

Delmer Miller informed the Council that there will be a meeting Atlantic on January 9th in regard to voluntary contributions. (The Share Program) This was passed by the Iowa Legislator and all cities must comply. This is known as HSF 683.

Motion by Albert Ehrenfried to adjourn. Seconded by Sally Sorensen. Carried.

Ralph D Means
Ralph D. Means, Mayor

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

Fontanelle, Iowa
January 17, 1989

The City Council of the City of Fontanelle, Iowa met on the 17th day of January, 1989, at 5:00 o'clock p.m. at the City Hall, Fontanelle, Iowa.

The meeting was called to order by the Mayor, and the roll was called showing the following Council Members present and absent:

Present: Albert Ehrenfried, Kenneth Perry, Sally Sorensen, Robert Edwards and Gene Jacobsen.

Absent: None.

This being the time and place specified in a notice duly published for taking action on the proposal to enter into a loan agreement, the City Clerk announced that no written objections had been placed on file, whereupon, the Mayor called for any written or oral objections, and there were none.

After due consideration and discussion, Council Member Gene Jacobsen introduced the following resolution and moved its adoption, seconded by Council Member Kenneth Perry. The Mayor put the question upon the adoption of said resolution, and the roll being called, the following Council Members voted:

AYES: Kenneth Perry, Robert Edwards, Sally Sorensen, Albert Ehrenfried and Gene Jacobsen.

NAYS: None.

Whereupon, the Mayor declared the resolution duly adopted as hereinafter set out.

RESOLUTION NO. 89.2

APPROVING AND AUTHORIZING A LOAN AGREEMENT, AMENDING RESOLUTION NO. 88.3 AND PROVIDING FOR THE ISSUANCE OF \$130,000 GENERAL OBLIGATION WATER IMPROVEMENT NOTES AND PROVIDING FOR THE LEVY OF TAXES TO PAY THE SAME.

WHEREAS, the City of Fontanelle, Iowa (the "City") has heretofore proposed to contract indebtedness and issue \$130,000 General Obligation Water Improvement Bonds (the "Bonds") to provide funds to pay the cost, to that extend, of the construction, reconstruction, improvement, extension and equipping of the Municipal Waterworks System of the City (the "Project"), including the refunding of outstanding Warrants previously issued by the City to pay costs in connection therewith, and after publishing notice of the proposed action, held a hearing thereon and determined to issue the Bonds; and

WHEREAS, on March 7, 1988, the Council adopted Resolution no. 88.3 providing for the issuance of the Bonds and providing for the levy of taxes to pay the same (hereinafter referred to as the "Bond Issuance Resolution") which resolution provided that the Bonds would bear interest at various estimated rates and provided for the levy and collection of taxes to pay the principal of and interest on the Bonds based upon such rate; and

WHEREAS, the Bond Issuance Resolution provided that the actual rate or rates of interest and the resulting tax levy amounts necessary to pay the principal of and interest on the Bonds shall be determined at the time of the disposition and sale of the Bonds and the Bond Issuance Resolution amended to so provide; and

WHEREAS, pursuant to the provisions of Section 384.24A of the Code of Iowa, the City subsequently proposed to contract indebtedness in the form of a loan agreement in the amount of \$130,000 (the "Loan Agreement") to pay costs of the Project, rather than issue the Bonds, and has published notice of such proposed action and held a hearing thereon; and

WHEREAS, IT IS NECESSARY AT THIS TIME TO APPROVE THE LOAN AGREEMENT and to amend the Bond Issuance Resolution to provide for the issuance of \$130,000 General Obligation Water Improvement Notes in evidence of the City's obligation under the Loan Agreement and to provide for the levy of taxes to pay the same;

NOW, THEREFORE, Be It Resolved by the City Council of the City of Fontanelle, Iowa, as follows:

Section 1. It is hereby determined that the City shall enter into the Loan Agreement with R. G. Dickinson & Co., Des Moines, Iowa as lender (the "Lender") in substantially the form attached hereto providing for a loan to the City in the principal amount of \$130,000, at a discount of \$2,600, for the purpose of paying the cost, to that extent, of the Project.

The Mayor and Clerk are hereby authorized and directed to execute the Loan Agreement on behalf of the City, and the Loan Agreement is hereby approved.

Section 2. All of the contents, paragraphs, sections, clauses and provisions of the Bond Issuance Resolution adopted by the City Council on March 7, 1988, as referred to in the preamble hereof, are hereby deleted in their entirety and the following substituted in lieu thereof:

RESOLUTION NO. 89.3

PROVIDING FOR THE ISSUANCE OF \$130,000 GENERAL OBLIGATION WATER IMPROVEMENT NOTES AND PROVIDING FOR THE LEVY OF TAXES TO PAY THE SAME

WHEREAS, pursuant to the provision of Section 384.24A of the Code of Iowa, the City of Fontanelle, Iowa (the "City"), has heretofore proposed to contract indebtedness and enter into a loan agreement in the principal amount of \$130,000 (the "Loan Agreement") to provide funds to pay the cost, to that extent, of the construction, reconstruction, improvement, extension and equipping of the Municipal Waterworks System of the City, including the refunding of outstanding Warrants previously issued by the City to pay costs in connection therewith, and pursuant to notice of such proposed action duly published, has had a hearing thereon and approved the Loan Agreement with R. G. Dickinson & Co., Des Moines, Iowa.

NOW, THEREFORE, Be It Resolved by the City Council of the City of Fontanelle, Iowa as follows:

Section 1. General Obligation Water Improvement Notes (the "Notes") are hereby authorized to be issued in evidence of the obligation of the City under the Loan Agreement, in the total aggregate principal amount of \$130,000, to be dated February 1, 1989, in the denomination of \$5,000 each, or any integral multiple thereof, maturing on June 1 in each of the years, in the respective principal amounts and bearing interest at the respective rates, as follows:

---Year	Principal Amount	Interest Rate Per Annum	Year	Principal Amount	Interest Rate Per Annum
1989	\$10,000	6.20%	1994	\$15,000	7%
1990	\$10,000	6.40%	1995	\$15,000	7.10%
1991	\$10,000	6.60%	1996	\$15,000	7.20%
1992	\$10,000	6.75%	1997	\$15,000	7.30%
1993	\$15,000	6.90%	1998	\$15,000	7.40%

The City Clerk is hereby designated as the Registrar and Paying Agent for the Notes and may be hereinafter referred to as the "Registrar" or the "Paying Agent".

The City reserves the right to prepay part or all of the Notes maturing in each of the years 1996 to 1998, inclusive, prior to and in inverse order of maturity on June 1, 1995, or on any interest payment date thereafter upon terms of par and accrued interest. If less than all of the Notes of any like maturity are to be redeemed, the particular part of those Notes to be redeemed shall be selected by the Registrar by lot. The Notes may be called in part in one or more units of \$5,000. If less than the entire principal amount of any Note in a denomination of more than \$5,000 is to be redeemed, the Registrar will issue and deliver to the registered owner thereof, upon surrender of such original Note, a new Note or Notes, in any authorized denomination, in a total aggregate principal amount equal to the unredeemed balance of the original Note. Notice of such redemption as aforesaid identifying the Note or Notes (or portion thereof) to be redeemed shall be mailed by certified mail to the registered owners thereof at the addresses shown on the City's registration books not less than 30 nor more than 45 days prior to such redemption date. All of such Notes as to which the City reserves and exercises the right of redemption and as to which notice as aforesaid shall have been given and for the redemption of which funds are duly provided, shall cease to bear interest on the redemption date.

All of the interest on the Notes shall be payable June 1, 1989, and semiannually thereafter on the first day of June and December in each year. Payment of interest on the Notes shall be made to the registered owners appearing on the registration books of the City at the close of business on the fifteenth day of the month next preceeding the interest payment date and shall be paid by check or draft mailed to the registered owners at the addresses shown on such registration books. Principal of the Notes shall be payable in lawful money of the United States of America to the registered owners or their legal representatives upon presentation and surrender of the Note or Notes at the office of the Paying Agent.

The Notes shall be executed on behalf of the City with the official manual or facsimile signature of the Mayor and attested by the official manual or facsimile signature of the City Clerk and shall have the City's seal impressed or printed thereon, and shall be fully registered Notes without interest coupons. In case any officer whose signature or the facsimile of whose signature appears on the Notes shall cease to be such officer before the delivery of the Notes, such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if he or she had remained in office until delivery.

The Notes shall not be valid or become obligatory for any purpose until the Certificate of Authentication thereon shall have been signed by the Registrar.

The Notes shall be fully registered as to principal and interest in the names of the owners on the registration books of the City kept by the Registrar, and after such registration, payment of the principal of and interest thereon shall be made only to the registered owners or their legal representatives or assigns. Each Note shall be transferable without cost to the registered owner thereof only upon the registration books of the City upon presentation to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form thereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

The record and identity of the owners of the Notes shall be kept confidential as provided by Section 22.7 of the Code of Iowa.

Section 2. The Notes shall be in substantially the form set forth as Exhibit A. to the Loan Agreement attached hereto and shall be executed as herein provided as soon after the adoption of this resolution as may be and thereupon delivered to the Registrar for registration and delivery to the Lender, upon receipt of the loan proceeds, and all action heretofore taken in connection with the Loan Agreement is hereby ratified and confirmed in all respects.

Section 3. For the purpose of providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on the Notes as the same become due, there is hereby ordered levied on all taxable property in the City in each of the years while the Notes are outstanding, a tax sufficient for that purpose, and in furtherance of this provision, but not in limitation thereof, there is hereby levied on all the taxable property in the City the following direct annual tax for collection in each of the following fiscal years, to-wit:

For collection in the fiscal year which began July 1, 1988, sufficient to produce the net annual sum of \$18,465 (which taxes were levied pursuant to the Bond Issuance Resolution, are currently in collection and, as collected, are being deposited into the Debt Service Fund hereinafter referred to);

For collection in the fiscal year beginning July 1, 1989, sufficient to produce the net annual sum of \$18,410.;

For collection in the fiscal year beginning July 1, 1990, sufficient to produce the net annual sum of \$17,770;

For collection in the fiscal year beginning July 1, 1991 sufficient to produce the net annual sum of \$17,710;

For collection in the fiscal year beginning July 1, 1992 sufficient to produce the net annual sum of \$21,435;

For collection in the fiscal year beginning July 1, 1993 sufficient to produce the net annual sum of \$20,400;

For collection in the fiscal year beginning July 1, 1994, sufficient to produce the net annual sum of \$19,350;

For collection in the fiscal year beginning July 1, 1995; sufficient to produce the net annual sum of \$18,285;

For collection in the fiscal year beginning July 1, 1996, sufficient to produce the net annual sum of \$17,205;

For collection in the fiscal year beginning July 1, 1997. sufficient to produce the net annual sum of \$16,110.

Section 4. A certified copy of this resolution shall be filed with the County Auditor of Adair County, and said Auditor shall be and is hereby instructed to enter for collection and assess the tax hereby authorized. When annually entering such taxes for collection, the County Auditor shall continue to include the same as a part of the tax levy for debt service fund purposes of the City and when collected, the proceeds of the taxes shall continue to be converted into the debt service fund of the City and set aside therein as a special account to be used solely and only for the payment of the principal of and interest on the Notes hereby authorized and for no other purpose whatsoever. Any amount received by the City as accrued interest on the Notes shall be deposited into such special account and use to pay principal of and/or interest due on the Notes on the first payment date.

Section 5. The interest or principal and both of them falling due in any year or years shall, if necessary, be paid promptly from current funds on hand in advance of taxes levied and when the taxes shall have been collected, reimbursement shall be made to such current funds in the sum thus advanced.

Section 6. It is the intention of the City that interest on the Notes 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 Notes 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 Notes as "Qualified Tax Exempt Obligations" as that term is used in Section 265 (b) (3) (B) of the Internal Revenue Code.

Section 7. All resolutions or parts thereof in conflict herewith be and the same are hereby repealed to the extent of such conflict.

Section 3. All resolutions or parts thereof in conflict herewith be and the same are hereby repealed to the extent of such conflict.

PASSED AND APPROVED THIS 17th day of January, 1989.

Ralph D Means

Ralph D. Means, Mayor

Evelyn M Rohnert

Attest: Evelyn M. Rohnert,
City Clerk

LOAN AGREEMENT

This Loan Agreement is entered into as of the first day of February, 1989, by and between the City of Fontanelle, Iowa (the "City") and R. G. Dickinson & Co., Des Moines, Iowa (the "Lender") The parties agree as follows:

1. The Lender shall loan to the City the sum of \$130,000 at a discount of \$2,600, and the City's obligation to repay hereunder shall be evidenced by the issuance of General Obligation Water Improvement Notes in the aggregate principal amount of \$130,000 (the "Notes").
2. The City has adopted a resolution (the "Resolution") authorizing and approving the Loan Agreement and providing for the issuance of the Notes and the levy of taxes to pay the principal of and interest on the Notes for the purpose of paying costs in connection with the construction, reconstruction, improvement, extension and equipping of the Municipal Waterworks System of the City, including the refunding of outstanding Warrants previously issued by the City to pay costs in connection therewith. The Resolution is incorporated herein by reference, and the parties agree to abide by the terms and provisions of the Resolution. In and by the Resolution, provision has been made for the levy of a sufficient continuing annual tax on all the taxable property within the City for the payment of the principal of and interest on the Notes as the same will respectively become due, and pursuant to the terms of the Notes, the City has irrevocably pledged the faith, credit, revenues and resources and all the real and personal property of the City for the full and prompt payment of the principal thereof and interest thereon.

3. Any amount received by the City as accrued interest on the Notes shall be deposited in the special account within the City's Debt Service Fund established pursuant to the Resolution and shall be held therein and used, along with other amounts on deposit in such account, to pay principal of and/or interest on the Notes on June 1, 1989.

4. The City agrees to repay the loan and interest thereon as hereinafter provided. The Notes in substantially the form set forth in Exhibit A attached hereto, shall be executed and delivered to the Lender to evidence the City's obligation to repay the amounts payable hereunder. The Notes shall be dated February 1, 1989, in the denomination of \$5,000 each, or any integral multiple thereof, maturing on June 1 in each of the years, in the respective principal amounts and bearing interest payable semiannually, commencing June 1, 1989, at the respective rates as follows:

Year	Principal Amount	Interest Rate Per Annum	Year	Principal Amount	Interest Rate Per Annum
1989	\$10,000	6.20%	1994	\$15,000	7%
1990	\$10,000	6.40%	1995	\$15,000	7.10%
1991	\$10,000	6.60%	1996	\$15,000	7.20%
1992	\$10,000	6.75%	1997	\$15,000	7.30%
1993	\$15,000	6.90%	1998	\$15,000	7.40%

but the Notes maturing in each of the years 1996 to 1998, inclusive are subject to redemption prior to maturity at the times and on the terms specified in the Notes.

5. This Loan Agreement is executed pursuant to the provisions of Section 384.24A of the Code of Iowa and shall be read and construed as conforming to all provisions and requirements of the statute.

IN WITNESS WHEREOF, we have hereunto affixed our signatures all as of the date first above written.

CITY OF FONTANELLE, IOWA

by RALPH D. MEANS, Mayor

Attest:

(Seal) Evelyn M. Rohner, City Clerk

R. G. DICKINSON & CO.
Des Moines, Iowa

by _____
(signature)

(Name)

(Title)

EXHIBIT A
FORM OF NOTE
UNITED STATES OF AMERICA
STATE OF IOWA

COUNTY OF ADAIR CITY OF FONTANELLE
GENERAL OBLIGATION WATER IMPROVEMENT NOTE

No. _____ \$ _____

RATE MATURITY NOTE DATE
February 1, 1989

The City of Fontanelle (the "City"), in the County of Adair, State of Iowa, for value received, promises to pay on the maturity date of this Note to

or registered assigns the principal sum of

THOUSAND DOLLARS

In lawful money of the United States of America upon presentation and surrender of this Note at the office of the City Clerk, Fontanelle, Iowa (hereinafter referred to as the "Registrar" or the "Paying Agent") with interest on said sum, until paid, at the rate per annum specified above from the date of this Note, or from the most recent interest payment date on which interest has been paid, on June 1 and December 1 of each year, commencing June 1, 1989, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto. Interest on this Note is payable to the registered owner appearing on the registration books of the City at

the close of business on the fifteenth day of the month next preceding the interest payment date, and shall be paid by check or draft mailed to the registered owner at the address shown on such registration books.

This Note shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Registrar.

This Note is one of a series of Notes (the "Notes") issued by the City to evidence its obligation under a certain Loan Agreement, dated as of February 1, 1989 (the "Loan Agreement") entered into by the City for the purpose of providing funds to pay a portion of the cost of the construction, reconstruction, improvement, extension and equipping of the Municipal Waterworks System of the City, including the refunding of outstanding Warrants previously issued by the City to pay costs in connection therewith.

The Notes are issued pursuant to and in strict compliance with the provisions of Chapter 384 and Chapter 76 of the Code of Iowa, 1987, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the Council authorizing and approving the Loan Agreement and providing for the issuance and securing the payment of the Notes (the "Resolution"), and reference is hereby made to the Resolution and the Loan Agreement for a more complete statement as to the source of payment of the Notes and the rights of the owners of the Notes.

The City of Fontanelle reserves the right to prepay part or all of the Notes maturing in each of the years 1996 to 1998, inclusive, prior to and in inverse order of maturity on June 1, 1995, or on any interest payment date thereafter upon terms of par and accrued interest. If less than all of the notes of any like maturity are to be redeemed, the particular part of those Notes to be redeemed shall be selected by the Registrar by lot. The Notes may be called in part in one or more units of \$5,000. If less than the entire principal amount of any Note in a denomination of more than \$5,000 is to be redeemed, the Registrar will issue and deliver to the registered owner thereof, upon surrender of such original Note, a new Note or Notes, in any authorized denomination, in a total aggregate principal amount equal to the unredeemed balance of the original Note. Notice of such redemption as aforesaid identifying the Note or Notes (or portion thereof) to be redeemed shall be mailed by certified mail to the registered owners thereof at the addresses shown on the City's registration books not less than 30 nor more than 45 days prior to such redemption date. All of such Notes as to which the City reserves and exercises the right of redemption and as to which notice as aforesaid shall have been given and for the redemption of which funds are duly provided, shall cease to bear interest on the redemption date.

This Note is fully negotiable but shall be fully registered as to both principal and interest in the name of the owner on the books of the City in the office of the Registrar, after which no transfer shall be valid unless made on said books and then only upon presentation of this Note to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form hereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

The City, the Registrar and the Paying Agent may deem and treat the registered owner hereof as the absolute owner for the purpose of receiving payment of or on account of principal hereof, premium, if any, and interest due hereon and for all other purposes, and the City, the Registrar and the Paying Agent shall not be affected by any notice to the contrary.

And It Is Hereby Certified and Recited that all acts, conditions and things required by the laws and Constitution of the State of Iowa, to exist, to be had, to be done or to be performed precedent to and in the issue of this Note were and have been properly existent, had, done and performed in regular and due form and time; that provision has been made for the levy of a sufficient continuing annual tax on all the taxable property within the City for the payment of the principal of and interest on this Note as the same will respectively become due; that the faith, credit, revenues and resources and all the real and personal property of the City are irrevocable pledged for the prompt payment hereof, both principal and interest; and that the total indebtedness of the city, including this Note, does not exceed any constitutional or statutory limitations.

IN TESTIMONY WHEREOF, the City of Fontanelle, Iowa by its City Council, has caused this Note to be sealed with the facsimile of its official seal, to be executed with the duly authorized facsimile signature of its Mayor and attested by the duly authorized facsimile signature of its City Clerk, all the first day of February, 1989.

CITY OF FONTANELLE, IOWA
(facsimile signature)

Attest:

(facsimile signature)

City Clerk

(facsimile seal)

Mayor

On each Note there shall be a registration dateline and a Certificate of Authentication of the Registrar in the following form:
Registration Date: _____

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Note is one of the Notes described in the within-mentioned resolution.

/s/ Evelyn Rohner
City Clerk of the City of Fontanelle,
Iowa

(Legend as to Abbreviations)

The following abbreviations, when used in this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UNIF TRANSFER MIN ACT
TEN ENT	- as tenants by the entireties	Custodian
JT TEN	- as joint tenants with right of survivorship and not as tenants in common	(Cust) (Minor) under Uniform Transfers to Minors Act (State)

Additional abbreviations may also be used though not in the list

ASSIGNMENT

For valuable consideration, receipt of which is hereby acknowledged, the undersigned assigns this Note to

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

(Please print or type name and address of Assignee)

and does hereby irrevocably appoint _____ Attorney, to transfer the said Note on the books kept for registration thereof with full power of substitution

Dated: _____

(Signature guaranteed:)

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears on this Note in every particular, without alteration or enlargement or any change whatever.

5081 (FDC - G.O.)

We, Ralph D. Means, Mayor, and Evelyn M. Rohner, Clerk, do hereby certify that we are now and were at the time of the execution of the notes hereinafter described the officers respectively above indicated of the City of Fontanelle, Iowa (the "City"); and that in pursuance of Chapter 384 of the Code of Iowa, a resolution adopted by the City Council on January 17, 1989 (the "Resolution"), and a loan agreement dated February 1, 1989 (the "Loan Agreement"), by and between the City and R. G. Dickinson & Co., Des Moines, Iowa (the "Lender"), there have been heretofore lawfully authorized and this day by us lawfully issued and delivered the following described notes (the "Notes") of the City:

\$130,000 General Obligation Water Improvement Notes, dated February 1, 1989, due \$10,000 on June 1 in each of the years 1989 to 1992, inclusive; and due \$15,000 on June 1 in each of the years 1993 to 1998 inclusive.

Each of the Notes has been executed with the facsimile signatures of the aforesaid officers, with the facsimile of the official seal of the City imprinted thereon; the Certificate of Authentication on each Note has been executed with the genuine signature of the City Clerk, who shall act as the Registrar and Paying Agent for the Notes; and the Notes have been fully registered as to principal and interest in the names of the owners on the registration books of the City.

We further certify that the Notes are being issued to evidence the City's obligation under the Loan Agreement entered into by the City for the purpose of paying costs in connection with the construction, reconstruction, improvement, extension and equipping of the Municipal

Waterworks System (the "Utility") of the City (the "Project"), including the refunding of Warrants previously issued by the City to pay costs in connection therewith.

We further certify that no controversy or litigation is pending, prayed or threatened involving the incorporation organization, existence or boundaries of the City, or the titles of the aforesaid officers to their respective positions, or the validity of the Notes, or the power and duty of the City to provide and apply adequate taxes for the full and prompt payment of the principal of and interest on the Notes, and that none of the proceedings incident to the authorization and issuance of the Notes has been repealed or rescinded.

We further certify that no petition of protest or objections of any kind have been filed or made objecting to the Loan Agreement, to the issuance of the Notes or to the levy of taxes to pay the principal thereof or interest thereon, and that no appeal of the decision of the City Council to enter into the Loan Agreement and to issue the Notes has been taken to the district court.

We further certify as follows: (1) a portion of the loan proceeds (the "Loan Proceeds") received in exchange for the Notes (the "Redemption Proceeds") will be used to redeem outstanding Warrants of the City issued to pay costs in connection with the construction of the Project, and the remaining Loan Proceeds (the "Remaining Proceeds") will be used to defray other costs of the Project; (2) the work on the Project has been completed; (3) at least 85 per cent of the Remaining Proceeds will be expended for costs of the Project by February 1, 1992; (4) the amounts received by the City as Loan Proceeds are \$127,400 (principal amount of loan minus discount) and \$_____ (accrued interest), and, except for any amount representing accrued interest are necessary for and will be used to pay the costs of the Project; (5) any amount so received as accrued interest will be deposited into the City's Debt Service Fund created under the Resolution and used to pay principal of and interest on the Notes due on the first payment date; (6) the total cost of the Project is estimated to be approximately \$132,875; and (7) to our best knowledge and belief, there are no facts, estimates or circumstances which would materially change the foregoing conclusions. On the basis of the foregoing, it is not expected that the Loan Proceeds will be used in a manner that would cause the Notes to be "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended, and the regulations prescribed under that section. 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.

We further certify that due provision has been made for the collection of taxes sufficient to pay the principal of and interest on the Notes when due. All payments coming due before the collection of any such taxes will be paid promptly when due from legally available funds.

We further certify that all meetings held in connection with the Notes were open to the public at a place reasonably accessible to the public and that notice was given at least 24 hours prior to the commencement of all meetings by advising the news media who requested notice of the time, date, place and the tentative agenda and by posting such notice and agenda at the City Hall or principal office of the City on a bulletin board or other prominent place which is easily accessible to the public and is the place designated for the purpose of posting notices of meetings.

We further certify that the Lender has advised the City that the reasonably expected reoffering price of the Notes to the public is \$130,000 (par).

We further certify that the present financial condition of the City is as follows:

Actual (100%) value of taxable property within the City, except moneys and credits as entered on the last completed State and County tax lists, the same being for the year 1987	\$6,157,984
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Taxable value (after rollback) of all taxable property within the City, except moneys and credits, as entered on the last completed State and County tax lists, the same being for the year 1987	\$5,242,750
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Total bonded indebtedness payable from taxes <u>excluding</u> the Notes	\$ 20,000
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This issue	\$ 130,000
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All other indebtedness of any kind	\$ 50,432
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We further certify that the City does not currently have outstanding tax exempt obligations issued during 1989, including the Notes, equal to or in excess of \$5,000,000, nor will the City issue additional tax exempt obligations during 1989 which, when added to the City's current tax exempt obligations issued during 1989, including the Notes, 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 _____ day of _____, 1989.

Ralph D Means

Mayor

Evelyn M. Roberts

Clerk

(Seal)

I, the undersigned, the officer of the bank indicated by my signature hereto, do hereby certify that I am acquainted with the officers of the City named in the foregoing certificate and with their respective dignatures appended to said certificate, and know that said signatures are genuine and that the signers thereof are now the officers of the said City indicated by said signatures; and that I have examined and identified the signatures on the Notes above described as the true and genuine facsimile signatures of said officers and the genuine signature of the City Clerk as to the authentication of the Notes.

WITNESS my hand, the date last above written.

/s/ R. E. Wollenhaupt
President of the
First National Bank
Fontanelle, Iowa

Delmer Miller had attended a meeting in Atlantic for the institution of the "Project Share". He explained to the Council that it was a mandatory law established by the State Legislature.

The Council were ask to name two to serve on this committee. The two ask to serve are: Janice Shepard of the MATURA Action Corporation and Raedeen Bigelow of the County Neighborhood Center.

Council Member Robert Edwards introduced a Resolution entitled "PRESENTING PROJECT SHARE TO GOVERNING BODY FOR ADOPTION" and moved for its adoption. Seconded by Sally Sorensen. Carried.

Whereupon, the Mayor called the roll with ALL voting: AYE and the Mayor declared the Resolution duly adopted as:

RESOLUTION NO. 89.4

PROJECT SHARE FUND ADMINISTRATION AGREEMENT

THIS AGREEMENT is made and entered into this ___th day of January 1989, by and between Fontanelle Municipal Utilities, hereinafter referred to as "Municipal Utility", and MATURA ACTION CORPORATION, hereinafter referred to as "CAA".

WHEREAS, Iowa Code § 476.66 provides that each public utility providing electric or natural gas service shall establish a fund whose purposes shall include the receiving of contributions to assist the utility's low-income customers with weatherization and to supplement the energy assistance received under the federal low-income heating assistance program for the payment of winter heating bills; and

WHEREAS, the municipal utility, which provides electric service, has implemented its Project Share program in order to comply with the requirements of Iowa law; and

WHEREAS, the municipal utility desires that the Project Share Program be administered by a reputable organization designated by the State of Iowa to receive and administer funds for the assistance of low-income residents; and

WHEREAS, the CAA is an appropriate and proper recipient of Project Share funds; and

WHEREAS, the CAA in furtherance of its mission to provide a range of services to improve the conditions of poverty within its service area, desires to administer the Project Share program and assumes responsibility for distribution of Project Share funds.

NOW THEREFORE, in consideration of mutual promises, representations, warranties and covenants herein contained, the parties agree as follows:

1. Contribution. The municipal utility agrees to solicit and receive from its customers, employees, and other parties or

organizations, contributions, designated for the Project Share fund. The municipal utility will represent that contributions to the Project Share fund are tax deductible for federal and Iowa income tax purposes to the extent permitted by law. These funds will be collected and deposited in a separate bank account segregated from all other funds of the municipal utility.

2. FUND ADMINISTRATION. The CAA agrees to administer the Project Share fund in accordance with the municipal utility's Project Share plan, the terms of this agreement, and applicable state statutes and regulations. The CAA will distribute Project Share funds in accordance with the guidelines established by the Project Share Program Committee.

3. PROGRAM FINANCES. In consideration for its Services in administering the Project Share fund the CAA will take 5% of the total contributions to the Project Share Fund each quarter as reimbursement for its expense in operating the Project Share Program.

4. APPLICATIONS. The CAA will solicit and receive applications for financial assistance from the Project Share fund from persons who reside within the area served by the municipal utility. Applicants will receive a written notice of decision from the CAA, which will inform the applicant of the decision, the reason for the decision, and of the applicant's right to appeal that decision. Application and decision forms will be provided to the CAA by the municipal utility. The CAA will not discriminate in the selection of eligible recipients on the basis of sex, race, religious affiliation, national origin or marital status.

5. ELIGIBILITY. Eligibility guidelines, benefit levels, and permissible categories of assistance will be determined and established from time to time by the Project Share Program Committee. The CAA will distribute Project Share funds in accordance with these guidelines.

6. COMMITTEE. The CAA will provide two representatives to serve on the Project Share program Committee.

7. ADMINISTRATIVE EXPENSES. In consideration for its Services in administering the Project Share fund the CAA will take 5% of the total contributions to the Project Share Fund each quarter as reimbursement for its expense in operating the Project Share Program.

8. OTHER SERVICES. No other services have been contracted.

9. RIGHT TO AUDIT. Either party may review or audit the records of the other party regarding the Project Share fund. The cost of such review will be paid by the party requesting it.

10. TERM OF AGREEMENT. This Agreement shall be effective for an initial one-year term commencing January 1, 1989, and shall automatically be renewed for additional one-year terms. Either party may terminate this agreement by providing 60 days written notice to the other.

11. RESTRICTION OF ASSIGNMENT. The CAA shall not assign this Agreement or sublet any of the work to be performed hereunder without first procuring the written consent of the municipal utility, which consent shall not be unreasonably withheld. Any such subletting shall not release or modify the CAA's obligations under this agreement.

12. INDEMNIFICATION. Each party agrees to indemnify and hold the other harmless from any and all liability and loss, damage, and expense, including attorney's fees, relating to or arising out of the parties' obligations under the terms of this Agreement.

13. INVALID PROVISIONS. If any provision of this agreement shall be determined to be violative of Iowa law, or for any other reason invalid, the remainder of this agreement shall remain in force and effect and shall be binding upon the parties.

14. WAIVER. Any waiver at any time by either party of its rights with respect to a default under this Agreement, or with respect to any other matter arising in connection with this Agreement, shall not be deemed a waiver with respect to any subsequent default or other matter arising in connection therewith, any delay short of the statutory period of limitation in asserting or enforcing any right shall not be deemed a waiver of such right.

15. ENTIRE AGREEMENT. This Agreement supercedes any and all proposals and/or understanding, oral or in writing, between the parties, and constitutes their sole and only agreement.

IN WITNESS WHEREOF, the parties hereto affix their authorizing signatures.

Motion by Albert Ehrenfried to adjourn. Seconded by Kenneth Perry. Carried.

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

Ralph D. Means
Ralph D. Means, Mayor