2

Member Roach introduced the following Resolution entitled "A RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF $375,000.00 WATER REVENUE BONDS OF THE CITY OF WINTERSET, IOWA, UNDER THE PROVISIONS OF THE CITY CODE OF IOWA, AND PROVIDING FOR A METHOD OF PAYMENT OF SAID BONDS", and moved its adoption. Member Trask seconded the motion to adopt. The roll was called and the vote was:

Compared

AYES: Roach, Stuchel, Trask

NAYS: none

FILED NO. 1076
BOOK 34 PAGE 762
1983 DEC 13 PM 4:19
MARY E. WELTY
RECORDER
MADISON COUNTY, IOWA
Fee $ 75.00

Whereupon the Chairman declared the following Resolution duly adopted:

A RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF $375,000.00 WATER REVENUE BONDS OF THE CITY OF WINTERSET, IOWA, UNDER THE PROVISIONS OF THE CITY CODE OF IOWA, AND PROVIDING FOR A METHOD OF PAYMENT OF SAID BONDS

WHEREAS, the Board of Trustees of the Electric Light Plant and Waterworks of the City of Winterset, Iowa, sometimes hereinafter referred to as the "Issuer", has heretofore established charges, rates and rentals for services which are and will continue to be collected as system revenues of the Municipal Water Utility, sometimes hereinafter referred to as the "System", and said revenues have not been pledged and are available for the payment of Revenue Bonds, subject to the following premises; and

WHEREAS, Issuer proposes to issue its Revenue Bonds to the extent of $375,000.00 for the purpose of defraying the costs of the project as set forth in Section 3 of this Resolution; and

WHEREAS, there have been heretofore issued Water Revenue Bonds, part of which remain outstanding and are a lien on the net revenues of the System. In the resolution authorizing the issuance of the outstanding bonds it is provided that additional Revenue Bonds may be issued on a parity with said outstanding bonds, for the costs of future improvements and extensions to the System, provided that there has been procured and placed on file with the Secretary, a statement complying with the conditions and limitations therein imposed upon the issuance of said parity bonds; and

WHEREAS, a written statement of the Farmers Home Administration or its successor agency has been made and filed with the Secretary; and

WHEREAS, the notice of intention of Issuer to take action for the issuance of $375,000.00 Water Revenue Bonds has heretofore been duly published and no objections to such proposed action have been filed:

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE ELECTRIC LIGHT PLANT AND WATERWORKS OF THE CITY OF WINTERSET, IN THE COUNTY OF MADISON, STATE OF IOWA:

Section 1. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by necessary implication requires otherwise:

(a) "Issuer" and "City" shall mean the City of Winterset, Iowa;

(b) "Governing Body" shall mean the Board of Trustees of the City, or its successor in function with respect to the operation and control of the System;

(c) "Clerk" shall mean the Secretary or such other officer of the successor governing body as shall be charged with substantially the same duties and responsibilities;

(d) "Treasurer" shall mean the City Treasurer or such other officer as shall succeed to the same duties and responsibilities with respect to the recording and payment of the Bonds issued hereunder;

(e) "System" shall mean the Municipal Water Utility of the Issuer and all properties of every nature hereinafter owned by the Issuer comprising part of or used as a part of the System, including all improvements and extensions made by Issuer while any of the Bonds or Parity Bonds remain outstanding; all real and personal property; and all appurtenances, contracts, leases, franchises and other intangibles;

(f) "Net Revenues" shall mean gross earnings of the System after deduction of current expenses; "Current Expenses" shall mean and include the reasonable and necessary cost of operating, maintaining, repairing and insuring the System, including purchases at wholesale, if

any, salaries, wages and costs of materials and supplies, but excluding depreciation and principal of and interest on the Bonds and any parity bonds or payments to the various funds established herein; capital costs, depreciation and interest or principal payments are not system expenses;

(g) "Fiscal Year" shall mean the twelve months' period beginning on July 1 of each year and ending on the last day of June of the following year, or any other consecutive twelve-month period adopted by the governing body or by law as the official accounting period of the System;

(h) "Registrar" shall be the City Treasurer of City Hall, Winterset, Iowa or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein with respect to maintaining a registrar of the owners of the bonds. Unless otherwise specified, the Registrar shall also act as Transfer Agent for the bonds.

(i) "Paying Agent" shall be the City Treasurer or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein as Issuers agent to provide for the payment of principal of and interest on the bonds as the same shall become due.

(j) "Original Purchaser" shall mean the purchaser of the Bonds from Issuer at the time of their original issuance;

(k) "Bonds" shall mean a single, fully registered $375,000.00 Water Revenue Bond, authorized to be issued by this Resolution;

(l) "Parity Bonds" shall mean Water Revenue Bonds payable solely from the net revenues of the System on an equal basis with the Bonds herein authorized to be issued; and shall include the outstanding Bonds; "Outstanding Bonds" shall mean the Water Revenue Bonds dated December 10, 1979, issued in accordance with Resolution XXXXXXXXXXXX adopted November 26, 1979, $619,193 of which bonds are still outstanding and unpaid and remain a lien on the net revenues of the System;

(m) "Corporate Seal" shall mean the official seal of Issuer adopted by the governing body; and

(n) "Independent Auditor" shall mean an independent firm of Certified Public Accountants or the Auditor of State.

(o) "Project Fund - Construction Account" shall mean the account established by this Resolution on the receipt of proceeds of the Bonds.

Section 2. Authority. The Bonds authorized by this Resolution shall be issued pursuant to Division V, Chapter 384; of the City Code of Iowa, and in compliance with all applicable provisions of the Constitution and laws of the State of Iowa.

Section 3. Authorization and Purpose. There are hereby authorized to be issued, negotiable fully registered Revenue Bonds of Winterset, in the County of Madison, State of Iowa, Series 1983, to be designated as Water Revenue Bond", to be at the request of the Farmers Home Administration, the original purchaser, in the amount and denomination of $375,000.00 for the purpose of paying costs of improvements and extensions to the Municipal Water Utility and refunding any outstanding construction warrants with accrued interest thereon issued in payment for said project.

Section 4. Source of Payment. The Bonds herein authorized and Parity Bonds and the interest thereon shall be payable solely and only out of the net earnings of the System and shall be a first lien on the future net revenues of the System. The Bonds shall not be general obligations of the Issuer nor shall they be payable in any manner by taxation and the Issuer shall be in no manner liable by reason of the failure of the said net revenues to be sufficient for the payment of the Bonds.

Section 5. Bond Details. The Bonds shall be designated "Series 1983", shall be dated the date of delivery to the original purchaser, shall be in the denomination of $375,000.00; shall be numbered R1, shall bear interest at the rate of five per cent (5%) per annum from their date until payment; shall be payable as to both principal and interest by check or draft, mailed to the registered holder at his address appearing on the registration book of the City, or if not so paid, at the office of the Treasurer, in any coin or currency which, on the respective dates of payment, is legal tender for the payment of public and private debts, and shall mature in installments in the amounts and in each year as follows:

Interest only shall be payable annually on July 1, 1984 and thereafter principal of and interest on the bond shall become due in installments of $22,039 on July 1, 1985 and annually thereafter on July 1 until the principal

AHLERS, COONEY, DORWEILER, HAYNIE & SMITH, LAWYERS, DES MOINES, IOWA

and interest are fully paid, except that the final installments of the entire balance of principal and interest, if not sooner paid, shall become due and payable on July 1, 2023.

All installments due after July 1, 1995, will be subject to call prior to maturity in whole or from time to time in part, in inverse order on July 1, 1995, and on any interest payment date thereafter at the option of the Issuer, upon terms of par plus accrued interest to date of call.

Section 6. Redemption Prior to Maturity. All installments of principal subject to optional redemption prior to maturity will be subject to call in whole or from time to time in part in inverse order at the option of the Issuer, upon terms of par plus accrued interest to date of call, as provided in the form of bond set forth in this resolution.

Section 7. Execution of Bonds. The Bonds shall be executed by the Chairman and Clerk and sealed with the corporate seal. In case any officer of the Issuer who shall have signed or sealed any Bond shall cease to be such officer before the Bond so signed or sealed shall have actually been delivered or issued, such Bond may be delivered and issued with the same effect as though the person who had signed and sealed such Bond had not ceased to be an officer of the Issuer.

Section 8. Registration. The Bond will be registered as to principal and interest in the name of the owner, on the books in the office of the Treasurer, such registration to be noted on the reverse side of the Bond by said official and thereafter the principal and interest of such Bond shall be payable only to the registered holder, his legal representatives or assigns. Such registered Bond shall be transferable to another registered holder, only upon presentation to said official with a legal assignment duly acknowledged or proved.

Section 9. Lost, Destroyed or Mutilated Bonds. In case any Bond shall become mutilated, lost, stolen, or destroyed, the appropriate officers of the Issuer, in their discretion, may issue a new Bond of like tenor, amount, maturity and date, and bearing the same or a different number, in exchange and substitution for, and upon the cancellation of the mutilated Bond or in lieu of and substitution for such lost, stolen or destroyed Bond; or if any such Bond shall have matured or shall be about to mature, instead of issuing a substituted

bond said officers may pay such Bond without surrender thereof. In any case the applicant shall furnish evidence satisfactory to the officers of the destruction, theft or loss of the Bond, and indemnity satisfactory to said officers; and said officers shall charge for the issue of such new Bond, an amount sufficient to reimburse the Issuer for the expense incurred by it in the issue thereof.

AHLERS, COONEY, DORWEILER, HAYNIE & SMITH, LAWYERS, DES MOINES, IOWA

Section 10. Form of Bond. Bonds shall be printed in substantial compliance with standards proposed by the American Standards Institute substantially in the form as follows:

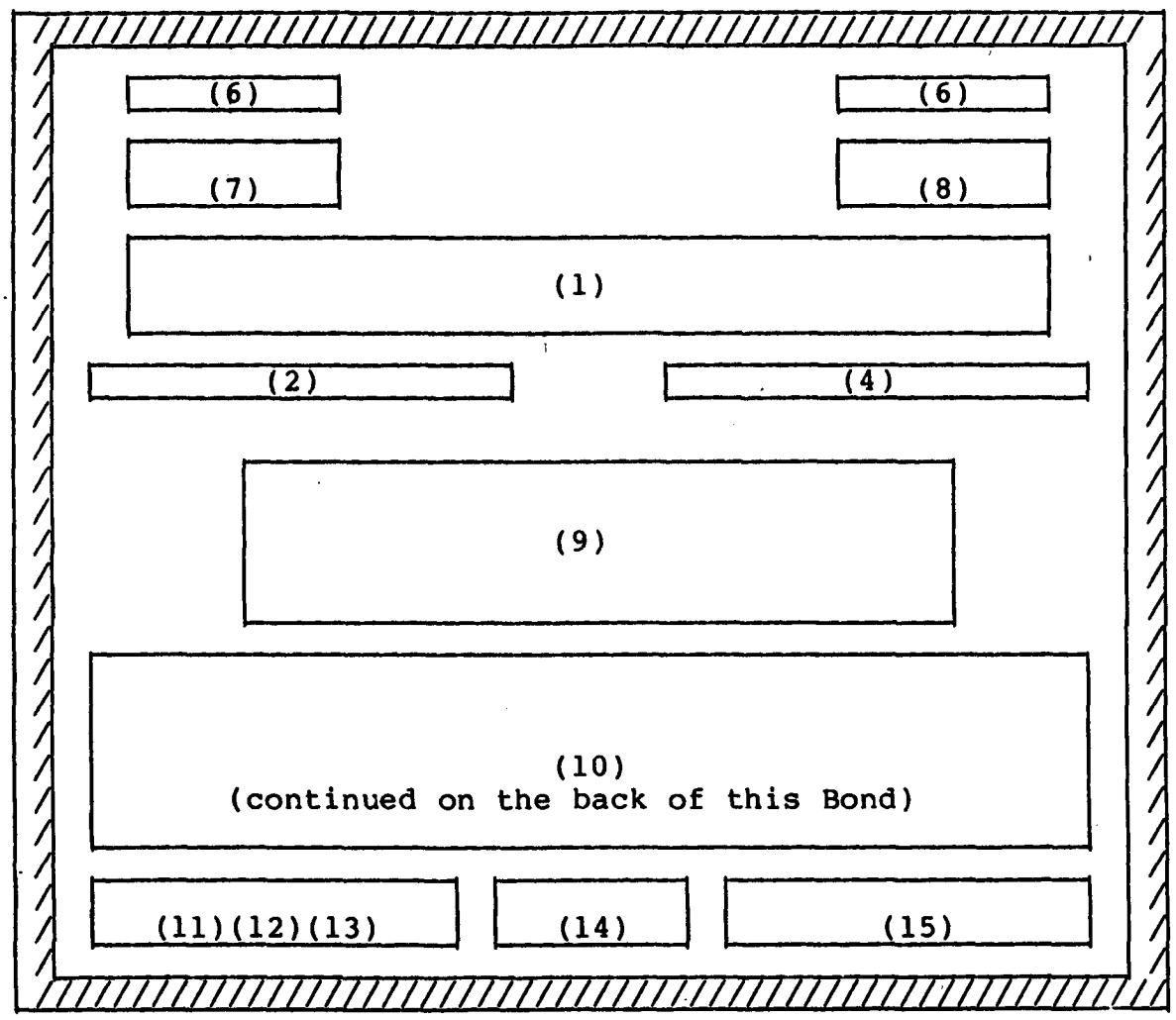


FIGURE 1

(Front)

(10) (Continued)	(16)	(17)

FIGURE 2

(Back)

AHLERS, COONEY, DORWEILER, HAYNIE & SMITH, LAWYERS, DES MOINES, IOWA

The text of the bonds to be located thereon at the item numbers shown shall be as follows:

Item 1, figure 1 = "STATE OF IOWA"
"CITY OF WINTERSET"
"WATER REVENUE BOND,"
"SERIES 1983"

Item 2, figure 1 = Rate: _____%
Item 4, figure 1 = Dated _____
Item 6, figure 1 = Registered
Item 7, figure 1 = Bond No. R-1
Item 8, figure 1 = Principal Amount: $5,000

Item 9, figure 1 = KNOW ALL MEN BY THESE PRESENTS: That the City of Winterset, in the County of Madison, State of Iowa, for value received, hereby promises to pay to the registered holder hereof, his legal representatives or registered assigns, upon presentation hereof at the office of the Treasurer of said City, out of the net revenues hereinafter described, the principal amount of $375,000.00, together with interest on said amount from the date hereof, until paid at the rate of 5% per annum, payable as follows:

Interest only shall be payable annually on July 1, 1984 and thereafter principal of and interest on the bond shall become due in installments of $22,039 on July 1, 1985 and annually thereafter on July 1 until the principal and interest are fully paid, except that the final installments of the entire balance of principal and interest, if not sooner paid, shall become due and payable on July 1, 2023.

All installments due after July 1, 1995, will be subject to call prior to maturity in whole or from time to time in part, in inverse order on July 1, 1995, and on any interest payment date thereafter at the option of the Issuer, upon terms of par plus accrued interest to date of call.

Item 10, figure 1 = Every payment made on any indebtedness evidenced by this Bond shall be first applied to accrued interest and then to principal. Such principal and interest being payable by check or draft mailed to the registered holder at his address appearing on the registration book of the City, or if not so paid by check or draft, at the office of the Treasurer. Payment of both principal and interest on this Bond are payable at the office of the Treasurer, in any coin or currency which, on the date of payment of said principal and interest, is legal tender for the payment of public and private debts.

Final payment shall be payable upon presentation and surrender of this bond at the office of the Treasurer.

This Bond is issued by the City pursuant to and in strict compliance with Chapter 384, City Code of Iowa, and in compliance with all applicable provisions of the Constitution and laws of the State of Iowa, and in conformity with a Resolution of the Board of Trustees of said City duly passed and approved, entitled "A RESOLUTION AUTHORIZING AND PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF $375,000.00 WATER REVENUE BONDS OF THE CITY OF WINTERSET, IOWA, UNDER THE PROVISIONS OF THE CITY CODE OF IOWA, AND PROVIDING FOR A METHOD OF PAYMENT OF SAID BONDS." For a more complete statement of the basis upon which this Revenue Bond has been issued and additional Revenue Bonds ranking on a parity therewith may be issued, a description of the source of payment of all such Bonds and a statement of the rights and duties of the Issuer, the rights of the holders of Revenue Bonds and the circumstances under which the provisions of the bonds and said resolution may be modified, reference is made to said Resolution. This Bond and the series of which it is a part are issued for the purpose of paying costs of improvements and extensions to the Municipal Water Utility and refunding any outstanding construction warrants with accrued interest thereon issued in payment for said project.

Installments of principal may be called for payment prior to maturity in whole, or in part in inverse order on July 1, 1995 and on any payment date thereafter at the option of the City at the price of par plus accrued interest to the date of payment. All installments are subject to payment prior to maturity in whole, or from time to time in part in inverse order on any date, on terms of par and accrued interest to the date of payment, only from the unused proceeds of the issue of this bond remaining in the Construction Account created by the Bond Resolution after the construction of the project has been finally completed, accepted and paid for and/or from the proceeds of government grants received in respect of the project, as provided in said Resolution. Notice of prepayment of this bond or any installment of principal shall be given by registered mail deposited in the United States mail not less than thirty days prior to prepayment date, postage prepaid, to the registered owner of this bond, at the address of such owner as shown on the Treasurer's registration book.

This bond is transferable, as provided in the aforesaid Resolution only upon the registration books of the City kept for that purpose by the Treasurer, upon presentation of this bond to such Treasurer together with a written instrument of transfer satisfactory to such Treasurer duly executed by the registered holder or his duly authorized attorney, whereupon such transfer shall be similarly endorsed hereon.

Said City and the City Officers may treat the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment thereof and for all other purposes and shall not be affected by any notice to the contrary whether principal on this bond be overdue or not.

This bond, together with any additional bonds which may be hereafter issued and outstanding from time to time, on a parity, as provided in the Bond Resolution of which notice is hereby given and is hereby made a part hereof, are payable from and secured by a pledge of the net revenues of said Utility, said net revenues being defined by said Resolution as the gross earnings of said Utility after deduction of current expenses as defined in said Resolution. There has heretofore been established by ordinance of the City and the City hereby covenants and agrees that it will maintain just and equitable rates or charges for the use of and service rendered by said Utility in each year for the payment of the proper and reasonable expenses of operation and maintenance of said Utility and for the establishment of a sufficient sinking fund to meet the principal of and interest on this bond, as the same become due. This bond is not payable in any manner by taxation and under no circumstances shall the City be in any manner liable by reason of the failure of said net earnings to be sufficient for the payment hereof.

IN TESTIMONY WHEREOF, said City by its Board of Trustees has caused this bond to be signed by its Chairman and attested by its Secretary, with the corporate seal affixed, all this _____ day of _____, 1983.

_____
Chairman

ATTEST:

_____
Secretary

Item 11, figure 1 = As of _____.
Item 12, figure 1 = This is one of the bonds described in the within mentioned resolution, as registered by the City Treasurer.
The City Treasurer

By _____
Registrar

Item 13, figure 1 = Registrar and Transfer Agent: The City Treasurer
Paying Agent: The City Treasurer

Item 14, figure 1 = (Seal)
Item 15, figure 1 = [Signature Block]
City of Winterset, Iowa
By: Chairman's signature
Chairman

Attest: Secretary's signature
Secretary

Item 16, figure 2 = Assignment of this Bond may be made in writing substantially in the form below:

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto (name of Transferee) the Bond Number(s) _____ of the Issue of Revenue Bonds, dated December 1, 1983, of the City of Winterset and does hereby irrevocably constitute and appoint the City Treasurer of City Hall, Winterset, Iowa), Registrar, attorney in fact to transfer the said Bond on the books kept for registration of the said Bond, with full power of substitution in the premises.

The undersigned hereby authorizes said Registrar to transfer said bond on the books kept for registration of the series of bonds with full power of substitution in the premises and does hereby authorize said Registrar to note such ownership on the back of the bond in the space provided for that purpose and to deliver said bond to said transferee.

Dated _____.
(Date)

_____
(Signature of registered owners(s))

(Person(s) executing this Assignment sign(s) here)

SIGNATURE)
GUARANTEED) _____
(See note below)

IMPORTANT - READ CAREFULLY

The signature(s) to this Power must correspond with the name(s) as written upon the face of the certificate(s) or bond(s) in every particular without alteration or enlargement or any change whatever. Signature guarantee should be made by a member or member organization of the New York Stock Exchange, members of other Exchanges having signatures on file with transfer agents or by a commercial bank or trust company.

Item 17, figure 2 = [Information Required for Registration]

REGISTRATION OF OWNERSHIP

Date of Registration	In Whose Name Registered	Signature of Registrar

INFORMATION REQUIRED FOR REGISTRATION OF TRANSFER

1. Name of Transferee

2. Address of Transferee

3. Social Security or Tax Identification Number of Transferee

4. Designation as to whether Transferee is an Individual*, a Corporation, a Partnership or a Trust

*If the bond is to be registered in the names of multiple individual owners, the names and addresses and social security numbers of all such owners must be provided.

Section 11. Right to Name Substitute Paying Agent or Registrar. Issuer reserves the right to name a substitute, successor Registrar or Paying Agent upon giving 60 days' written notice to each registered bondholder.

Section 12. Equality of Lien. The timely payment of principal of and interest on the Bonds and Parity Bonds shall be secured equally and ratably by the revenues of the System without priority by reason of number or time of sale or delivery; and the revenues of the System are hereby irrevocably pledged to the timely payment of both principal and interest as the same become due.

Section 13. Application of Bond Proceeds. Proceeds of the Bonds other than accrued interest except as may be provided below shall be credited to the Project Fund and expended therefrom for the purposes of issuance. Any amounts on hand in the Project Fund shall be available for the payment of the principal of or interest on the Bonds at any time that other funds of the System shall be insufficient to the purpose, in which event such funds shall be repaid to the Project Fund at the earliest opportunity. Any balance on hand in the Project Fund and not immediately required for its purposes may be invested not inconsistent with limitations provided by law or this Resolution. Accrued interest, if any, shall be deposited in the Sinking Fund.

Section 14. User Rates. There has heretofore been established and published as required by law, just and equitable rates or charges for the use of the service rendered by the System. So long as the Bonds are outstanding and unpaid the rates or charges to consumers of services of the System shall be sufficient in each year for the payment of the proper and reasonable expenses of operation and maintenance of the System and for the payment of principal and interest on the Bonds and Parity Bonds as the same fall due, and to provide for the creation of reserves as hereinafter provided.

In the event the Issuer or any department, agency or instrumentality thereof in any way uses or is served by the System, the rates or charges provided for shall be paid by the Issuer from its Corporate Fund, or by such department, agency or instrumentality thereof. Any revenues so collected by the Issuer shall be used and accounted for in the same manner as any other revenues derived from the operations of the System.

Section 15. Application of Revenues. The provisions in the Resolution heretofore adopted on November 26, 1979, whereby there was created and is to be maintained a Revenue Bond and Interest Sinking Fund, and for the monthly payment into said fund from the future net revenues of the System such portion thereof as will be sufficient to meet the principal and interest of the outstanding Water Revenue Revenue Bonds dated December 10, 1979, and maintaining a reserve therefor, are hereby ratified and confirmed, and all such provisions inure to and constitute the security for the payment of the principal and interest on Water Revenue Bonds hereby authorized to be issued; it being understood, that the amounts to be set aside and paid into the Revenue Bond and Interest Sinking Fund in equal monthly installments from the earnings shall be sufficient to pay the principal and interest due each year, not only on the Water Revenue Revenue Bonds dated December 10, 1979, but also the principal and interest of the Bonds herein authorized to be issued and to maintain a reserve therefor. Section 15, of said Resolution, are hereby ratified, confirmed, adopted and incorporated herein as a part of this Resolution.

Nothing in this Resolution shall be construed to impair the rights vested in the Outstanding Bonds. The amounts herein required to be paid into the various funds named in this section shall be inclusive of said payments required in respect to the Outstanding Bonds. The provisions of the legislation authorizing said Outstanding Bonds and the provisions of this Resolution are to be construed wherever possible so that the same will not be in conflict. In the event such construction is not possible, the provisions of the Resolution or Ordinance first adopted shall prevail until such time as the Bonds authorized by said Ordinance or Resolution have been paid off or otherwise satisfied as therein provided at which time the provisions of this Resolution shall again prevail.

The provisions of the legislation authorizing said Outstanding Bonds and the provisions of this Resolution are to be construed wherever possible so that the same will not be in conflict. In the event such construction is not possible, the provisions of the Resolution or Ordinance first adopted shall prevail until such time as the Bonds authorized by said Ordinance or Resolution have been paid off or otherwise satisfied as therein provided at which time the provisions of this Resolution shall again prevail.

Section 16. Covenants Regarding the Operation of the System. The Issuer hereby covenants and agrees with each and every holder of the Bonds and Parity Bonds:

(a) Maintenance and Efficiency. That the Issuer will maintain the System in good condition and operate it in an efficient manner and at reasonable cost.

(b) Rates. That on or before the beginning of each fiscal year the governing body will adopt or continue in effect rates for all services rendered by the System sufficient to produce net revenue for the next succeeding fiscal year sufficient to meet the requirements of the several funds as provided in this Resolution. For purposes of the last clause of the next preceding sentence "net revenues" shall be those for the next succeeding fiscal year as determined from the budget for such year as required herein, and for purposes of such determination the budgeted total revenues may be increased by the amount, if any, by which deposits into the Sinking Fund during the current fiscal year shall have exceeded the requirement of this Resolution.

(c) Insurance. That the Issuer shall maintain insurance for the benefit of the bondholders on the insurable portions of the System of a kind and in an amount which normally would be carried by private companies engaged in a similar kind of business. The proceeds of any insurance, except public liability insurance, shall be used to repair or replace the part or parts of the System damaged or destroyed, or if not so used shall be placed in the Water Utility Improvement Fund.

(d) Accounting and Audits. That the Issuer will cause to be kept proper books and accounts adapted to the System and in accordance with generally accepted accounting practices, and will cause the books and accounts to be audited annually not later than 90 days after the end of each fiscal year by an independent auditor and will file copies of the audit report with the Original Purchaser and will make generally available to the holders of any of the Bonds and Parity Bonds, the balance sheet and the operating statement of the System as certified by such auditor. The Original Purchaser and holders of any of the Bonds and Parity Bonds shall have at all reasonable times the right to inspect the System and the records, accounts and data of the Issuer relating

thereto. It is further agreed that if the Issuer shall fail to provide the audits and reports required by this subsection, the Original Purchaser or the holder or holders of 25% of the outstanding Bonds and Parity Bonds may cause such audits and reports to be prepared at the expense of the Issuer. The audit reports required by this Section shall include, but not be limited to, the following information:

(i) An evaluation of the manner in which the Issuer has complied with the covenants of this Resolution, including particularly the rate covenants included herein;

(ii) A statement of net revenues and current expenses;

(iii) Analyses of each fund and account created hereunder, including deposits, withdrawals and beginning and ending balances;

(iv) A balance sheet;

(v) The rates in effect at the end of the fiscal year, and the number of customers of the System;

(vi) A schedule of insurance policies and fidelity bonds in force at the end of the fiscal year, showing with respect to each policy and bond the nature of the risks covered, the limits of liability, the name of the insurer, and the expiration date;

(vii) An evaluation of the Issuer's system of internal financial controls and the sufficiency of fidelity bond and insurance coverage in force;

(viii) The names and titles of the principal officers of the Issuer; and

(ix) A general statement covering any events or circumstances which might affect the financial status of the System.

In the event the audit provided for in this Section is prepared by the State Auditor the

governing body will cause to be prepared a certified supplemental report containing the information required by this Section.

(e) State Laws. That the Issuer will faithfully and punctually perform all duties with reference to the System required by the Constitution and laws of the State of Iowa, including the making and collecting of reasonable and sufficient rates for services rendered by the System as above provided, and will segregate the revenues of the System and apply said revenues to the funds specified in this Resolution.

(f) Property. That the Issuer will not sell, lease, mortgage or in any manner dispose of the System, or any capital part thereof, including any and all extensions and additions that may be made thereto, until satisfaction and discharge of all of the Bonds and Parity Bonds shall have been provided for in the manner provided in this Resolution. Provided, however, this covenant shall not be construed to prevent the disposal by the Issuer of property which in the judgment of its governing body has become inexpedient or unprofitable to use in connection with the System, or if it is to the advantage of the System that other property of equal or higher value be substituted therefor, and provided further that the proceeds of the disposition of such property shall be placed in a Revolving Fund to be used in preference to other sources for capital improvements to the System as therein provided, except, that no such proceeds shall be used to pay principal or interest on the Bonds and Parity Bonds or payments into the Sinking or Reserve Funds. Any such payments made into the Improvement Fund shall be in addition to the regular monthly payments and the Fund balance provided for in Section 15(d) of this Resolution.

(g) Fidelity Bond. That the Issuer shall maintain fidelity bond coverage in amounts which normally would be carried by private companies engaged in a similar kind of business on each officer or employee having custody of funds of the System.

(h) Additional Charges. That the Issuer will require proper connecting charges and/or other security for the payment of service charges.

AHLERS, COONEY, DORWEILER, HAYNIE & SMITH, LAWYERS, DES MOINES, IOWA

(i) Budget. That the governing body of the Issuer will adopt a system budget of revenues and current expenses on or before the end of each fiscal year for the ensuing fiscal year, and will file copies of such budgets, and any amendments thereto, with the Original Purchaser and any bondholder requesting the same. Such budget shall take into account revenues and current expenses during the current and last preceding fiscal years. The Issuer will incur no current expense not included in such budget, and will not permit total current expenses to exceed the budget, unless the governing body shall first have adopted a Resolution declaring the necessity of such expenses. Copies of such budget and approvals of expenditures in excess of the budget shall be mailed to the Original Purchaser and to the bondholders upon request.

Section 17. Remedies of Bondholders. Except as herein expressly limited the holder or holders of the Bonds and Parity Bonds shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa, and of the United States of America, for the enforcement of payment of their Bonds and coupons, and of the pledge of the revenues made hereunder, and of all covenants of the Issuer hereunder.

Section 18. Prior Lien and Parity Bonds. The Issuer will issue no other Bonds or obligations of any kind or nature payable from or enjoying a lien or claim on the property or revenues of the System having priority over the Bonds or Parity Bonds except as herein provided.

Additional Bonds may be issued on a parity and equality of rank with the Bonds with respect to the lien and claim of such additional Bonds to the revenues of the System and the money on deposit in the funds adopted by this Resolution, for the following purposes and under the following conditions, but not otherwise:

(a) For the purpose of refunding any of the Bonds or Parity Bonds which shall have matured or which shall mature not later than three months after the date of delivery of such refunding Bonds and for the payment of which there shall be insufficient money in the Sinking Fund and the Reserve Fund;

(b) For the purpose of refunding any Bonds or Parity Bonds outstanding, or making extensions, additions, improvements or replacements to the System, if all of the following conditions shall have been met:

(i) before any such Bonds ranking on a parity are issued, there will have been procured and filed with the Clerk, a statement of an independent consulting engineer or engineering firm, not a regular employee of the Issuer, reciting the opinion based upon necessary investigations, that the net annual revenues of the System, including the then contemplated project, throughout the life of the Bonds then outstanding, will be equal to at least 1 1/4 times the maximum amount that will become due in any fiscal year for both principal of and interest on the Bonds then outstanding added to the respective annual amounts that will be required for payment of both principal of and interest on the Bonds then proposed to be issued. Notwithstanding the foregoing, such amendments, including the issuance of parity bonds may be waived by the Farmers Home Administration or successor Federal agency if the Farmers Home Administration or successor Federal agency shall then be the holder or guarantor of all principal and interest on all outstanding bonds.

(ii) the additional Bonds must be payable as to principal on the same month and day as the Bonds herein authorized unless such requirement is waived by the holder of all outstanding bonds.

Section 19. Disposition of Bond Proceeds; Arbitrage Not Permitted. The Issuer reasonably expects and covenants that no use will be made of the proceeds from the issuance and sale of the Bonds issued hereunder which will cause any of the Bonds to be classified as arbitrage Bonds within the meaning of Section 103(c)(2) of the Internal Revenue Code of the United States, and that throughout the term of said Bonds it will comply with the requirements of said statute and regulations issued thereunder.

To the best knowledge and belief of the Issuer, there are no facts or circumstances that would materially change the foregoing statements or the conclusion that it is not expected that the proceeds of the Bonds will be used in a manner that would cause the Bonds to be arbitrage Bonds. The Treasurer is hereby directed to deliver a certificate at issuance of the Bonds to certify as to the reasonable expectation of the Issuer at that date.

The Issuer covenants that it will treat as restricted yield investments the funds following:

(a) Any amounts in the Sinking Fund in excess of 13/12ths of the total of annual principal and interest requirements.

(b) Any amount on hand in the Reserve Fund in excess of fifteen percent of the original principal amount of the outstanding bonds and parity bonds.

(c) Any amount on hand in the Revolving Fund to the extent that it has been held for a period greater than three years.

"Restricted yield investments" are funds or investments which the Issuer covenants not to invest at a yield materially higher than the yield on the bonds as defined in the regulations issued under authority of Section 103(c) of the Internal Revenue Code of the United States. If any investments are held with respect to the bonds and parity bonds, the Issuer shall treat the same for the purpose of restricted yield as held in proportion to the original principal amounts of each issue.

The Issuer covenants that it will exceed any investment yield restriction provided in this resolution only in the event that it shall first obtain an opinion of recognized bond counsel that the proposed investment action will not cause the bonds to be classed as arbitrage bonds under Section 103(c) of the Internal Revenue Code or regulations issued thereunder.

The Issuer covenants that it will proceed with due diligence to spend the proceeds of the bonds for the purpose set forth in this resolution. The Issuer further covenants that it will make no change in the use of the proceeds available for the construction of facilities or change in the use of any portion of the facilities constructed therefrom by persons other than the Issuer or the general public unless it has obtained an opinion of bond counsel or a revenue ruling that the proposed project or use will not be of such character as to cause interest on any of the Bonds not to be exempt from federal income taxes in the hands of holders other than substantial users of the project, under the provisions of Section 103(b) of the Internal Revenue Code of the United States, related statutes and regulations.

Section 20. Discharge and Satisfaction of Bonds. The covenants, liens and pledges entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to the Bonds and Parity Bonds, or any of them, in any one or more of the following ways:

AHLERS, COONEY, DORWEILER, HAYNIE & SMITH, LAWYERS, DES MOINES, IOWA

(a) By paying the Bonds or Parity Bonds when the same shall become due and payable; and

(b) By depositing in trust with the Treasurer, or with a corporate trustee designated by the governing body for the payment of said obligations and irrevocably appropriated exclusively to that purpose an amount in cash or direct obligations of the United States the maturities and income of which shall be sufficient to retire at maturity, or by redemption prior to maturity on a designated date upon which said obligations may be redeemed, all of such obligations outstanding at the time, together with the interest thereon to maturity or to the designated redemption date, premiums thereon, if any that may be payable on the redemption of the same; provided that proper notice of redemption of all such obligations to be redeemed shall have been previously published or provisions shall have been made for such publication.

Upon such payment or deposit of money or securities, or both, in the amount and manner provided by this Section, all liability of the Issuer with respect to the Bonds or Parity Bonds shall cease, determine and be completely discharged, and the holders thereof shall be entitled only to payment out of the money or securities so deposited.

Section 21. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Issuer and the holder or holders of the Bonds and Parity Bonds, and after the issuance of any of the Bonds no change, variation or alteration of any kind in the provisions of this Resolution shall be made in any manner, except as provided in the next succeeding Section, until such time as all of the Bonds and Parity Bonds, and interest due thereon, shall have been satisfied and discharged as provided in this Resolution.

Section 22. Modification of Resolution. This Resolution may be amended from time to time if such amendment shall have been consented to by holders of not less than two-thirds in principal amount of the Bonds and Parity Bonds at any time outstanding (not including in any case any Bonds which may then be held or owned by or for the account of the Issuer, but including such Refunding Bonds as may have been issued for the purpose of refunding any of such Bonds if such Refunding Bonds shall not then be owned by the Issuer); but this Resolution may not be so amended in such manner as to:

AHLERS, COONEY, DORWEILER, HAYNIE & SMITH, LAWYERS, DES MOINES, IOWA

(a) Make any change in the maturity or interest rate of the Bonds, or modify the terms of payment of principal of or interest on the Bonds or any of them or impose any conditions with respect to such payment;

(b) Materially affect the rights of the holders of less than all of the Bonds and Parity Bonds then outstanding; and

(c) Reduce the percentage of the principal amount of Bonds, the consent of the holders of which is required to effect a further amendment.

Whenever the Issuer shall propose to amend this Resolution under the provisions of this Section, it shall cause notice of the proposed amendment to be filed with the Original Purchaser and to be published one time in a newspaper having general circulation in the State of Iowa, or a financial newspaper or journal published in Chicago, Illinois. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory Resolution is on file in the office of the Clerk.

Whenever at any time within one year from the date of the publication of said notice there shall be filed with the Clerk an instrument or instruments executed by the holders of at least two-thirds in aggregate principal amount of the Bonds then outstanding as in this Section defined, which instrument or instruments shall refer to the proposed amendatory Resolution described in said notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the governing body of the Issuer may adopt such amendatory Resolution and such Resolution shall become effective and binding upon the holders of all of the Bonds and Parity Bonds.

Any consent given by the holder of a Bond pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the instrument evidencing such consent and shall be conclusive and binding upon all future holders of the same Bond during such period. Such consent may be revoked at any time after six months from the date of such instrument by the holder who gave such consent or by a successor in title by filing notice of such revocation with the Clerk.

The fact and date of the execution of any instrument under the provisions of this Section may be proved by the certificate of any officer in any jurisdiction who by the laws

thereof is authorized to take acknowledgments of deeds within such jurisdiction that the person signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

The amount and numbers of the Bonds held by any person executing such instrument and the date of his holding the same may be proved by an affidavit by such person or by a certificate executed by an officer of a bank or trust company showing that on the date therein mentioned such person had on deposit with such bank or trust company the Bonds described in such certificate.

Section 23. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions.

Section 24. Repeal of Conflicting Ordinances or Resolutions and Effective Date. All other ordinances, resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; and this Resolution shall be in effect from and after its adoption.

Adopted and approved this 8th day of December, 1983.

William J. Roach
Chairman

ATTEST:

Mark Mitchell
Secretary

AHLERS, COONEY, DORWEILER, HAYNIE & SMITH, LAWYERS, DES MOINES, IOWA

CiRev-1T-181

CERTIFICATE

STATE OF IOWA)
) SS
COUNTY OF MADISON)

I, the undersigned Secretary of the Board of Trustees of the Electric Light Plant and Waterworks of Winterset, Iowa, do hereby certify that attached is a true and complete copy of the portion of the corporate records of said Board of Trustees showing proceedings of the Board, and the same is a true and complete copy of the action taken by said Board with respect to said matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Board and posted on a bulletin board or other prominent place easily asccessible to the public and clearly designated for that purpose at the principal office of the Board (a copy of the face sheet of said agenda being attached hereto) pursuant to the local rules of Chapter 28A, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by said law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective offices as indicated therein, that no board vacancy existed except as may be stated in said proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of said Board hereto affixed this 8th day of December, 1983.

CITY OF WINTERSET SEAL

Mark Nichols
Secretary of the Board of Trustees of the Electric Light Plant and Waterworks, Winterset, Iowa