereinafter provided for.

" 2 - There may be as many loans consummated hereunder in the  
"months of June, July and August, 1932, as may be required to enable this  
"District to meet the emergency hereby declared, but not in any event to  
"exceed the aggregate principal sum One Hundred Thousand (\$100,000.00)  
"Dollars.

" 3 - The notes to be executed to evidence the loans hereunder  
"may be payable to the order of any bank, corporation or person; and fur-  
"ther shall be conditioned as follows:

" (a) Each Note shall be for the principal sum actually covered into  
"this District's Depository; (b) each note shall be dated to correspond  
"to each such transaction; (c) each note executed hereunder shall mature  
"not to exceed six months after its date; (d) each shall bear interest  
"from date until paid at the rate of six (6%) per centum per annum and  
"shall provide for the payment of ten (10%) per centum of the principal and  
"accrued interest, as attorney's fees, in case of default at maturity and  
"the collection thereof by an attorney, after maturity: Substantial and  
"substantive compliance herewith shall be valid and binding; (e) to secure  
"each such note (to be part thereof or to be by separate ancillary contract),  
"there shall be one or more contracts of pledge of collateral with power of  
"sale after default, permitting the pledgee or other holder of the security  
"pledged to become the purchaser thereof at any such sale, and such contract  
"or contracts of pledge may be in such form, or forms, as may be approved by  
"the President of this District: These pledges shall consist of any of the  
"executed and registered bonds of this District which now are unsold. The  
"par value of the bonds given in pledge for any loan effected hereunder shall  
"not exceed the amount of the loan secured by such pledge by more than Ten  
"per centum (10%) per annum of the amount of such loan.



4. H.

" 4 - Each note to be executed hereunder, together with its appropriate contract of pledge, shall be executed in the name of the District by the District's President, or Vice-President, as the case may require, and same shall be attested by the Secretary, or Acting Secretary of the District, with the corporate seal of the District. Such note, or notes, when executed, shall be delivered to either E. E. Bewley or to Joe B. Hogsett, one or both, in their capacity as the District's Custodian of its bonds, whereupon, without other or further order, they shall have the power and they hereby are directed to deliver such notes, and contracts of pledge, to the appropriate payee thereof; upon condition, however, that any such pledge shall not be consummated until such time as the money to be borrowed by the District under this order has actually been placed to the credit of the "Construction Fund" of this District, in the Continental National Bank of Fort Worth, the Official Designated Depository for this District: Thereupon the Bank, Corporation or person holding any such note, or notes, shall have no obligation concerning the application of the money advanced to the District hereunder, and the notes and pledges so delivered hereunder shall henceforth constitute absolute and binding obligations of this District, subject only to the condition that each such note be specifically authorized by other and further order of the Board of Directors of this District, which further orders shall be deemed to be supplemental to this order.

" 5 - If the same be required fully to pay off and discharge the obligations to be created by the District hereunder, the District hereby pledges the full faith, credit and unlimited advalorem taxing power of the District, and the District hereby, in all things, does approve, ratify and confirm any and all things which lawfully may be done hereunder: So be it ordered."

Upon the reading of the foregoing Findings, Conclusions and Order, the same was fully considered, whereupon Director Strip-



ling seconded the adoption of the same as the act and deed of this District. Upon a vote being taken the motion was unanimously carried and it was so ordered.

3.

Thereupon there was consideration of the instant requirements of the District, wherefrom it appeared that the District had immediate necessity to borrow the sum Twelve Thousand (\$12,000.00) Dollars, in order to enable it to meet the Contractors estimate for work done during the month of May, 1932, together with other matured obligations of the District. It appeared that the Continental National Bank of Fort Worth stood ready to loan to the District said sum of money. There was presented to the Directors a proposed note of the District for the sum Twelve Thousand (\$12,000.00) Dollars, payable to Continental National Bank of Fort Worth, on or before thirty (30) days after its date with interest after maturity. Said proposed note recites that it is to be secured by a pledge lien on bonds of the District of "Series D," of the par value Thirteen Thousand (\$13,000.00) Dollars, they being consecutive serial numbers 5252 to 5261, both inclusive (10 bonds); and consecutive serial numbers 5276 to 5278, both inclusive (3 bonds). A true copy of said proposed Note is attached to these Minutes as "Exhibit A," and the same here is referred to as though embodied herein.

There was consideration of this matter, whereupon Director Hickman made a motion that said proposed Note do be executed in the name of the District, by W. R. Bennett, as President, and that the same do be attested with the seal of the District by W. K. Stripling, as Secretary; further that Director Bewley be authorized to deliver into pledge to said Continental National Bank, as Security for said note, the bonds of the District as specified herein; upon condition, however, that said Continental National Bank do actually place to the credit of the Construction Fund of this District said sum Twelve Thousand (\$12,000.00) Dollars. Further, that the Dis-



44.  
trict's Voucher Check, No. 2870, payable to the Continental National Bank of Fort Worth, Texas, for the sum Sixty (\$60.00) Dollars, do be executed and delivered to said Bank, together with the above described Note, in payment of the interest on the Note, in advance, being interest at the rate Six (6%) per centum per annum. Further, that upon the placing of said credit, the said Note, together with the bonds to secure the same, do be delivered to said Continental National Bank of Fort Worth. This motion was seconded by Director Stripling. Upon a vote being taken the motion was unanimously carried, and it was so ordered.

4.

No further business was presented and the meeting was adjourned.

W. T. Stripling  
As Secretary.

APPROVED:

W. M. Bennett  
As President.

"(SEE EXHIBIT "B" ATTACHED HERETO)"



\$12,000.00

"EXHIBIT A" TO MINUTES OF 6/9/32

FORT WORTH, TEXAS,

June 10,

1932

On or Before 30 days

AFTER DATE, WITHOUT GRACE, FOR VALUE RECEIVED, I, WE, OR EITHER

OF US PROMISE TO PAY TO THE ORDER OF

**CONTINENTAL NATIONAL BANK**

OF FORT WORTH

AT ITS OFFICE IN FORT WORTH, TEXAS, THE SUM OF

**TWELVE THOUSAND AND NO/100-**

**DOLLARS**

WITH INTEREST FROM MATURITY AT THE RATE OF TEN PER CENT. PER ANNUM.

IF THIS NOTE IS NOT PAID AT MATURITY AND IS PLACED IN THE HANDS OF AN ATTORNEY FOR COLLECTION, OR SUIT IS INSTITUTED THEREON, OR IF COLLECTED THROUGH THE PROBATE COURT, THEN I, WE, OR EITHER OF US AGREE TO PAY AS ATTORNEY'S FEES AN ADDITIONAL SUM OF TEN PER CENT ON THE PRINCIPAL AND INTEREST DUE ALL SIGNERS AND ENDORSERS OF THIS NOTE ARE TO BE REGARDED AS PRINCIPALS, SO FAR AS THEIR LIABILITY TO PAYEE IS CONCERNED, AND EACH OF US (INCLUDING ENDORSERS) WAIVE PRESENTATION FOR PAYMENT, PROTEST AND NOTICE OF NON-PAYMENT, AND I, WE, AND EACH OF US (INCLUDING ENDORSERS) CONSENT THAT THE PAYEE MAY AT ANY TIME AND FROM TIME TO TIME, UPON REQUEST OF OR BY AGREEMENT WITH ANY OF US, EXTEND THE DATE OF MATURITY HEREOF WITHOUT CONSULTING THE OTHER SIGNERS OR ENDORSERS, WHO SHALL REMAIN BOUND FOR THE PAYMENT HEREOF. WE AND EACH OF US (INCLUDING ENDORSERS) AGREE THAT IN CASE OF RENEWAL OR OF EXTENSION OF MATURITY OF THIS NOTE, ANY AND ALL SECURITIES OR LIENS GIVEN THE PAYEE BY US OR ANY OF US AT ANY TIME SHALL REMAIN IN FULL FORCE AND EFFECT AS SECURITY FOR PAYMENT OF THE RENEWED OR EXTENDED NOTE

FOR THE PURPOSE OF SECURING THE PAYMENT OF THIS NOTE OR ANY RENEWAL OR EXTENSION HEREOF AND OF ANY AND ALL OTHER INDEBTEDNESS TO SAID BANK, EITHER DIRECT OF CONTINGENT, WHETHER NOW EXISTING OR WHICH MAY HEREAFTER ARISE, ON WHICH I, WE, OR EITHER OF US ARE NOW OR MAY HEREAFTER BECOME LIABLE AS PRINCIPAL DEBTOR SURETY, ENDORSER OR OTHERWISE, WHETHER IN CONNECTION WITH OTHERS NOT PARTIES TO THIS INSTRUMENT OR NOT, I, OR WE, OR EITHER OF US DO HEREBY PLEDGE, TRANSFER AND DELIVER TO SAID BANK THE FOLLOWING COLLATERALS AND SECURITIES, OWNED BY US OR SOME OF US IN GOOD FAITH AND FREE OF ANY CLAIM OR LIENS EXCEPT THIS, TO-WIT:

Thirteen (13) Bonds of the maker hereof, "Series D," dated November

16, 1931, par value One Thousand Dollars each, with coupons maturing September 15, 1932, and subsequent dates attached, being bonds Serial numbers as follows:

5252	5255	5258	5261	
5253	5256	5259	5276	and 5278
5254	5257	5260	5277	

IT IS AGREED THAT THE BANK MAY FROM TIME TO TIME CALL FOR ADDITIONAL SECURITY OF SUCH KIND AND VALUE AS WILL BE SATISFACTORY TO IT, AND ON FAILURE OF US OR ANY OF US TO COMPLY WITH SUCH REQUEST, OR IF IN THE JUDGMENT OF SAID BANK THE ABOVE SECURITY OR ANY ADDITIONS THERETO OR SUBSTITUTES THEREFOR OR ANY PART THEREOF SHALL HAVE DEPRECIATED IN VALUE TO THE EXTENT THAT THIS NOTE IS NOT BY THE BANK REGARDED AS PROPERLY SECURED, THEN AT THE ELECTION OF THE BANK THE ABOVE NOTE SHALL BECOME IMMEDIATELY DUE AND PAYABLE. ON AND AFTER MATURITY OF SAID NOTE EITHER BY ITS TERMS OR BY ELECTION AS AFORESAID, OR ON THE NON-PAYMENT AT MATURITY THEREOF OF ANY OF THE OTHER LIABILITIES TO THE BANK AS MENTIONED ABOVE, THE LATTER IS HEREBY EXPRESSLY AUTHORIZED AT ANY TIME AND FROM TIME TO TIME TO SELL, TRANSFER AND DELIVER THE WHOLE OR ANY PART OF THE ABOVE DESCRIBED SECURITIES AND ANY ADDITIONS AND SUBSTITUTES THEREOF, EITHER AT PUBLIC OR PRIVATE SALE, AT THE OPTION OF THE BANK, WITHOUT NOTICE AND WITH OR WITHOUT ADVERTISING THE TIME OR PLACE OF SUCH SALE, WHICH SHALL BE IN THE OFFICE OF SAID BANK, AND THE BANK, IF THE HIGHEST BIDDER THEREFOR, WHETHER AT PUBLIC OR PRIVATE SALE, IS EXPRESSLY AUTHORIZED AND PERMITTED TO BECOME THE PURCHASER OF SAID COLLATERALS OR ANY PART THEREOF AT ANY SUCH SALE OR SALES; AND IN EVENT OF ANY SALE OR PURCHASE HEREUON, NO MATTER BY OR TO WHOM MADE, ANY AND ALL EQUITY OR RIGHT OF REDEMPTION WHETHER BEFORE OR AFTER SUCH SALE, IS HEREBY EXPRESSLY WAIVED. WE AND EACH OF US FURTHER AGREE THAT AFTER DEDUCTING ALL COSTS AND EXPENSES OF SUCH SALE, INCLUDING TEN PER CENT ATTORNEY'S FEES, AND AFTER THE PAYMENT OF THE PRINCIPAL AND INTEREST DUE ON THIS NOTE, THEN THE BALANCE OF THE PROCEEDS OF SUCH COLLATERALS, IF ANY, MAY BE APPLIED UPON ANY OTHER INDEBTEDNESS OF US OR ANY OF US TO SAID BANK, WHETHER DUE OR NOT DUE, WHETHER DIRECT OF CONTINGENT, AND WHETHER OWING INDIVIDUALLY OR IN CONNECTION WITH OTHERS NOT PARTIES HERETO.

IT IS AGREED THAT THE PAYEE MAY AT THE REQUEST OF OR BY AGREEMENT WITH ANY PARTY HERETO OR ANY ENDORSER HEREOF ACCEPT IN EXCHANGE OTHER AND DIFFERENT COLLATERALS AND SECURITIES FOR THOSE ABOVE DESCRIBED OR FOR ANY PART THEREOF, AND MAY TAKE ADDITIONAL COLLATERALS OR SECURITIES, WITHOUT CONSULTING THE OTHERS OF US AND WITHOUT IN ANY RESPECT AFFECTING OUR LIABILITY FOR THE PAYMENT OF THIS NOTE OR ANY OTHER SAID INDEBTEDNESS. IT IS FURTHER AGREED THAT THE PAYEE SHALL NOT BE HELD LIABLE FOR LOSS OR DAMAGE TO ME, US, OR ANY OF US ON ACCOUNT OF FAILURE TO PRESENT FOR PAYMENT OR TO PROTEST OR TO SUE UPON OR TO COLLECT ANY OF THE ABOVE DESCRIBED COLLATERALS OR ANY MONEYS DUE OR THAT MAY BECOME DUE THEREON.

TO FURTHER SECURE THE PAYMENT OF SAID NOTE, DEMANDS OR OTHER INDEBTEDNESS, SAID BANK IS HEREBY AUTHORIZED TO AT ANY TIME CHARGE SAID NOTE, DEMANDS OR OTHER INDEBTEDNESS AGAINST THE DEPOSIT ACCOUNT OF THE UNDERSIGNED AND EACH OF US

ATTEST:

TARRANT COUNTY WATER CONTROL AND IMPROVEMENT DISTRICT NUMBER ONE,

DUE (Signed) W.K. Stripling  
As Secretary.

BY: (Signed) W. R. Bennett  
As President.

NO. \_\_\_\_\_ P. O. \_\_\_\_\_



TARRANT COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NUMBER ONE

BOARD OF DIRECTORS

W. R. BENNETT, PRES.  
E. E. BEWLEY, VICE-PRES.  
W. K. STRIPLING, SEC'Y  
JOE B. HOGSETT  
C. A. HICKMAN

OFFICE CAPPS BUILDING

PHONE 3-2848

ED. B. CHEATHAM, OFFICE

FORT WORTH, TEXAS.

SIDNEY L. SAMUELS (ATTORNEYS  
IRELAND HAMPTON (ATTORNEYS

HAWLEY AND FREESE  
ENGINEERS

June 10, 1932.

Continental National Bank of Fort Worth,  
Fort Worth, Texas.

Attention: Mr. Winton.

Gentlemen:

We present herewith instruments, and comment there-  
on as follows:

- (1) Note of this District, dated June 10, 1932, for the sum \$12,000.00, payable on or before thirty days after its date, bearing interest from maturity, and fixing a lien on thirteen bonds of this District for the par sum \$13,000.00.
- (2) Voucher Check of this District No. 2870, for the sum \$60.00, to cover interest in advance on the foregoing Note.
- (3) Certified copy of the Minutes of the Board of Directors of this District, authorizing this loan and the pledge of the stated security.
- (4) Bonds of this District of "Series D," being consecutive serial numbers 5252 to 5261, both inclusive (10 bonds), and consecutive serial numbers 5276 to 5278, both inclusive (3 bonds), which are described in the collateral Note handed you herewith.
- (5) Copy of opinion given by the Attorneys for this District, dated June 9, 1932, in which they advise that this District has the lawful power to use the surplus accumulated in its Interest and Sinking fund to purchase its own unsold bonds of "Series D."

The foregoing loan has been negotiated with you upon the express condition that if the District has not in its construction fund money sufficient to pay the foregoing described Note by maturity, that the Directors will resort to the surplus in the Interest and Sinking Fund, as a means of purchasing unsold bonds of this District in the sum sufficient to enable it to pay off the note herewith presented.

Respectfully,  
TARRANT COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NUMBER ONE,

BY

*W. R. Bennett*  
*W. K. Stripling*  
*J. B. Hogsett*  
*C. A. Hickman*  
*Joe B. Hogsett*



"EXHIBIT B" TO MINUTES OF 6/9/32-2P.M.

TARRANT COUNTY WATER CONTROL AND  
IMPROVEMENT DISTRICT NUMBER ONE

BOARD OF DIRECTORS

W. R. BENNETT, PRES.  
E. E. BEWLEY, VICE-PRES.  
W. K. STRIPLING, SEC'Y  
JOE B. HOGSETT  
C. A. HICKMAN

OFFICE CAPPS BUILDING

PHONE 3-2848

ED. B. CHEATHAM, OFFICE

FORT WORTH, TEXAS.

SIDNEY L. SAMUELS } ATTORNEYS  
IRELAND HAMPTON }

HAWLEY AND FREESE  
ENGINEERS

June 8, 1932.

Board of Directors  
Tarrant County Water Control and  
Improvement District Number One,  
406 Capps Building,  
Fort Worth, Texas.

Gentlemen:

We comply with your request for an opinion based  
on facts as follows:

(1) On June 7, 1932, the cash balance in your Interest and Sink-  
ing Fund, on deposit in the Continental National Bank of Fort Worth, was  
Two Hundred Twenty-Six Thousand One Hundred Fifty Three and 48/100  
(\$226,153.48) Dollars.

(2) The bonds of your District now outstanding are for the par  
sum Five Million Three Hundred Thirty-Five Thousand (\$5,335,000.00) Dollars,  
on which semi-annual interest accruing March 15, 1932, has been paid. The  
interest on these bonds to accrue within the present taxing year will mature  
on September 15, 1932, and the sum required to protect that maturity will be  
One Hundred Twenty-Five Thousand Eight Hundred Seventy-Five (\$125,875.00)  
Dollars.

(3) The cost of levying and assessing the tax for the year 1931,  
to be realized in meeting obligations for the year 1932, will be Four Thous-  
and Seven Hundred Seventy-Five (\$4,775.00) Dollars.



(4) The two items next above stated are the only two items which, as a matter of law, are chargeable against your Interest and Sinking Fund, as of the year 1932. The sum of these two items is One Hundred Thirty Thousand Six Hundred Fifty (\$130,650.00) Dollars.

(5) The foregoing facts disclose that you now have in your Interest and Sinking Fund in money the sum Ninety-Five Thousand Five Hundred Three and  $\frac{48}{100}$  (\$95,503.48) Dollars, against which no liability or obligations of 1932 exist: For the reason stated, the sum Ninety-Five Thousand Five Hundred Three and  $\frac{48}{100}$  (\$95,503.48) Dollars is a surplus accumulated in your Interest and Sinking Fund.

(6) As the rate on your average daily balance in the Interest and Sinking Fund is Two and One-Quarter (2.25%) per cent., and as sound municipal securities may be purchased at this time on a basis to yield Five (5%) per cent. or more, it would seem that it is to the interest of both the holders of your outstanding bonds, and as well the interest of your tax payers, to invest this surplus in interest bearing municipal securities, to be approved by you.


(7) As your bonds are not term bonds, but are bonds having serial maturities according to a level tax plan, the law does not require that you accumulate interest and sinking fund in any year in a sum greater than your bond maturities for that year. The law, however, does not require that a surplus accumulated should be held as money on an unprofitable basis.



The question propounded to us is: Can you at this time use the surplus accumulated in your Interest and Sinking Fund to purchase unsold bonds of your own District?

Answering the foregoing, we now advise you that as a matter of law you have the right so to invest this surplus; provided only, that you reserve in the stated surplus a sum sufficient to pay on September 15, 1932, the interest coupons on any of your bonds sold between this date and September 15th next.

Respectfully,

  
Archibald Munro

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