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 KENNETH ASMUSSEN, MILLS CO. RECORDER
 FEE: \$38.50

Resolution No. 100. A resolution providing for the issuance of \$90,000 Sewer Revenue Bonds of Henderson, Iowa, for the purpose of defraying the cost of constructing sanitary sewer improvements necessary, useful and convenient for the collection, treatment, purification and disposal of all the waste and sewage of said Municipality; fixing the details in respect thereto and providing for the method of payment of said bonds and the interest thereon.

WHEREAS, the City of Henderson, Mills County, Iowa, (hereinafter sometimes referred to as the Municipality) is a municipal corporation under the Mayor-Council form of government, duly organized and existing under and by virtue of the general laws and Constitution of the State of Iowa, and not under any special charter or provisions and has not adopted the Commission form of government or the Council-Manager form of government by popular election and has not provided by ordinance for the creation of the office of City Manager; and

WHEREAS, the management and control of the Sewage Works and Facilities is now and always has been vested in the Council of the Municipality, and no Board of Trustees has been created to manage and operate said Sewage Works and Facilities; and

WHEREAS, this Municipality has heretofore ordered and contracted for the construction of sanitary sewer improvements, necessary, useful and convenient for the collection, treatment, purification and disposal of all the waste and sewage of the Municipality, the cost thereof to be paid, to the extent of \$90,000 out of the proceeds of the sale of Sewer Revenue Bonds in that amount, to be issued pursuant to the provisions of Chapter 394 of the Code of Iowa, 1973, as amended; and

WHEREAS, this Council has heretofore determined it is advisable and necessary that the City improve and extend such Utility (which improvements and extensions are hereinafter sometimes referred to as the "Improvements") and did prior to July 1, 1975, commence the Improvements, and the cost of such Improvements exceeds \$90,000 and under the provisions of Chapter 397 of the Code of Iowa, 1973, as amended, and Chapter 384 of the Code of Iowa, 1975, as amended, the City is authorized to issue negotiable interest bearing revenue bonds pursuant to Chapter 394 of the Code of Iowa, 1973, as amended, for the purpose of defraying the cost of such Improvements, which bonds are to be paid from the net earnings of the Utility; and

WHEREAS, there are no bonds or other obligations of said Municipality outstanding secured by or pledging the earnings to be derived from the operation of said Sewage Works and Facilities, and the net earnings thereof will be sufficient to pay the principal of and interest on the Sewer Revenue Bonds hereinafter authorized; and

WHEREAS, Notice of the proposed action by the Council to authorize the issuance of \$90,000 Sewer Revenue Bonds for the purpose of defraying the cost, to that amount, of constructing sanitary sewer improvements in and for said Municipality has been duly published in a legal newspaper printed wholly in the English language, published in MALVERN, IOWA, and of general circulation in Henderson, Iowa, at least ten (10) days before this meeting, and no petition setting forth objections to the issuance of said bonds has been filed with the Clerk; now, therefore,

IT IS RESOLVED by the Council of Henderson, Iowa, as follows:

HERRICK, LANGDON, BELIN, HARRIS, LANGDON & HELMICK, LAWYERS, DES MOINES, IOWA

Section 1. There are hereby authorized to be issued
Ninety (90)

negotiable, interest bearing Sewer Revenue Bonds of the Municipality, in the aggregate amount of \$ 90,000 for the purpose of defraying the cost of constructing sanitary sewer improvements in and for said Municipality, referred to in the preamble hereof, said bonds to be numbered consecutively from One (1) to Ninety (90), inclusive, in the denomination of \$ 1,000 each, to be dated as of the date of delivery to the original purchaser, bearing interest from and after the date thereof until paid at the rate of Five Per Cent (5%) per annum, said interest being payable on the First day of July of the year following the date of delivery to the original purchaser, and annually thereafter on the First day of July in each year, such interest to be evidenced by negotiable coupons attached to each bond; provided, however, that at the request of the original purchaser or purchasers of the bonds, all of the bonds awarded to such purchaser may be initially issued as fully registered bonds without interest coupons, both principal and interest being payable in lawful money of the United States of America at the office of the Treasurer of Henderson, Iowa. Said bonds shall be due and payable in their numerical order as follows:

<u>Bond Numbers</u>	<u>Maturity</u>
1	July 1, 1978
2	July 1, 1979
3	July 1, 1980
4	July 1, 1981
5	July 1, 1982
6	July 1, 1983
7	July 1, 1984
8	July 1, 1985
9	July 1, 1986
10	July 1, 1987
11	July 1, 1988
12 and 13	July 1, 1989
14 and 15	July 1, 1990
16 and 17	July 1, 1991
18 and 19	July 1, 1992
20 and 21	July 1, 1993
22 and 23	July 1, 1994
24 and 25	July 1, 1995
26 and 27	July 1, 1996
28 and 29	July 1, 1997
30 and 31	July 1, 1998
32 and 33	July 1, 1999
34 and 35	July 1, 2000
36 to 38, inclusive	July 1, 2001
39 to 41, inclusive	July 1, 2002
42 to 44, inclusive	July 1, 2003
45 to 47, inclusive	July 1, 2004
48 to 50, inclusive	July 1, 2005
51 to 53, inclusive	July 1, 2006
54 to 56, inclusive	July 1, 2007

<u>Bond Numbers</u>	<u>Maturity</u>
57 to 60, inclusive	July 1, 2008
61 to 64, inclusive	July 1, 2009
65 to 68, inclusive	July 1, 2010
69 to 72, inclusive	July 1, 2011
73 to 76, inclusive	July 1, 2012
77 to 80, inclusive	July 1, 2013
81 to 85, inclusive	July 1, 2014
86 to 90, inclusive	July 1, 2015

The original purchaser may elect to take delivery of the bonds herein authorized in one or more installments, which shall correspond in date and amount, as near as may be, to the monthly cash requirements necessary to pay for work completed pursuant to contracts for the construction of sanitary sewer improvements.

Payment of interest on the principal of a fully registered bond shall be made by check or draft mailed to the registered holder at his address shown on the registration books of the Municipality, which shall be maintained by the Treasurer in the Municipality; payment of principal of a fully registered bond on the due date thereof shall be made to the registered holder or his legal representative upon presentation of such bond at the office of the Treasurer.

The Municipality covenants that within ninety (90) days from the date of written request of the holder of a fully registered bond, same may be exchanged for a coupon bond (which may be registered by the holder as to principal only) upon surrender of such fully registered bond to the Treasurer for cancellation, accompanied by a written instrument of transfer in form satisfactory to said Treasurer, duly executed by the registered holder or his duly authorized attorney and thereupon, the Municipality shall issue and deliver in exchange therefor a coupon bond in an equal principal amount with appropriate coupons attached, which matures in the same year and bears the same interest rate per annum, and bears the same number as the surrendered fully registered bond.

Any such fully registered bond when so exchanged shall be cancelled by the Treasurer. The Municipality will provide all coupon bonds to be delivered in exchange for a fully registered bond.

The right is reserved to the City of Henderson, Iowa, to call and retire said bonds numbered consecutively from Nine (9) to Ninety (90) inclusive, in their inverse numerical order on July 1, 1985, or on any interest payment date thereafter prior to maturity at par and accrued interest, provided notice shall have been given by publication once in a newspaper of general circulation within the State of Iowa, not less than thirty (30), nor more than forty-five (45) days prior to the interest payment date upon which it is proposed to call and prepay the said bonds, or any of them, and by sending a copy of the above-mentioned notice by certified mail to each registered owner of each bond to be redeemed which is fully registered, or registered as to principal only, at the address shown on the Municipality's registration books, said mailing to be completed on or

before the date of publication of said notice; provided, however, that if all bonds to be redeemed are fully registered or registered as to principal only, notice by newspaper publication shall not be required; and provided, further, that all of the bonds of said issue shall be subject to redemption by said Municipality prior to maturity in whole or from time to time in part in inverse numerical order on any date on terms of par and accrued interest to date of redemption, from the unused proceeds received through the issuance of said bonds remaining in the Construction Fund hereinafter created after the construction of said sanitary sewer improvements, as referred to in the preamble hereof, has been completed and finally accepted by resolution of the Council of the Municipality and after complete and final payment of all costs incurred in connection with the construction of said sanitary sewer improvements has been made.

Provided further, that any bonds of said issue held by the Farmers Home Administration, United States Department of Agriculture, shall be subject to redemption by the Municipality prior to maturity in whole or from time to time in part in inverse numerical order on any date on terms of par and accrued interest to date of redemption.

Section 2. That unless all of the bonds of this issue have been initially issued as fully registered bonds without interest coupons, as hereinbefore provided in Section 1 of this resolution, upon presentation of any of said bonds at the office of the Treasurer of said Municipality, 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 Treasurer, and thereafter the principal of such registered bonds shall be payable only to the registered holder, his legal representative or assigns. Such registered bonds shall be transferable to another registered holder or back to bearer, only upon presentation to said Treasurer with a legal assignment 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.

A fully registered bond shall, without cost to the registered holder thereof, be transferable, only upon the registration books of the Municipality kept by the Treasurer of the Municipality upon presentation thereof to the Treasurer with a written instrument of transfer satisfactory to the Treasurer duly executed by the registered holder or his duly authorized attorney. The transfer of any such fully registered bond shall be similarly endorsed on the reverse side thereof by the Treasurer.

Section 3. The coupon bonds and coupons hereby authorized shall be in form and recitals substantially as follows, except that the recitals in the fourth paragraph of the form of bond relating to optional payment prior to maturity and relating to the giving of notice of redemption shall be omitted from bonds numbered from One (1) to Eight (8), inclusive:

MISCELLANEOUS RECORD BOOK 110 MILLS COUNTY, IOWA
(Form of Coupon Bond)

UNITED STATES OF AMERICA

STATE OF IOWA COUNTY OF MILLS
CITY OF HENDERSON

No. _____ SEWER REVENUE BOND \$ 1,000

The City of Henderson in the County of Mills, 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 One Thousand Dollars (\$1,000) on the First day of July, 19____, with interest on said sum from the date hereof at the rate of Five Per Cent (5%) per annum, payable July 1 of the year following the date of delivery to the original purchaser, and annually thereafter on the First day of July in each year until said principal sum is paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto, such interest being payable upon 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 City Treasurer in and of the City of Henderson, Iowa.

This bond is issued by the City of Henderson, Iowa, pursuant to and in strict compliance with the provisions of Chapter 394 of the Code of Iowa, 1973, and all laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the City Council of said City duly passed and approved on the ____ day of _____, 19____, which resolution is constituted a part of the contract evidenced by this bond to the same extent as if herein fully set forth, for the purpose of constructing sanitary sewer improvements.

This bond is one of an authorized series of bonds of like tenor, date, amount and interest rate (except for maturity and prepayment privileges, as permitted by the resolution hereinbefore referred to), numbered from One (1) to Ninety (90), inclusive, and is not a general obligation of said City, nor payable in any manner by taxation, 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 ranking on a parity herewith under the conditions and restrictions set forth in said resolution, are payable both as to principal and interest solely and only out of the net revenues of the Sewage Works and Facilities of the City of Henderson, Iowa, which shall be sufficient to pay the principal of and interest on these bonds, as and when the same become due and payable, and which shall be set aside as a special fund and is hereby pledged for that purpose, and said City covenants that it has and will fix such rates for the use and service of said Sewage Works and Facilities and will collect and account for the revenues therefrom sufficient to pay promptly the principal of and interest on this bond and the series

of which it is a part to the full extent authorized by law, said Municipality not to be liable in any manner by reason of the earnings being insufficient to pay this bond.

Bonds numbered from Nine (9) to Ninety (90), inclusive, of this series, maturing serially in the years 1986 to 2015, inclusive, may be called and prepaid at the option of the City at par and accrued interest on any interest payment date on and after July 1, 1985, 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 within the State of Iowa, not less than thirty (30), nor more than forty-five (45), days prior to the interest payment date upon which it is proposed to call and prepay said bonds, or any of them, and by sending a copy of the above-mentioned notice by certified mail to each registered owner of each bond to be redeemed which is registered as to principal only, at the address shown on the City's registration books, said mailing to be completed on or before the date of publication of said notice; provided, however, that if all bonds to be redeemed are registered as to principal only, notice by newspaper publication shall not be required.

Provided, however, that all of the bonds of said issue shall be subject to redemption by said City prior to maturity in whole or from time to time in part in inverse numerical order on any date on terms of par and accrued interest to date of redemption from the unused proceeds received through the issuance of said bonds remaining in the Construction Fund created in the above-mentioned resolution, after the construction of said sanitary sewer improvements has been completed and finally accepted by resolution of the City Council and after complete and final payment of all costs incurred in connection with the construction of said sanitary sewer improvements has been made.

Provided further, that any bonds of said issue held by the Farmers Home Administration, United States Department of Agriculture, shall be subject to redemption by the City prior to maturity in whole or from time to time in part in inverse numerical order on any date on terms of par and accrued interest to date of redemption.

This bond is fully negotiable but may be registered as to principal only in the name of the holder on the books of said City in the office of the City 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 to 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, manner and form, as required by law, and that the issuance of this bond does not exceed or violate any Constitutional or statutory limitation or provision, and that a sufficient amount of the revenues of the Sewage Works and Facilities of said City has been pledged to and

will be set aside into a special fund for the prompt payment of the principal of and interest on this bond and the series of which it is a part, as the same become due.

IN TESTIMONY WHEREOF, said City by its Council has caused this bond to be signed by its Mayor and attested by its Clerk, with the Seal of said City affixed, and the coupons hereto attached to be executed with the facsimile signature of the Clerk of said City, which official, by the execution of this bond, does adopt as and for own proper signature _____ facsimile signature appearing on said coupons, this bond to be dated _____.

Mayor

ATTEST:

Clerk

(Form of coupon)

Henderson, Iowa

No. _____

\$ _____

On July 1, _____, the Treasurer of the City of Henderson, Iowa, will pay to bearer out of the net revenues of its Sewage Works and Facilities _____ Dollars (\$ _____) at the office of the City Treasurer, Henderson, Iowa, for annual interest then due on its Sewer Revenue Bond (provided said bond is not callable by its terms prior thereto and has not been previously called and prepaid).

Clerk

(Form of City Treasurer's Certificate to be printed on the back of each bond:)

STATE OF IOWA)
COUNTY OF MILLS)
CITY OF HENDERSON)

SS:

CITY TREASURER'S CERTIFICATE

This bond duly and properly registered in my office as of _____.

Treasurer

(Form for registration to be printed on the back of each coupon bond:)

<u>Date of Registration</u>	<u>In Whose Name Registered</u>	<u>Signature of City Treasurer</u>
_____	United States of America Farmers Home Administration	_____
_____	_____	_____
_____	_____	_____

Section 4. Fully registered bonds hereby authorized shall be in form and recitals substantially as follows, except that the recitals in the fourth paragraph of the form of bond relating to optional payment prior to maturity and relating to the giving of notice of redemption shall be omitted from bonds numbered from One (1) to Eight (8), inclusive:

(Form of fully registered bond)

UNITED STATES OF AMERICA

STATE OF IOWA COUNTY OF MILLS

CITY OF HENDERSON

SEWER REVENUE BOND

No. _____

\$ 1,000 _____

The City of Henderson in the County of Mills, State of Iowa, for value received, promises to pay to the registered holder hereof, his legal representative or assigns, in the manner hereinafter specified, the sum of One Thousand Dollars (\$1,000) on the First day of July, _____, payable in lawful money of the United States of America upon presentation and surrender of this bond at the office of the City Treasurer in and of the City of Henderson, Iowa, with interest on said sum from the date hereof at the rate of Five per cent (5%) per annum, payable July 1 of the year following date of delivery to the original purchaser, and annually thereafter on the First day of July in each year until said principal sum is paid, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto, such interest being payable by check or draft mailed to the registered holder at his address appearing on the bond registration books of the City, or if not so paid by check or draft, in lawful money of the United States of America at the office of the City Treasurer in and of the City of Henderson, Iowa.

This bond is issued by the City of Henderson, Iowa, pursuant to and in strict compliance with the provisions of Chapter 394 of the Code of Iowa, 1973, and all laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the City Council of said City, duly passed and approved on the _____ day of _____, 1975, which resolution is constituted a part of the contract evidenced by this bond to the same extent as if herein fully set forth, for the purpose of constructing sanitary sewer improvements.

This bond is one of an authorized series of bonds of like tenor, date, amount and interest rate (except for maturity and prepayment privileges, as permitted by the resolution hereinbefore referred to), numbered from One (1) to Ninety (90), inclusive, and is not a general obligation of said City, nor payable in any manner by taxation, 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 ranking on a parity herewith under the conditions

and restrictions set forth in said resolution, are payable both as to principal and interest solely and only out of the net revenues of said Sewage Works and Facilities, which shall be sufficient to pay the principal of and interest on said bonds as and when the same become due and payable, and which shall be set aside as a special fund and are hereby pledged for that purpose, and said City covenants that it has and will fix such rates for the use and service of said Sewage Works and Facilities and will collect and account for the revenues therefrom sufficient to pay promptly the principal of and interest on this bond and the series of which it is a part to the full extent authorized by law, said City not to be liable in any manner by reason of the earnings being insufficient to pay this bond.

Bonds numbered from Nine (9) to Ninety (90), inclusive, of this series, maturing serially in the years 1986 to 2015, inclusive, may be called and prepaid at the option of the City at par and accrued interest on any interest payment date on and after July 1, 1985, 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 mailing a copy of said notice by certified mail to each registered owner of each bond to be redeemed at the address shown on the City's registration books, said mailing to be completed not less than thirty (30), nor more than forty-five (45) days prior to the interest payment date upon which it is proposed to call and prepay said bonds, or any of them.

Provided, however, that all of the bonds of said issue shall be subject to redemption by said City prior to maturity in whole or from time to time in part in inverse numerical order on any date on terms of par and accrued interest to date of redemption, from the unused proceeds received through the issuance of said bonds remaining in the Construction Fund, created in the above-mentioned resolution, after the construction of said sanitary sewer improvements has been completed and finally accepted by resolution of the City Council and after complete and final payment of all costs incurred in connection with the construction of said sanitary sewer improvements has been made.

Provided further, that any bonds of said issue held by the Farmers Home Administration, United States Department of Agriculture, shall be subject to redemption by the City prior to maturity in whole or from time to time in part in inverse numerical order on any date on terms of par and accrued interest to date of redemption.

This bond is fully negotiable but shall be fully registered in the name of the holder on the books of said City in the office of the City Treasurer, such registration to be evidenced by notation on the back hereof by the Treasurer, as well as on the books of said City, kept for such purpose, after which no transfer shall be valid unless made on said books and similarly noted hereon by the City Treasurer, and then only upon presentation of a written instrument of transfer satisfactory to the City Treasurer, duly executed by the registered holder or his duly authorized attorney. Upon written request by the holder and surrender, this bond may be exchanged for a coupon bond, as provided in the above-mentioned resolution.

And It Is Hereby Certified, Recited and Declared: That all acts, conditions and things required to happen, exist and to be performed precedent to and in the issuance of this bond and the series of which it is a part have happened, have existed and have been performed in due time, manner and form, as required by law, and that the issuance of this bond does not exceed or violate any Constitutional or statutory limitation or provision and that a sufficient amount of the revenues of said Sewage Works and Facilities of said City has been pledged to and will be set aside into a special fund for the prompt payment of the principal of and interest on this bond and the series of which it is a part, as the same become due.

IN TESTIMONY WHEREOF, said City by its Council, has caused this bond to be signed by its Mayor and attested by its Clerk, with the Seal of said City affixed, this bond to be dated

Mayor of the City of Henderson, Iowa

ATTEST:

Clerk of the City of Henderson, Iowa.

(Form of City Treasurer's Certificate to be printed on the back of each fully registered bond:)

STATE OF IOWA)
COUNTY OF MILLS) SS: CITY TREASURER'S CERTIFICATE
CITY OF HENDERSON)

This bond duly and properly registered in my office as of

Treasurer

(Form for registration to be printed on the back of each fully registered bond:)

<u>Date of Registration</u>	<u>In Whose Name Registered</u>	<u>Signature of City Treasurer</u>
_____	<u>United States of America</u>	_____
_____	<u>Farmers Home Administration</u>	_____
_____	_____	_____

Section 5. The bonds hereby authorized shall each be signed by the Mayor and attested by the Clerk of the Municipality, dated as of the date of delivery to the original purchaser, with the Seal of said Municipality affixed, and the interest coupons attached to the coupon bonds shall each be executed with the signature of the Clerk or a facsimile thereof and, where necessary, the date and amount of first interest shall be affixed, and said officials are hereby authorized and directed to so execute said bonds and coupons and when so executed, said bonds shall be delivered to the Farmers Home Administration of Washington, D. C., the purchaser of said bonds, at a price of par.

Section 6. 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, the municipal Sewage Works and Facilities of said Municipality shall be operated as a revenue-producing and self-liquidating undertaking, and the revenues derived from the rates and charges for sewer services furnished by and through said Sewage Works and Facilities shall be set aside into a special separate fund to be used 1) to pay the reasonable expenses of operation, repair and maintenance of the Sewage Works and Facilities; 2) to pay when due the interest on and principal of the bonds hereby authorized and any additional bonds ranking on a parity therewith from time to time outstanding; 3) to accumulate and maintain a margin of safety and reserve for the payment of said bonds and the interest thereon; and 4) to pay the cost of additional sewage works and facilities to the Sewage Works and Facilities of said Municipality or bonds issued for or on account thereof or for any lawful purpose, as hereinafter provided.

There shall be and there is hereby created a special fund to be designated as the "Operation and Maintenance Fund," into which there shall be set apart and paid an amount which, with any unexpended balance therein, is considered necessary and sufficient to pay the reasonable current expenses of operating, repairing, and maintaining said Sewage Works and Facilities for the current month on the first day of each month and shall be used and disbursed only for that purpose.

There shall be and there is hereby created and there shall be maintained an account to be known as the "Sewer Revenue Bond Sinking Fund," sometimes hereinafter referred to as the "Sinking Fund," into which there shall be set aside from the future net earnings of said Sewage Works and Facilities such portion thereof as will be sufficient to pay the interest upon and principal of the bonds at any time outstanding as the same become due, and it is hereby determined, covenanted and agreed that the minimum amount to be so set aside into said Sinking Fund during each month of each year shall be not less than as follows:

A sum equal to one-twelfth (1/12) of the principal of all bonds maturing on the July 1st next succeeding, plus a sum equal to one-twelfth (1/12) of the interest becoming due on the next succeeding interest payment date on all of the then outstanding bonds issued pursuant to this resolution and bonds ranking on a parity therewith.

Such payments into said Sinking Fund shall be made in equal monthly installments as hereinbefore provided 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 bonds ranking on a parity therewith and for no other purpose. If and to whatever extent additional bonds are issued ranking on a parity with the bonds herein authorized, under the conditions and restrictions set forth in Section 11 of this resolution, provision shall be made for increasing such payments into said Sinking Fund to meet maturing installments of principal of and interest on such additional bonds. 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 Sewage Works and Facilities 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.

There shall be and there is hereby created a special fund to be known and designated as the "Reserve Fund," into which there shall be set apart and paid each year from the balance of the net earnings remaining after first making the required payments into the Operation and Maintenance Fund and the Sewer Revenue Bond Sinking Fund the sum of \$ 45.00, on the first day of each month of each calendar year until the sum of \$ 5,400.00 has been accumulated in said Reserve Fund, and whenever the sum on deposit in said Reserve Fund has been reduced to less than \$ 5,400.00 by the expenditure of all or a portion of the said funds for any of the purposes specified herein, the sum of \$ 45.00 shall again be paid into said Reserve Fund on the first day of each month in each year until the sum on deposit in said Reserve Fund has been restored to \$ 5,400.00. All monies credited to said Reserve Fund shall be used to pay any extraordinary cost of maintaining the Sewage Works and Facilities in an efficient operating condition or to repair the same and to pay the cost of constructing additional extensions thereto. The monies on deposit in said Reserve Fund shall be transferred and credited to the Sewer Revenue Bond Sinking Fund whenever necessary to prevent or remedy a default in the payment of the principal of or interest on the bonds authorized to be issued under the terms of this resolution or bonds ranking on a parity therewith. If and to whatever extent additional bonds shall be issued ranking on a parity with the bonds herein authorized under the conditions set forth in Section 11 of this resolution, provision shall be made for increasing such payments into said Reserve Fund to create and maintain a reasonable reserve therefor.

That there shall be and there is hereby created a special fund to be known and designated as the "Surplus Fund," into which there shall be set apart and paid all of the net earnings remaining after first making the required payments into the Sewer Revenue Bond Sinking Fund, the Operation and Maintenance Fund and the Reserve Fund. All monies credited to said Surplus Fund shall be transferred and credited to the Reserve Fund whenever any deficiency may exist in said Reserve Fund, and may be used to pay necessary operating and maintenance expenses,

to pay the cost of additional sewage works and facilities and sewage treatment plant or improvements and extensions to the Sewage Works and Facilities, to purchase any of the then outstanding bonds issued pursuant to this resolution and bonds ranking on a parity therewith at not exceeding par and accrued interest or to call and redeem such bonds as may be then subject to redemption or as otherwise lawfully directed by the City Council, including payment of junior bonds.

Section 7. All monies held in the several separate funds created under the terms of this resolution shall be deposited in lawful depositories of the Municipality and continuously held and secured as provided by the laws of the State of Iowa relating to the depositing, securing and holding public funds, and all such deposits exceeding the maximum amount insured by the F.D.I.C. in any one bank shall be continuously secured by a valid pledge in direct obligations of the United States Government, having an equivalent market value, or invested in direct obligations of the United States Government; provided, however, that such government securities shall be sold whenever the proceeds thereof are needed for the purpose of the Fund for the account of which the investment was made. All interest received by the Municipality as a result of investments under this Section shall be considered to constitute gross revenues of the Sewage Treatment Plant and System. The Municipality hereby covenants and agrees that no such investment shall ever be made so as to cause the interest on the bonds herein authorized to become taxable as "arbitrage bonds" pursuant to the provisions of Section 103(d) of the Internal Revenue Code.

The municipality further covenants that if not previously incurred within six months of the date of this issue, a substantial binding obligation to commence the project financed by this issue of bonds will be incurred and work on or acquisition of the project will proceed with due diligence to completion.

Section 8. For the purpose of safeguarding the interest of any holder of said bonds, it is hereby provided that the Municipality shall maintain the Sewage Works and Facilities in good condition and operate the same in an efficient manner and at a reasonable cost. So long as any of the bonds herein authorized shall be outstanding, the municipality shall maintain insurance for the benefit of the bond holders on the insurable parts of the Sewage Works and Facilities of a kind and in an amount which normally would be carried by private companies engaged in a similar kind of business.

Section 9. Any holder or holders of twenty-five percent (25%) in aggregate principal amount of said bonds at the time then outstanding shall have the right at all reasonable times to inspect the Sewage Works and Facilities and all records, accounts and data of the Municipality relating thereto.

Section 10. The Municipality shall cause a separate accounting system to be set up and maintained for the Sewage Works and Facilities, the same to be under the supervision of the Superintendent of the Sewage Works and Facilities, who shall keep proper books of records and accounts in which complete and correct entries shall be made of all transactions relating to said Sewage Works and Facilities. So long as any of the bonds herein authorized shall be outstanding, the Municipality shall furnish the original purchaser thereof and to any holder or holders of any of the bonds, at the written request of such holder or holders, not later than thirty (30) days after the close of each six month fiscal period, complete operating and income statements of said facilities in reasonable detail covering such six month period and, not later than sixty

(60) days after the close of each fiscal year, complete financial statements of the said facilities covering such fiscal year. In addition, the Municipality will prepare and adopt prior to the beginning of each fiscal year a budget for the ensuing fiscal year for the Sewage Works and Facilities, said budget to include an estimate of estimated revenues and expenses during such fiscal year. Copies of such budget and amendments thereto shall be filed with the original purchaser and will be made available to the holders of any bonds then outstanding upon request.

Section 11. 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 Sewage Works and Facilities 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 Municipality 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 Sewage Works and Facilities 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 Municipality 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 under the following conditions: (a) to complete construction of the system referred to in the preamble hereof in such amount(s) as is certified by the Engineers for the Municipality, necessary for such purposes; or (b) in order to pay the cost of future improvements to said Sewage Works and Facilities, but only if the officially reported net revenues of said Sewage Works and Facilities for the last preceding calendar or fiscal year prior to the issuance of such additional bonds (with adjustments as hereinafter provided) was equal to at least one hundred twenty per cent (120%) of the average annual debt service requirements on the bonds then outstanding and the bonds then proposed to be issued, and provided also that the interest payment dates for any such additional bonds shall be annually on July 1 of each year, and the principal maturities of such additional bonds shall be on July 1 of any year in which any of such principal is scheduled to become due; provided, however, such restrictions on the issuance of additional parity bonds may be waived in writing by the holder or holders of not less than seventy-five per cent (75%) of the principal amount of the bonds then outstanding.

The terms "net revenues" and "net earnings" are 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 allowances for depreciation in the value of physical properties and the amount of gross revenues aforesaid shall be adjusted for the purpose of the foregoing computations by an independent consulting engineer not in the employ of the Municipality and not otherwise interested in the Municipal Sewage Works and Facilities of the Municipality or the improvements and extensions thereto, so as to reflect any revision on the schedule of rates and charges being imposed at the time of the issuance of any such additional bonds.

Section 12. In no event while any of said bonds are outstanding will the Municipality mortgage or otherwise encumber the Sewage Works and Facilities or any part thereof or sell, lease or otherwise dispose of any substantial portion of such Sewage Works and Facilities. These provisions shall inure to the benefit of and be enforceable by any holder of any of the bonds herein authorized.

Section 13. That there has heretofore been established by ordinance of said Municipality and said Municipality hereby covenants to maintain just and equitable rates or charges for the use of or the service rendered by the Sewage Works and Facilities of said Municipality and that so long as any Sewer Revenue Bonds remain outstanding and unpaid, rates or charges shall be revised and at all times maintained, so as to be sufficient in each year for the payment of the proper and reasonable expenses of operation, repair, replacements and maintenance of the Sewage Works and Facilities, and for the payment of the sums therein required to be paid into the aforesaid Sinking Fund to meet the principal of and interest on the outstanding Sewer Revenue Bonds issued hereunder.

Section 14. All rates and charges for the use and service rendered by said Sewage Works and Facilities, if not paid when due, shall constitute a lien upon the premises served by such Sewage Works and Facilities and shall be collected in the same manner as taxes and when so collected, shall become a part of the Sewage Works Fund.

Section 15. The proceeds of the bonds hereby authorized shall be deposited into an account hereby created to be designated as the "Construction Fund", to be maintained as provided in Section 7 of this resolution. On the date of delivery of the bonds hereby authorized there shall be drawn from the Construction Fund and deposited into the Sewer Revenue Bond Sinking Fund, a sum equal to the interest which will accrue on said bonds during the construction period and to a date six months subsequent to the estimated date of completion to pay interest maturing on said bonds during such period. Monies in the Construction Fund may be invested in securities of or guaranteed by the United States of America, provided they shall mature prior to the date or dates when said money or monies are estimated to be needed to meet payment of the contractor's estimates. Proceeds shall be disbursed only on order of the Council for the purpose or purposes for which said bonds were issued and shall be by warrant signed by the Treasurer of the Municipality, provided, however, that no such proceeds shall be disbursed for use in violation of Section 393.9, Code of Iowa, 1973, as amended. When construction has been completed and construction costs have been paid in full, any balance remaining in the Construction Fund shall be used immediately to redeem outstanding bonds in their inverse numerical order, and any proceeds in an amount insufficient to redeem a whole bond shall be transferred to the Reserve Fund. Any bonds which have not been issued, if bonds are issued and delivered in more than one installment, after construction is completed and construction costs have been paid in full, shall be cancelled.

Section 16. That for the further security of the Sewer Revenue Bonds of said City, a lien is hereby recognized and declared to be valid and binding upon the Improvements paid for through the issuance of said bonds, which lien shall take effect immediately upon the delivery of any of the 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 the bonds then outstanding in the manner provided by the laws of the State of Iowa for the enforcement and foreclosure of security transactions, and it is hereby specifically agreed that all the improvements to the utility constructed through the issuance of said Sewer Revenue Bonds 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 City Clerk is hereby authorized and directed to file a certified copy of this resolution in the office of the County Recorder of Mills 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 17. The provisions of this resolution shall constitute a contract by and between the Municipality and the holders of the bonds herein authorized to be issued; and after the issuance of said bonds or any of them, this resolution shall not be repealed or amended by the Municipality in any respect which will adversely affect the holders of said bonds, nor shall the Municipality adopt any ordinance, by-laws or resolution which in any manner adversely affects the rights of such holders, so long as any of the said bonds or the interest thereon remain unpaid.

Section 18. All ordinances, resolutions and by-laws, or any part thereof, of the Municipality in conflict with this resolution are hereby repealed, to the extent of such conflict.

Section 19. To the extent permitted by law and so long as the United States of America is the holder of any of the bonds herein authorized, said City and this resolution and the bonds herein authorized shall be subject to the terms of the Loan Agreement, Form FHA 442-47, between the Municipality and the United States of America, acting through the Farmers Home Administration, Department of Agriculture.

Section 20. This resolution shall take effect and be in full force from and after its passage and approval.

Passed and approved this 14 day of December, 1975.

Tom Rieken
Mayor.
Tom Rieken

Attest:

Pette L. Byers
Clerk
Pette L. Byers

(seal)

Seal
P. L. Byers

* * * * *

There being no further business to come before the meeting, it was, upon motion and vote, adjourned.

Tom Ripken
Mayor
Tom Ripken

Attest:

Bette L. Byers
Clerk
Bette L. Byers

(Seal
attached)
(seal)

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STATE OF IOWA)
COUNTY OF MILLS) SS:
CITY OF HENDERSON)

I, Bette Byers, being first duly sworn, do hereby depose and certify that I am the duly appointed, qualified and acting Clerk of the Municipality in the County and State aforesaid, and that as such Clerk, I have in my possession, or have access to, the complete corporate records of said municipality and of its Council and officers; that I have carefully compared the transcript hereto attached with the aforesaid corporate records and the said transcript, is a true, correct and complete copy of all the corporate records in relation to the authorization, issuance and disposition of \$ 90,000, Five per cent (5 %) Sewer Revenue Bonds of said municipality, to be dated as of the date of delivery to the original purchaser, and that said transcript hereto attached contains a true, correct and complete statement of all the measures adopted and proceedings, acts and things had, done and performed up to the present time in relation to the authorization, issuance and disposition of said bonds, and that the Council consists of Five (5) members.

I do further certify that in accordance with the requirements of Chapter 28A of the Code of Iowa, 1973, as amended, the meeting at which the aforementioned action was taken was open to the public, and advance public notice of the time and place of such meeting was given by notifying the communications media or otherwise providing reasonable notice to the public.

WITNESS MY HAND and the Seal of said Municipality hereto affixed this 12 day of November, 1975.

(Seal
Affixed)
(SEAL)

Bette L. Byers
Clerk
Bette L. Byers

Subscribed and sworn to before me by the said Bette Byers
this 10 day of November, 1975.

James A. Thomas
Notary Public
James A. Thomas
