

Section 6. The City shall maintain as confidential the record of identity of owners of the Exchange Warrants, as provided by Section 22.7 of the Code of Iowa.

Section 7. The City Clerk is hereby designated as the Registrar and Paying Agent with respect to the Exchange Warrants.

Section 8. It is the intention of the City that interest on the Exchange Warrants be and remain excluded from gross income for federal income tax purposes pursuant to the appropriate provisions of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations in effect with respect thereto (all of the foregoing herein referred to as the "Internal Revenue Code") In furtherance thereof the City covenants to comply with the provisions of the Internal Revenue Code as they may from time to time be in effect or amended and further covenants to comply with applicable future laws, regulations, published rulings and court decisions as may be necessary to insure that the interest on the Exchange Warrants will remain excluded from gross income for federal income tax purposes. Any and all of the officers of the City are hereby authorized and directed to take any and all actions as may be necessary to comply with the covenants herein contained.

The City hereby designates the Exchange Warrants as "Qualified Tax Exempt Obligations" as that term is used in Section 265(b) (3) (B) of the Internal Revenue Code.

Section 9. All resolutions or parts of resolutions in conflict herewith be and the same are hereby repealed, to the extent of such conflict.

PASSED AND APPROVED this 21st day of July, 1988.

Ralph D Means
Ralph D. Means, Mayor

Attest: *Evelyn M. Rohner*
Evelyn M. Rohner, Clerk

STATE OF IOWA
COUNTY OF ADAIR SS:
CITY OF FONTANELLE

I, the undersigned, do hereby certify that as such Clerk I have in my possession or have access to the complete records of the Council of the aforementioned City' that I have carefully compared the transcript hereto attached with the aforesaid records and that said transcript hereto attached is a true, correct and complete copy of all the corporate records relating to the issuance of Exchange Warrants, as shown therein.

WITNESS my official signature and the seal of the City hereto affixed this 21st day of July, 1988.

Evelyn M. Rohner
Evelyn M. Rohner, Clerk

(Form of Warrant)

No. _____ \$ _____

UNITED STATES OF AMERICA
STATE OF IOWA
COUNTY OF ADAIR CITY OF FONTANELLE
WATER IMPROVEMENT PROJECT
EXCHANGE WARRANT.

This instrument is evidence that the City of Fontanelle, Iowa (the "City"), hereby promises to pay to the initial registered owner or to its registered assigns, the sum of _____ DOLLARS (\$ _____), payable on or before February 1, 1989, with interest thereon from the day hereof at the rate of Seven Per Cent (7%) per annum payable at maturity or upon prepayment of this instrument as hereinafter provided.

Both principal hereof and interest hereon are payable upon presentation and surrender of this instrument at the office of the City Clerk of the City by check or draft mailed to the registered owner at the address as it appears on the registration records of the City or at such other address as may be furnished in writing by the registered owner to the City Clerk.

This instrument is one of a series of similar instruments issued by the City for the purpose of paying the costs in connection with the construction of the Water Improvement Project in the City, is issued under authority of Section 384.57 of the Code of Iowa, and is payable from such fund or funds as are legally available for said Project, including, but not limited to, proceeds from the sale of General Obligation and/or Water Revenue Bonds and/or the future Net Revenues of

the Municipal Waterworks System of the City and/or the proceeds of governmental grants and/or loans received by the City for the Project.

The City hereby reserves the right to prepay the amount represented hereby, at any time prior to the maturity hereof, with accrued interest to the date of such payment.

This instrument shall be fully registered as to both principal and interest in the name of the owner, such registration to be evidenced by notation by the City Clerk in the space provided on the back hereof, as well as on the records of the City kept for such purpose, after which no transfer shall be valid unless made on said records and similarly noted hereon by the City Clerk, and then only upon a written instrument of transfer satisfactory to the City Clerk, duly executed by the registered owner or its duly authorized attorney.

IN WITNESS WHEREOF, the City has caused this instrument to be executed by its Mayor, and attested by its City Clerk, with the seal of the City affixed as of the 1st day of August, 1988.

CITY OF FONTANELLE, IOWA

By Ralph D Means
Ralph D. Means, Mayor

Attest:

Evelyn M Rohner
City Clerk.

(SEAL)

REGISTRATION OF OWNERSHIP

Date of Registration	Name and Address of Registered Owner	Signature of City Clerk
_____	R. G. Dickinson & Company P.O. Box 9111 Des Moines, Ia, 50306-9111 Tax ID# 42-0817630	_____

ASSIGNMENT

The Attached Warrant in the amount of \$ _____ is hereby assigned to _____ in consideration of receipt by the undersigned from said assignee of the sum of \$ _____.
Dated this _____ day of _____ 1988.

By _____

(Name) (Title)

By _____

(Name) (Title)

ARBITRAGE CERTIFICATE

We, Ralph D. Means, Mayor and Evelyn Rohner, City Clerk, of the City of Fontanelle, Iowa (the "City"), do hereby certify, with respect to the City's \$130,000 Exchange Warrants (the "Exchange Warrants"), presently being delivered by the City as follows:

1. The City is issuing and delivering the Exchange Warrants simultaneously with the delivery of this certificate.
2. The Exchange Warrants are being issued for the purpose of refunding \$130,000 Warrants (the "Warrants" previously issued by the City to defray costs in connection with the construction of the Water Improvement Project (Hereinafter referred to as the "Project)).
3. The City has entered into contract for engineering services, construction materials and construction contracts for the Project, and the fees and costs to be paid thereunder are equal to at least 2½% of the total cost of the Project.
4. The work on the Project has begun and it is expected to proceed hereafter with due diligence to completion.
5. The City has received in exchange for the Exchange Warrants the Warrants and \$-0- accrued interest.
6. The total cost of the Project is estimated to be approximately \$322,900, and all other proceeds of the Warrants have been expended for the payment of Project costs.
7. The aggregate principal amount of all other obligations previously issued by the City with respect to the Project and currently outstanding is \$-0-.

322 8. To our best knowledge and belief, there are no facts, estimates or circumstances which would materially change the foregoing conclusions.

9. On the basis of the foregoing, it is not expected that the Exchange Warrants will be used in a manner that would cause the Exchange Warrants to be "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations promulgated under that section or any predecessor section.

10. The City has not been notified of any listing or proposed listing of it by the Internal Revenue Service as a bond issuer whose arbitrage certifications may not be relied upon.

11. The City does not currently have outstanding tax exempt obligations including the Exchange Warrants, issued during 1988 equal to or in excess of \$5,000,000, nor will the City issue additional tax exempt obligations during the remainder of 1988 which, when added to the City's current tax exempt obligations, including the Exchange Warrants, would be equal to or in excess of \$5,000,000.

IN WITNESS WHEREOF, we have hereunto affixed our hands and the seal of the aforementioned City, this 1st day of August, 1988.

Ralph D Means

Mayor

Evelyn M Rohner

Clerk

(Seal)

Motion by Kenneth Perry to authorize the Mayor and Clerk to sign and seal the Exchange Warrants numbered 1B thru 11B with the following denominations: 1B @ \$30,000. 2B thru 11B @ \$10,000 each. Seconded by Robert Edwards. Carried.

There was discussion about mowing of the City Park and the conduct of those doing the work. The Chairman of the Park Committee will be checking on them as they mow.

Attorney Clint Hight had inspected the building of Blazek Auction and felt that it did not pass inspection. The Council instructed the Attorney to contact Mr. Blazek to get it cleaned up or the Fire Marshal will be called in to inspect it and his decision would be final.

Council Member Albert Ehrenfried introduced a resolution entitled "A Resolution Approving Financial Report for Municipal Street and Parking for the City of Fontanelle for the year 1987/88" and moved for its adoption. Council Member Sally Sorensen seconded the motion to adopt. Roll was called with the following voting AYE: Kenneth Perry, Albert Ehrenfried, Sally Sorensen and Robert Edwards. NAY: None.

Whereupon, the Mayor declared the resolution duly adopted as:

RESOLUTION NO. 88.11

RESOLUTION APPROVING FINANCIAL REPORT FOR
MUNICIPAL STREET AND PARKING FOR THE CITY
OF FONTANELLE FOR THE YEAR 1987/88

BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF FONTANELLE, IOWA: That the financial report as read at this meeting showing total receipts of \$64,802. and total expenditures of \$61,478. be approved as the official report for the Municipal Street and Parking for the City of Fontanelle, Iowa for the fiscal year 1987/88.

PASSED AND APPROVED THIS 21st day of July, 1988.

Evelyn M Rohner

Attest: Evelyn M. Rohner, Clerk

Ralph D Means

Ralph D. Means, Mayor

The City Council reviewed a color chart for the Water Tower. It was decided that the tower would be painted white & black with black lettering.

Motion by Albert Ehrenfried to adjourn. Seconded by Robert Edwards
Carried. 8:07

Evelyn M Rohner

Attest: Evelyn M. Rohner, Clerk

Ralph D Means

Ralph D. Means, Mayor