Subscribed and sworn to before me the undersigned, a Notary Public in and for said County and State on December 2, 1968.

My commission expires July 4, 1969

Eddie Reynolds Notary Public
Eddie Reynolds
A certified copy of my certificate of appointment is on file with the Clerk of the District Court of Madison County.

NOTARIAL SEAL

Town of Earlham, Iowa
To
The Public

#1687

Filed for record the 11 day of December A.D. 1968 at 10:19 o'clock A.M.

Fee $10.50 Mary E. Welty, Recorder

RESOLUTION

Authorizing and providing for the issuance of $190,000 Water Revenue Bonds of the Town of Earlham, Iowa, for the purpose of refunding a like aggregate amount of presently outstanding temporary revenue obligations of said Town prescribing the form of said proposed bonds and providing for safeguarding, protecting and paying said bonds.

WHEREAS, the Town of Earlham, in Madison County, State of Iowa, did heretofore and in the year 1908, pursuant to an election thereto held on June 29th, 1908, establish a Municipal Waterworks Plant and System in and for said Town, which has for many years been supplying water to said Town and its inhabitants; and

WHEREAS, the management and control of said Municipal Waterworks Plant and System is now vested in the Town Council of said Town and no Board of Trustees exists for this purpose; and

WHEREAS, pursuant to proper notice duly published in the manner and form required by law, said Town heretofore conducted hearings on and approved plans, specifications and form of contract and received bids and awarded contract on competitive bidding for the construction of necessary improvements and extensions to said plant and system; and

WHEREAS, during the construction of said improvements and extensions, temporary revenue obligations were issued from time to time by said Town, acting by and through its Town Council, to the contractor under the terms of its contract on estimates approves by the Engineer for work performed and materials furnished and said temporary revenue obligations, together with acrrued interest thereon computed to December 1, 1968, exceed the sum of $190,000; and

WHEREAS, said improvements and extensions have now been fully completed in accordance with the terms of the construction contract and have been tested and accepted by the Town, and over thirty days have elapsed since the final acceptance of said improvements and extensions and there are no unpaid claims on file against the construction contractor; and

WHEREAS, all of said outstanding temporary revenue obligations hereinbefore referred to are payable from and are secured by the net earnings of said Municipal Waterworks Plant and System of said Town and do not constitute general obligations of said Town and the holders of said temporary revenue obligations have agreed to surrender the same in exchange for a like aggregate principal amount of revenue bonds of said Town containing maturity and option provisions which are more advantageous to the Town and which will make possible the orderly payment of the cost of the improvements and extensions evidenced by said temporary revenue obligations, and it is desirable and for the best interest of the Town that said outstanding temporary revenue obligations be refunded; and

WHEREAS, there are no available funds to pay said outstanding temporary revenue obligations to the amount of $190,000, and under the terms of Section 397.11 of the Code of Iowa, 1966, authority exists for said Town to authorize and issue its Water Revenue Bonds for the purpose of refunding said outstanding temporary revenue obligations,

NOW, THEREFORE, BE IT RESOLVED by the Town Council of Earlham, Iowa, as follows:

Section 1. That for the purpose of refunding a like aggregate amount of said outstand-

ing temporary obligations referred to in the preamble hereof, there be and there are hereby authorized to be issued the negotiable interest bearing revenue bonds of said Town of Earlham, Iowa, in the principal amount of $190,000, each of which shall be known and designated as a "Water Revenue Bond" bearing the date of December 1, 1968, of the denomination of $5,000 each, and numbered consecutively from One (1) to Thirty-eight (38), both inclusive, of which bonds numbered One (1) to Five (5), inclusive, shall bear interest at the rate of Four and Ten-hundredths Per Cent (4.10%) per annum, bonds numbered Six (6) to Twenty- one (21), inclusive, shall bear interest at the rate of Four and Three-quarters Per Cent (4 3/4%) per annum, and bonds numbered Twenty-two (22) to Thirty-eight (38), inclusive, shall bear interest at the rate of Five Per Cent (5%) per annum, all of which interest shall be payable June 1, 1969, and semiannually thereafter on June 1 and December 1 of each year until paid. Said bonds shall mature in their numerical order on December 1 of the respective years as follows:

Bond No. 1	$5,000 on December 1, 1969
Bond No. 2	$5,000 on December 1, 1970
Bond No. 3	$5,000 on December 1, 1971
Bond No. 4	$5,000 on December 1, 1972
Bond No. 5	$5,000 on December 1, 1973
Bonds Nos. 6 and 7	$10,000 on December 1, 1974
Bonds Nos. 8 and 9	$10,000 on December 1, 1975
Bonds Nos. 10 and 11	$10,000 on December 1, 1976
Bonds Nos. 12 and 13	$10,000 on December 1, 1977
Bonds Nos. 14 and 15	$10,000 on December 1, 1978
Bonds Nos. 16 and 17	$10,000 on December 1, 1979
Bonds Nos. 18 and 19	$10,000 on December 1, 1980
Bonds Nos. 20 and 21	$10,000 on December 1, 1981
Bonds Nos. 22 and 23	$10,000 on December 1, 1982
Bonds Nos. 24 and 25	$10,000 on December 1, 1983
Bonds Nos. 26 and 27	$10,000 on December 1, 1984
Bonds Nos. 28 and 29	$10,000 on December 1, 1985
Bonds Nos. 30 to 32, incl.	$15,000 on December 1, 1986
Bonds Nos. 33 to 35, incl.	$15,000 on December 1, 1987
Bonds Nos. 36 to 38, incl.	$15,000 on December 1, 1988

provided, however, that Bonds Nos. Sixteen (16) to Thirty-eight (38), inclusive, of said series may be called and prepaid by the Town at par and accrued interest in their inverse order of maturity and numbering on any interest payment date on and after December 1, 1978, provided notice shall have been given by publication once in a newspaper of general circulation in the State of Iowa not less than thirty nor more than forty-five days prior to the interest payment date upon which it is proposed to call and prepay the said bonds or any of them.

Both principal and interest on said bonds shall be payable in lawful money of the United States of America at the office of the Town Treasurer in the Town of Earlham, Iowa.

Section 2. That upon presentation at the office of the Town Treasurer of said Town of any of said bonds same may be registered as to principal in the name of the owner on the books in his office, such registration to be noted on the reverse side of the bonds by the Town Treasurer, and thereafter the principal of such registered bonds shall be payable only to the registered holder, his legal representatives or assigns. Such registered bonds shall be transferable to another registered holder, or back to bearer, only upon presentation to said Town Treasurer with a legal assignament duly acknowledged or proved. Registration of any such bonds shall not affect the negotiability of the coupons thereto attached, but such coupons shall be transferable by delivery merely.

Section 3. That said bonds and coupons shall be in substantially the following form:

(Form of Bond)
UNITED STATES OF AMERICA
STATE OF IOWA
COUNTY OF MADISON
TOWN OF EARLHAM
WATER REVENUE BOND

No. - - $5,000

THIS BOND IS NOT A GENERAL OBLIGATION BOND NOR PAYABLE IN ANY MANNER BY TAXATION, BUT IS PAYABLE ONLY FROM THE NET EARNINGS OF THE MUNICIPAL WATERWORKS OF THE TOWN OF EARLHAM,

IOWA.

THE TOWN OF EARLHAM, in the County of Madison, and State of Iowa, for value received, promises to pay to bearer, or if this bond be registered, to the registered holder hereof, in the manner hereinafter specified, the sum of Five Thousand Dollars ($5,000) on the first day of December, 19--, with interest on said sum from the date hereof at the rate of -- Per Cent (- -%) per annum, payable June 1, 1969, and semiannually thereafter on the first day of June and December in each year until said principal sum is paid, such interest being payable on presentation and surrender of the interest coupons hereto attached as they severally become due; both principal and interest being payable in lawful money of the United States of America at the office of the Town Treasurer in and of the Town of Earlham, Iowa.

This bond and the series of which it is a part are issued by said Town pursuant to the provisions of Section 397.11 et seq. of Chapter 397 of the Code of Iowa, 1966, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the Town Council of said Town duly and finally passed on the - - day of - -, 1968, which resolution is hereby referred to for a more specific statement of the extent of the earnings pledged to the payment hereof and the terms and conditions upon which additional like bonds may be issued in the future ranking on a parity.

This bond is one of a series of bonds of like tenor, date and amount (except interest rate, maturity and prepayment as permitted by the resolution hereinbefore referred to), numbered from 1 to 38, inclusive, issued for the purpose of refunding a like aggregate amount of legal and valid temporary revenue obligations heretofore issued by the Town for improving and extending its municipal waterworks plant and system pursuant to and in full compliance with the constitution and statutes of the State of Iowa and particularly Section 397.9 of said Code. It is not a general obligation of said Town, but this bond and the series of which it forms a part, together with any additional bonds as may be issued and outstanding from time to time on a parity therewith under the conditions and restrictions set forth in said resolution, are payable solely and only out of the future net earnings of said municipal waterworks which are pledged for that purpose. This bond is not payable in any manner by taxation and under no circumstances shall the Town of Earlham be in any manner liable by reason of the failure of the said net earnings to be sufficient for the payment of this bond and the interest thereon.

Bonds numbered 16 to 38, inclusive, of this series, maturing serially in the years 1979 to 1988, inclusive, may be called and prepaid at the option of the Town at par and accrued interest on any interest payment date on and after December 1, 1978, provided, all bonds of the same series, bearing a higher serial number, shall have been previously or simultaneously called and prepaid therewith, and provided notice shall have been given by publication once in a newspaper of general circulation throughout the State of Iowa not less than thirty nor more than forty-five days prior to the interest payment date upon which it is proposed to call and prepay said bonds or any of them.

This bond is fully negotiable but may be registered as to principal only in the name of the holder on the books of said Town in the office of the Town Treasurer, such registration to be evidenced by notation on the back hereof by the Treasurer, after which no transfer shall be valid unless made on said books and similarly noted hereon, but it may be discharged from such registration by being transferred to bearer, after which it shall be transferable by delivery but it may be again registered as before. The registration of this bond as to principal shall not restrain the negotiability of the coupons by delivery merely.

And It Is Hereby Certified, Recited and Declared, that all acts, conditions and things

required to exist, happen and be performed precedent to and in the issuance of this bond and the series of which it is a part, have existed, have happened and have been performed in due time, form and manner, as required by law, and that the issuance of this bond does not exceed or violate any constitutional or statutory limitation or provision.

IN TESTIMONY WHEREOF, said Town of Earlham, by its Town Council, has caused this bond to be signed by its Mayor and attested by its Town Clerk, with the seal of said Town affixed, and the coupons hereto attached to be executed with the facsimile signature of the said Town Clerk which official by the execution of this bond, does adopt as and for his own proper signature his facsimile signature appearing on said coupons this first day of December, 1968.

Attest:
John J. Moreland
Town Clerk

Raymond S. Flinn
Mayor

(Form of Coupon)

No. - - - $ - - -

The Treasurer of the Town of Earlham, Iowa, will pay to bearer out of the future earnings of its municipal waterworks - - Dollars ($ - -) on - -, 19 - -, at the office of the Town Treasurer, Earlham, Iowa, as provided in and for semiannual interest then due on its Water Revenue Bond (provided said bond is not callable by its terms prior thereto and has not been previously called and prepaid), dated December 1, 1968, No. - -.

- - -
Town Clerk

(On the back of each bond there shall be printed the certificate of the Town Treasurer in the following form:)

STATE OF IOWA COUNTY OF MADISON TOWN OF EARLHAM) SS: TOWN TREASURER'S CERTIFICATE

The issuance of this bond has been duly and properly registered in my office as of the First day of December, 1968.

- - -
Treasurer of the Town of Earlham, Iowa

(Form of registration to be printed on back of each bond.)

DATE OF REGISTRATION	IN WHOSE NAME REGISTERED	SIGNATURE OF TOWN TREASURER
- - - - -	- - - -	- - - -

Section 4. That said bonds shall be signed by the Mayor and attested by the Town Clerk of said Town, with the seal of the Town affixed, and the interest coupons attached thereto shall be executed by said Town Clerk by his facsimile signature, and said official, by the execution of said bonds shall adopt as and for his own proper signature his facsimile signature appearing on such coupons. When and as executed said bonds shall be delivered to the Town Treasurer to be by him duly registered as to issuance as provided by law, and said Treasurer shall sign the certificate hereinbefore set out in Section 3 and endorsed upon the back of each of said bonds and deliver said bonds in exchange for and upon surrender and cancellation of a like aggregate amount of the outstanding temporary revenue obligations of said Town authorized to be refunded in this resolution.

Section 5. That upon the issuance of the bonds hereby authorized and thereafter so long as any of said bonds or any additional bonds ranking on a parity therewith are outstanding said municipal waterworks shall be operated as a revenue producing undertaking. The rates charged by the Town of Earlham, Iowa to customers of the municipal waterworks, including the municipality, shall be such reasonable rates within the following maximum rates as will be sufficient to pay for the operation and maintenance of said waterworks and the principal of and interest on the bonds herein authorized as they mature. The maximum rates that need be charged for services rendered by said waterworks are hereby determined to be as follows:

$7.50 for the first 1500 gallons per month. (minimum charge)
$3.75 per 1000 gallons for the next 3500 gallons in excess of 1500 gallons per month.
$3.00 per thousand for the next 5000 gallons in excess of 5000 gallons per month.
$2.70 per 1000 gallons for the next 50,000 gallons in excess of 10,000 gallons per month.
$2.25 per thousand gallons in excess of 60,000 gallons per month.
$10,500 for municipal usage per annum.

From and after the issuance of the bonds hereby authorized, the income and revenues of said waterworks shall be set aside into a separate and special fund and shall be used in maintaining and operating said works, and after payment of the proper and necessary maintenance and operation expenses shall, to the extent hereinafter provided, be used to pay the principal of and interest on the bonds as herein authorized and any additional bonds ranking on a parity therewith as may be issued and outstanding under the restrictions and conditions specified in Section 7 hereof. There shall be and there is hereby created, and there shall be maintained an account to be known as the "Water Revenue Sinking Fund" into which there shall be set aside from the future net earnings of said works such portion thereof as will be sufficient to pay the interest upon and principal of such bonds at any time outstanding as the same become due, and it is hereby determined that the minimum amount to be so set aside into said sinking fund during the period of twelve months preceding December 1 of each year shall be not less than as follows:

A sum equal to 100% of the principal of all bonds maturing on such succeeding December 1, plus a sum equal to 100% of the interest becoming due on and prior to December 1 on all of said outstanding bonds; provided, that until there has been accumulated in such sinking fund as a reserve an amount equal to interest for two (2) years on the bonds then outstanding, the amount to be so set apart and paid shall be 110% of said principal and interest, instead of 100%; and provided also, that no further payments need be made into said Sinking Fund when and so long as the amount therein is sufficient to retire all of said bonds then outstanding and pay all interest to become due thereon prior to such retirement.

Such payments into said sinking fund shall be made in equal monthly installments on the first day of each month, except that when the first day of any month shall be a Sunday or a legal holiday then such payments shall be made on the next succeeding secular day. Such sinking fund shall be used solely and only and is hereby pledged for the purpose of paying the interest on and principal of said bonds and for no other purpose. If at any time there be a failure to pay into said sinking fund the full amount above stipulated, then an amount equivalent to the deficiency shall be set apart and paid into said sinking fund from the net earnings of said system as soon as available, and same shall be in addition to the amount otherwise required to be so set apart and paid into said sinking fund.

All moneys held in said Water Revenue Bond Sinking Fund shall be deposited in banks and all such deposits exceeding $15,000 in any one bank shall be continuously secured by a valid pledge of direct obligations of the United States Government having an equivalent market value or may be invested in direct obligations of the United States Government; provided, however, that sale shall be made of a sufficient amount of such obligations in the event that it shall prove necessary to draw upon said reserve so invested.

Any balance of the net earnings in excess of the payments hereinbefore specified to be made into said Water Revenue Bond Sinking Fund shall be available to the Town as the Council may from time to time direct, and whenever and so long as the amount in said sinking fund is equal to the entire amount of the interest and principal that will become due on all of the bonds outstanding, then no further payments need be made into said sinking fund.

Section 6. That the Town of Earlham hereby covenants and agrees with the holder or

holders of said bonds, and any of them that may from time to time be outstanding, that it will faithfully and punctually perform all duties with reference to the municipal waterworks required and provided by the Constitution and Laws of the State of Iowa and will segregate the revenues of said works and make application thereof in accordance with the provisions of this resolution.

Section 7. The bonds hereby authorized and from time to time outstanding shall not be entitled to priority or preference, one over the other, in the application of the net earnings of said municipal waterworks securing their payment, regardless of the time or times of the issuance of such bonds, it being the intention that there shall be no priority among the bonds authorized to be issued under this resolution regardless of the fact that they may have been actually issued and delivered at different times. Said Town hereby covenants and agrees that so long as any of the bonds issued pursuant to this resolution are outstanding and unpaid no other bonds or obligations payable from the net revenues of said waterworks will be issued except upon the basis of such additional bonds or obligations being subject to the priority as to security and payment of any of the bonds herein authorized which are then outstanding, provided, however, that said Town hereby reserves the right and privilege of issuing additional bonds from time to time payable from the same source and ranking on a parity with the bonds herein authorized in order to pay the cost of future improvements and extensions to said waterworks, but only if the officially reported net revenues of said waterworks for the last preceding calendar or fiscal year prior to the issuance of such additional bonds was equal to at least one and one-fourth times the total of (1) the maximum amount of principal and interest that will become due in any calendar year on the bonds then outstanding under the terms of this resolution and (2) the maximum amount of principal and interest falling due in any calendar year prior to the last year in which any of the bonds issued pursuant to this resolution mature on the bonds then proposed to be issued and provided also that the interest payment dates for any such additional bonds shall be semiannually on June 1 and December 1 of each year, and the principal maturities of such additional bonds shall be on December 1 of any year in which any of such principal is scheduled to become due.

The term "net revenue" is defined as gross revenues less operating expenses which shall include salaries, wages, cost of maintenance and operation, materials, and supplies, pumping costs, and insurance, as well as all other items as are normally included under recognized accounting practices, but shall not include allowance for depreciation in the value of physical properties.

Section 8. That for the further security of the bonds, herein authorized and the coupons thereto attached a lien is hereby recognized and declared to be valid and binding upon the improvements and extensions paid for through the issuance of the bonds hereby authorized, which lien shall take effect immediately upon the delivery of any of said bonds. In the event of a default in any of the terms of this resolution, said lien may be enforced and foreclosed for the use and benefit of all of said bonds then outstanding in the manner provided by the laws of the State of Iowa for the enforcement and foreclosures of chattel mortgages and it is hereby specifically agreed that all improvements and extensions to the municipal waterworks constructed through the issuance of the bonds herein authorized shall be and remain chattels and never be regarded as fixtures or become a part of the real estate upon which located even though attached thereto. The Town Clerk is hereby authorized and directed to file a certified copy of this resolution in the office of the County Recorder of Madison County and cause the same to be there duly recorded for the purpose of evidencing such lien and giving notice of the record thereof.

Section 9. The Town of Earlham agrees that so long as any of the bonds hereby author-

ized remain outstanding it will maintain insurance for the benefit of the holders of the bonds issued hereunder of a kind and in an amount which usually would be carried by private companies engaged in a similar type of business and that it will keep proper books of records and accounts, separate from all other records and accounts, showing complete and correct entries of all transactions relating to said waterworks, and that the holders of any of said bonds shall have the right at all reasonable times to inspect the system and all records, accounts and data of the said Town relating thereto.

Section 10. The provisions of this resolution shall constitute a contract between the Town of Earlham and the holders of the bonds herein authorized to be issued as may from time to time be outstanding and after the issuance of any of said bonds no change, variation, or alteration of any kind of the provisions of this resolution shall be made until all of said bonds issued hereunder and interest thereon shall have been paid in full.

Section 11. If any section, paragraph, clause or provision of this resolution shall be held invalid, such invalidity shall not affect any of the remaining provisions hereof, and this resolution shall become effective immediately upon its passage and approval.

Section 12. That all resolutions or orders, or parts thereof in conflict herewith, be and the same are hereby repealed to the extent of such conflict.

Passed and approved 9th, December, 1968.

Attest:
John J. Moreland
Town Clerk

Raymond S. Flinn
Mayor

(TOWN OF EARLHAM SEAL)

COMPARED

O. C. Thompson
To
The Public

$1701
Fee $2.50

AFFIDAVIT

Filed for record the 12 day of December A. D. 1968 at 4:48 o'clock P.M.

Mary E. Welty, Recorder

STATE OF ILLINOIS COUNTY OF COOK) SS

O. C. Thompson, having been duly sworn, deposes and states that: I am Manager-Real Estate of and for CHICAGO, ROCK ISLAND AND PACIFIC RAILROAD COMPANY, a Delaware corporation, Mortgagor under an indenture dated as of January 1, 1950, wherein The First National Bank of Chicago, a national banking association, having its office in the City of Chicago, Illinois, and Joseph C. Williams of the City of Kansas City, Missouri, are Trustees.

In order to enable said Mortgagor to convey lands no longer necessary to it in the conduct of its business free and clear of the Mortgage without obtaining a formal written release when the consideration received therefor does not exceed Ten Thousand and 00/100 ($10,000.00) Dollars, the Mortgage provides in Article IX, Section 2(b), as follows:

Section 2. Except as hereinafter specifically provided in this Section 2, the Company while remaining in possession of the mortgaged property may, without obtaining a release from, action by, or giving notice to the Trustees, and without other action or proceeding on the part of the Company hereunder:

"(b) In the ordinary course of its business, sell, exchange or otherwise dispose of, free from the lien of the Mortgage, any buildings, bridges, structures, industrial tracks, side-tracks or yard tracks which it has been desirable in the conduct of its business to retire from use, and any land constituting abandoned right of way or station grounds, or industrial sites or other land (with or without improvements thereon) which is no longer useful to the Company, if the consideration received on any such sale or other disposition does not exceed $10,000; provided that if the Company shall receive any cash or other consideration (other than property, which may but need not have a similar substitutional use, and which shall become subject to the lien of the Mortgage) on any such sale or other disposition, it shall from time to time, but at intervals of not more than 6 months, deposit with the Corporate Trustee, or with the trustee or mortgagee of any Prior Lien