

**City of Williamsburg  
210 West State Street  
PO Box 596  
Williamsburg IA 52361**

Regular Session  
June 13, 2005  
7:30 p.m.

Mayor Armstrong and council members Greiner, Lortz, Kirkpatrick, and Phillips were present. Wanner was absent.

Doris Kozishek and Joyce Jones, Iowa County Cancer Society, wanted to express their appreciation for the Relay for Life event that was held at the Recreation Center area and all the help they received from the City.

The Council received the May 2005 Police Department report.

Heitshusen's are requesting \$20,000+ per acre for the South Trunk Sewer easement. The appraised value of the easement was \$5,000.

It was the consensus of the council to offer the appraised value for the Heitshuesen easement for the South Trunk Sewer project.

The Council received the May 2005 Recreation Department report.

The Council received three bids for the 2005 Williamsburg Street projects:

	Iowa Mobile Concrete	Carter-Kirkpatrick Services	Cedar Valley
Division I: South Street Reconstruction	\$243,247.75	\$277,162.25	
Division II: State Street Reconstruction		\$867,311.00	\$1,124,841.10

Eric Tindal does not have all of the signed voluntary annexation requests.

The Williamsburg City Council received a concern from Dave and Lois Werner concerning BJ's Wrecker Service yard behind his business.

The Council received the May 2005 Public Works Department report.

The Library Board met before the council meeting and would like the council to see if the Farm Bureau building would be for sale. The Mayor will talk to the Farm Bureau.

1. Motion by Kirkpatrick and seconded by Greiner to approve the consent agenda:

- (a) Minutes of the May 23, 31, and June 6, 2005 council meetings
- (b) Bills as presented
- (c) Treasurer's report

Roll call: ayes; PL, MG, DK, absent; GW, TP. Motion carried.

2. Motion by Phillips and seconded by Lortz to open a public hearing at 7:45 p.m. on the proposal of the City of Williamsburg, Iowa to lease real property for a term of approximately ninety-nine years. All ayes. Motion carried.

3. Motion by Lortz and seconded by Greiner to close the public hearing at 7:48 p.m. All ayes. Motion carried.
4. Motion by Phillips and seconded by Lortz to approve Resolution No. 46-06-05 making final determination and approving leasing of certain real property for a term of approximately ninety-nine years in connection with the financing of the Williamsburg Fire Station project. Roll call: ayes; DK, TP, PL, MG. absent; GW. Motion carried.
5. Motion by Kirkpatrick and seconded by Lortz to approve Resolution No 47-06-5 naming Bankers Trust the trustee for purposes of handling the leases and documentation for the purposes of lease purchase for the fire station project. Roll call: ayes; MG, PL, TP, DK, absent, GW. Motion carried.
6. Motion by Kirkpatrick and seconded by Lortz to open a public hearing at 8:00 p.m. on proposed action of the City of Williamsburg, Iowa to institute proceedings for the authorization and entering into of a lease purchase agreement (Fire Station Project). All ayes. Motion carried.
7. Motion by Phillips and seconded by Kirkpatrick to close the public hearing at 8:05 p.m. All ayes. Motion carried.
8. Motion by Phillips and seconded by Kirkpatrick to approve Resolution No. 48-06-05 taking additional action to enter into a Lease Purchase Agreement in an amount not to exceed \$2,500,000 in connection with the Williamsburg Fire Station Project. Roll call: ayes; PL, MG, TP, DK, absent; GW. Motion carried.
9. Motion by Kirkpatrick and seconded by Lortz to authorize Eric Tindal, City Attorney, to work with Poweshiek Water Association to draft a proposed two-mile agreement. All ayes. Motion carried.
10. Motion by Greiner and seconded by Lortz to open a public hearing at 8:15 p.m. on proposed action to institute proceedings to enter into a loan and disbursement agreement in a principal amount not to exceed \$1,050,000. All ayes. Motion carried.
11. Motion by Lortz and seconded by Kirkpatrick to close the public hearing at 8:18 p.m. All ayes. Motion carried.
12. Motion by Lortz and seconded by Kirkpatrick to approve Resolution No. 49-06-05 authorizing and approving a Loan and Disbursement Agreement and providing for the issuance and securing the payment of \$1,050,000 (sewer revenue bonds). Roll call: ayes; TP, PL, MG, DK, absent; GW. Motion carried.
13. Motion by Kirkpatrick and seconded by Lortz to authorize John Avery to talk to Poweshiek Water to see if the City's waste water treatment plant could handle waste from Conroy. All ayes. Motion carried.
14. Motion by Phillips and second by Lortz to approve Resolution No. 50-06-05 to hire Abby Jones at the aquatic center at the rate of \$6.50 per hour and the Recreation Center as front desk help at \$7.50 per hour and to hire Deanne Folkmann as custodial help at the Recreation Center at the rate of \$9.00 per hour effective May 31, 2005. Roll call: ayes; PL, DK, MG, TP. Motion carried.
15. Motion by Kirkpatrick and seconded by Phillips to open a public hearing at 8:30 p.m. on the proposed specifications, drawings, proposed form of contract and unit costs for the 2005 Williamsburg Streets Project and the taking of bids for such construction.
16. Motion by Phillips and seconded by Lortz to close the public hearing at 8:35 p.m. All ayes. Motion carried.

17. Motion by Lortz and seconded by Kirkpatrick to approve Resolution No. 51-06-05 approve plans and specifications for 2005 Street projects, Division I South Street Reconstruction and Division II Roll call; ayes; DK, MG, PL, TP, absent GW. Motion carried.

18. Motion by Phillips and seconded by Lortz to approve Resolution No. 52-06-05 to authorize Notice of Award of bid for Division I – South Street Reconstruction to Iowa Mobile Concrete in the amount of \$243,247.75 and Division II – State Street Reconstruction to Carter-Kirkpatrick Services in the amount of \$867,311.00 for the 2005 Williamsburg Streets Project. Roll call: ayes; DK, TP, PL, MG, absent; GW. Motion carried.

19. Motion by Phillips and seconded by Lortz to approve Resolution No. 53-06-05 approving Belland's Western Knoll's Eighth Addition contingent upon following the recommendations of the Planning and Zoning Commission and adding a fifteen-foot utility easement on the west edge of Outlet A. Roll call: ayes; DK, MG, PL, TP, absent; GW. Motion carried.

20. Motion by Phillips and seconded by Lortz to approve the Mayors recommendation to close Court Street on the east side of the square for the Firemen's Ball on August 6, 2005 at noon until 2:00 a.m. on August 7, 2005 and to allow St. Paul's United Methodist Church to hold a community-wide service in the square on July 3, 2005 at 10:00 a.m. The east side of the square would be closed off at 8:30 a.m. All ayes. Motion carried.

21. Motion by Kirkpatrick and seconded by Lortz to approve the Mayor's appointment of Mary Everhart to the Williamsburg Library Board. All ayes. Motion carried.

22. Motion by Phillips and seconded by Lortz to approve Resolution No. 54-06-05 set a public hearing for 7:45 p.m. on Monday, June 27, 2005 for proposed action to institute proceedings to enter into a loan agreement in a principal amount not to exceed \$1,400,000. Roll call: ayes; TP, PL, MG, DK, absent; GW. Motion carried.

23. Motion by Kirkpatrick and seconded by Greiner to approve a Phase I Environmental Study on the Fire Station site. All ayes. Motion carried.

24. Motion by Phillips and seconded by Lortz to approve Resolution No. 55-06-05 to set a public hearing for 8:00 p.m. on Monday, June 27, 2005 on proposed plans, specifications, form of contract and estimate of cost for the construction of the Williamsburg Fire Station Project. TP, PL, MG, DK, absent; GW. Motion carried.

25. Motion by Greiner and seconded by Lortz to adjourn at 10:55 p.m. All ayes. Motion carried.

  
Murray Armstrong, Mayor

  
Jennifer J. Karsten, City Clerk/Treasurer

Hearing on Lease of Property

Williamsburg, Iowa

June 13, 2005

The City Council of the City of Williamsburg, Iowa, met on June 13, 2005, at 7:45 o'clock p.m., at the City Hall, in the City.

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

Present: Phillips, Lortz, Greiner, and Kirkpatrick

Absent: Wanner.

\* \* \* Other Business \* \* \*

This being the time and place specified for holding a public hearing on the proposal to lease certain real property for a term approximately ninety-nine years in connection with the Williamsburg Fire Station Project, the Mayor called for any written or oral objections.

Written objections were filed by the following:

(List those submitting written objections, if any)

Oral objections were voiced by the following:

(List those voicing oral objections, if any)

After all written and oral objections were received and considered, the Mayor declared the hearing closed.

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

Ayes: Kirkpatrick, Phillips, Lortz, Greiner

Nays: Wanner.

Whereupon, the Mayor declared the resolution duly adopted, as follows:

RESOLUTION NO. 46-06-05

Making final determination and approving leasing of certain real property for a term of approximately ninety-nine years in connection with the financing of the Williamsburg Fire Station Project

WHEREAS, the City owns certain real property in the City (the "Property") which is described as follows:

Lot Two (2) of Williamsburg Retirement Community Second  
Addition to the City of Williamsburg, Iowa

WHEREAS, the City proposes to lease the Property to a state or national bank or trust company with trust powers (the "Trustee") for a term of approximately ninety-nine years in connection with the acquisition, construction, improvement, furnishing and equipping of a fire station and related facilities and improvements (the "Williamsburg Fire Station Project"); and

WHEREAS, the City Council has set forth its proposal to lease the Property to the Trustee in a resolution adopted on May 23, 2005 (the "Proposal Resolution") and held a hearing on such proposal on June 13, 2005 as required by Section 364.7 of the Iowa Code, and may now make a final determination on such proposal; and

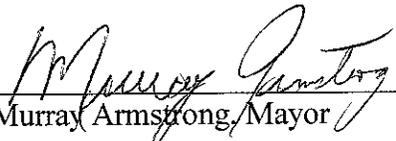
NOW THEREFORE, it is resolved by the City Council of the City of Williamsburg, Iowa as follows:

Section 1. That it is hereby finally determined that the City shall lease the Property to the Trustee for a term of approximately ninety-nine years as provided in the Proposal Resolution in connection with the acquisition, construction, improvement, furnishing and equipping of the Williamsburg Fire Station Project and the aforementioned leasing of the Property to the Trustee is hereby approved.

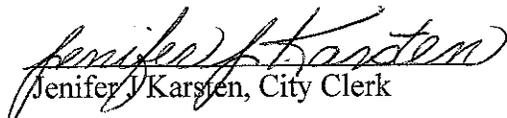
Section 2. That the Mayor and City Clerk are hereby authorized and directed to execute and deliver any and all documents as may be necessary to effectuate the lease of the Property to the Trustee as herein and in the Proposal Resolution provided.

Section 3. That all resolutions or parts of resolutions in conflict herewith are and the same are hereby repealed to the extent of such conflict.

Passed and approved this 13<sup>th</sup> day of June 2005.

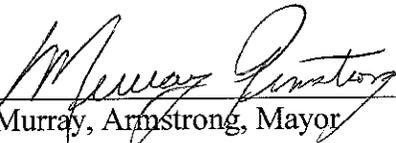
  
Murray Armstrong, Mayor

Attest:

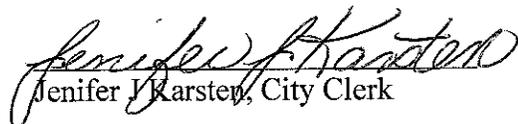
  
Jenifer J. Karsten, City Clerk

\* \* \* Other Business \* \* \*

Upon motion and vote the meeting adjourned.

  
Murray, Armstrong, Mayor

Attest:

  
Jenifer J. Karsten, City Clerk

STATE OF IOWA  
COUNTY OF IOWA                      SS:  
CITY OF WILLIAMSBURG

I, the undersigned, City Clerk of the aforementioned City, do hereby certify that attached hereto is a true and correct copy of the proceedings of the Council relating to the hearing on the Council's proposal to lease certain real property for a term of approximately ninety-nine years.

WITNESS MY HAND and the seal of the City hereto affixed this 13th day of June 2005.

  
Jenifer J. Karsten, City Clerk

(Seal)

**RESOLUTION 47-06-05**

**Resolution naming trustee.**

**WHEREAS**, the Williamsburg City Council made a final determination and approved leasing of certain real property for a term of approximately ninety-nine years in connection with the financing of the Williamsburg Fire Station; and

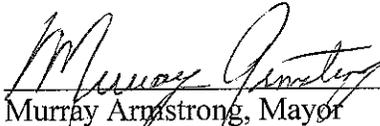
**WHEREAS**, we, Murray Armstrong, Mayor and Jenifer J Karsten, City Clerk/Treasurer of the City of Williamsburg, Iowa do hereby certify that the foregoing Resolution was adopted (introduced by Kirkpatrick and seconded by Lortz) roll call: ayes; MG, PL, TP, DK, absent; GW) by the City Council of the City of Williamsburg, Iowa, at a meeting held on this 13th day of June 2005, four members of the council present;

**NOW THEREFORE**, be it resolved by the Williamsburg City Council to approve the following:

Section 1. The Williamsburg City Council authorizes Bankers Trust to be the trustee for the purposes of handling the leases and documentation for the purposes of lease purchase for the fire station project.

Section 2. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved June 13, 2005.

  
Murray Armstrong, Mayor

  
Jenifer J Karsten, City Clerk/Treasurer

Certification: I hereby certify that the foregoing is a true and correct copy of a resolution of the City of Williamsburg adopted at a meeting of said public body, duly called and held on the 13<sup>th</sup> day of June, 2005, a quorum being present, as said resolution remains of record in the minutes of said meeting, and it now is in full force and effect.

  
Jenifer J Karsten, City Clerk/Treasurer

MINUTES TO HOLD HEARING ON  
LEASE PURCHASE AGREEMENT

Williamsburg, Iowa

June 13, 2005

The City Council of the City of Williamsburg, Iowa, met on June 13, 2005, at 8:00 o'clock p.m., at the City Hall in the City.

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

Present: Phillips, Lortz, Greiner, and Kirkpatrick

Absent: Wanner.

• • Other Business • •

This being the time and place specified for taking action on the proposal to enter into a Lease Purchase Agreement in a principal amount not to exceed \$2,500,000, the City Clerk announced that no petition had been filed asking that the question of entering into the Lease Purchase Agreement be submitted to the registered voters of the City.

The Mayor then called for any written or oral comments.

Written comments were filed by the following:

**(Insert the word "none" or list names of objectors and attach copies of their comments, if any are filed.)**

*NONE*

Oral comments were made by the following:

**(Insert the word "none" or list names of objectors and type of comments, if any are made.)**

*NONE*

Whereupon, the Mayor declared the hearing closed.

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

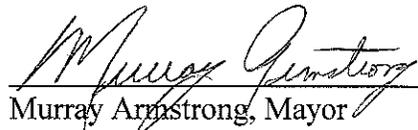
Ayes: Lortz, Greiner, Phillips, and Kirkpatrick

Nays: \_\_\_\_\_.

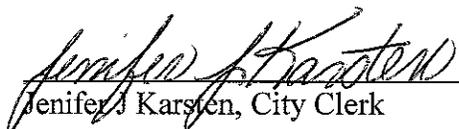
Whereupon, the Mayor declared the resolution duly adopted, as hereinafter set out.

• •Other Business• •

At the conclusion of the meeting, and upon motion and vote, the Council adjourned.

  
\_\_\_\_\_  
Murray Armstrong, Mayor

Attest:

  
\_\_\_\_\_  
Jennifer J. Karsten, City Clerk

RESOLUTION NO. 48-06-05

Taking additional action to enter into a Lease Purchase Agreement in an amount not to exceed \$2,500,000 in connection with the Williamsburg Fire Station Project

WHEREAS, the City of Williamsburg, Iowa (the "City"), pursuant to and in strict compliance with all laws applicable to the City, and in particular the provisions of Chapter 403 of Code of Iowa, has established the Williamsburg Urban Renewal Area (the "Urban Renewal Area") within the City and has adopted an Urban Renewal Plan by resolution of the Council for the Urban Renewal Area; and

WHEREAS, the City heretofore proposed to enter into a lease purchase agreement (the "Lease Purchase Agreement") with a bank, trust company or other entity which has trust powers (the "Trustee") in a principal amount of not to exceed \$2,500,000, as a general obligation lease purchase agreement payable from the City's Debt Service Fund pursuant to the provisions of Section 403.12 of the Code of Iowa, for the purpose of planning, undertaking, and carrying out an urban renewal project within the Urban Renewal Area, consisting of the acquisition, construction, improvement and furnishing of a fire station and related facilities and improvements (the "Project"); and

WHEREAS, the City instituted proceedings to enter into the Lease Purchase Agreement for such purpose pursuant to Section 384.24(3)(q) of the Code of Iowa by causing a notice of such proposal to be published, including notice of the right to petition for an election as provided by Section 384.26 of the Code of Iowa, and no petition has been filed with the City asking that the question of entering into the Lease Purchase Agreement be submitted to the registered voters of the City;

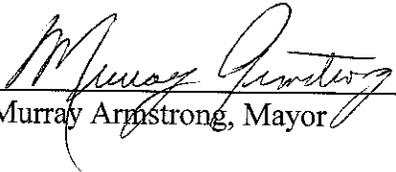
NOW, THEREFORE, It Is Resolved by the City Council of the City of Williamsburg, Iowa, as follows:

Section 1. The City Council hereby determines to enter into the Lease Purchase Agreement in the future, such Lease Purchase Agreement to be payable from the City's Debt Service Fund and from such other funds as may be available for such purpose, and the City Council declares that this resolution constitutes the "additional action" required by Section 384.26 of the Code of Iowa.

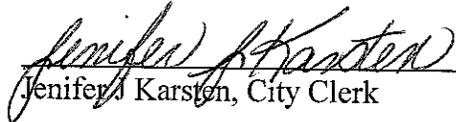
Section 2. All resolutions and orders or parts thereof in conflict with the provisions of this resolution, to the extent of such conflict, are hereby repealed.

Section 3. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved June 13, 2005.

  
Murray Armstrong, Mayor

Attest:

  
Jennifer Karsten, City Clerk

STATE OF IOWA  
COUNTY OF IOWA  
CITY OF WILLIAMSBURG

SS:

I, the undersigned, City Clerk of the aforementioned City, do hereby certify that attached hereto is a true and correct copy of the proceedings of the Council relating to the hearing on the Council's intention to enter into a certain Lease Purchase Agreement, as referred to therein.

I further certify that no petition was filed in my office asking that the question of entering into the Lease Purchase Agreement be submitted to the registered voters of the City.

WITNESS MY HAND and the seal of the City hereto affixed this 13th day of June 2005.

  
Jenifer Karsten, City Clerk

(Seal)

(Hearing/Issuance – Sewer Revenue)

435483-18

Williamsburg, Iowa

June 13, 2005

A meeting of the City Council of Williamsburg, Iowa, was held on June 13, 2005, at 8:15 o'clock p.m. at the city hall, Williamsburg, Iowa.

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

Present: Kirkpatrick, Greiner, Lortz, and Phillips.

Absent: Wanner.

This being the time and place specified for taking action on the proposal to enter into a Loan and Disbursement Agreement, the City Clerk announced that no written objections had been placed on file. Whereupon, the Mayor called for any written or oral objections, and there were none. Whereupon, the Mayor declared the hearing closed.

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

Ayes: Phillips, Lortz, Greiner, and Kirkpatrick.

Nays: \_\_\_\_\_.

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

RESOLUTION NO. 49-06-05

Resolution authorizing and approving a Loan and Disbursement Agreement and providing for the issuance and securing the payment of \$1,050,000 Sewer Revenue Bonds

WHEREAS, the City of Williamsburg (the “City”), in the County of Iowa, State of Iowa, did heretofore establish a Municipal Sanitary Sewer System in and for the City (hereinafter referred to as the “Utility”) which has continuously supplied sanitary sewer service in and to the City and its inhabitants since its establishment; and

WHEREAS, the management and control of the Utility are vested in the City Council, and no board of trustees exists for this purpose; and

WHEREAS, the City has heretofore proposed to contract indebtedness and enter into a certain Loan and Disbursement Agreement in a principal amount not to exceed \$1,050,000 (the “Agreement”) to provide funds to pay a portion of the cost of constructing improvements and extensions to the Utility (the “Project”), and has published notice of the proposed action and has held a hearing thereon;

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

Section 1. It is hereby determined that the City shall enter into the Agreement with the Iowa Finance Authority, an agency and public instrumentality of the State of Iowa, as lender (the “Lender”), the Iowa Department of Natural Resources (the “Department”) and Wells Fargo Bank Iowa, National Association, as trustee (the “Trustee” shall mean Wells Fargo Bank Iowa, National Association, with its principal office located in the City of Des Moines, Iowa, and its successors and any corporation resulting from or surviving any consolidation or merger to which it or its successors may be a party and any successor trustee at the time serving as successor trustee under the Master Trust Agreement dated as of December 1, 2001, between the Trustee and the Lender as the same may be supplemented or amended from time to time (the “Master Trust Agreement”). The Agreement shall be in substantially the form as has been placed on file with the City and shall provide for a loan to the City in the amount of \$1,050,000, for the purpose as set forth in the preamble hereof.

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

Section 2. Sewer Revenue Bonds (the “Bonds”) are hereby authorized to be issued in evidence of the obligation of the City under the Agreement, in the total aggregate principal amount of \$1,050,000, to be dated the date of delivery to or upon the direction of the Lender, and bearing interest from the date of each advancement made at the rate of 3.0% per annum pursuant to the Agreement, until payment thereof, as set forth in Exhibit B attached to the Agreement.

The Bonds may be in the denomination of \$1,000 each or any integral multiple thereof and, at the request of the Lender, shall be initially issued as a single Bond in the denomination of \$1,050,000 and numbered R-1.

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

Payment of the principal of and interest on the Bonds and premium, if any, shall be payable at the office of the Paying Agent by mailing of a check, wire transfer or automated Clearinghouse System transfer, to the registered owners thereof appearing on the registration books of the City at the addresses shown on such registration books. All such payments, except full redemption, shall be made to the registered owners appearing on the registration books at the close of business on the fifteenth day of the month next preceding the payment date. Final payment of principal shall only be made upon surrender of the Bond or Bonds to the Paying Agent.

In addition to the payment of principal of and interest on the Bonds, the City also agrees to pay the Initiation Fee and the Servicing Fee (defined in the Agreement) in accordance with the terms of the Agreement.

The Bonds shall be executed on behalf of the City with the official manual or facsimile signature of the Mayor and attested with the official manual or facsimile signature of the City Clerk and shall have the City’s seal impressed or printed thereon, and shall be fully registered bonds without interest coupons. The issuance of the Bonds and the amount of the Loan advanced thereunder shall be recorded in the office of the City Treasurer, and the certificate on the back of each Bond shall be executed with the official manual or facsimile signature of the City Treasurer. In case any officer whose signature or the facsimile of whose signature appears on the Bonds shall cease to be such officer before the delivery of such Bonds, such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

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

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

The Bonds are subject to optional redemption by the City at a price of par plus accrued interest (i) on any interest payment date after the ten (10) year anniversary date of the Agreement, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any optional redemption of the Bonds by the City may be made from any funds regardless of source, in whole or from time to time in part, in inverse order of maturity upon not less than thirty (30) days notice of redemption by certified or registered mail to the Iowa Finance Authority (or any other registered owner of the Bonds). The Bonds are also subject to mandatory redemption as set forth in Section 5 of the Agreement.

All of the Bonds and the interest thereon, together with any additional obligations as may be hereafter issued and outstanding from time to time ranking on a parity therewith under the conditions set forth herein (which additional obligations are hereinafter sometimes referred to as “Parity Obligations”), shall be payable solely from the Net Revenues of the Utility and the Sinking Fund hereinafter referred to, both of which are hereby pledged to the payment of the Bonds. The Bonds shall be a valid claim of the owners thereof only against said Net Revenues and Sinking Fund. None of the Bonds shall be a general obligation of the City, nor payable in any manner by taxation, and under no circumstances shall the City or the Utility be in any manner liable by reason of the failure of the Net Revenues of the Utility to be sufficient for the payment in whole or in part of the Bonds and the interest thereon.

Section 3. The Bonds shall be executed as herein provided as soon after the adoption of this resolution as may be possible and thereupon they shall be delivered to the Registrar for registration and delivery to the Lender, upon receipt of the loan proceeds, and all action heretofore taken in connection with the Agreement is hereby ratified and confirmed in all respects.

Section 4. The Bonds shall be in substantially the following form:

(Form of Bond)  
UNITED STATES OF AMERICA  
STATE OF IOWA

COUNTY OF IOWA

CITY OF WILLIAMSBURG

SEWER REVENUE BOND, SERIES 2005

No. R-1 \$1,050,000

RATE	MATURITY	BOND DATE
3.0%	June 1, 2025	_____, 2005

The City of Williamsburg (the “City”), in the County of Iowa, State of Iowa, for value received, promises to pay from the source and as hereinafter provided, to the

IOWA FINANCE AUTHORITY

or registered assigns, the principal sum of

ONE MILLION FIFTY THOUSAND DOLLARS.

Interest at the rate specified above shall be payable semiannually on June 1 and December 1 of each year, commencing December 1, 2005, and principal shall be due and payable in installments in the amounts shown on the Principal Payment Schedule hereon on June 1, 2006, and annually thereafter on June 1 in each year 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 June 1, 2025. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The City Clerk shall act as Registrar and Paying Agent and may be hereinafter referred to as the “Registrar” or the “Paying Agent”.

Payment of the principal of and interest on this Bond and premium, if any, shall be payable at the office of the Paying Agent by mailing of a check, wire transfer or automated Clearinghouse System transfer, to the registered owners thereof appearing on the registration books of the City at the addresses shown on such registration books. All such payments, except full redemption, shall be made to the registered owners appearing on the registration books at the close of business on the fifteenth day of the month next preceding the payment date. Final payment of principal shall only be made upon surrender of this Bond to the Paying Agent.

This Bond is one of a series of bonds (the “Bonds”) issued by the City to evidence its obligation under a certain Loan and Disbursement Agreement, dated the date hereof (the “Agreement”) entered into by the City for the purpose of providing funds to pay a portion of the cost of constructing improvements and extensions to the Municipal Sanitary Sewer System of the City (the “Project”). The Bonds are issued pursuant to and in strict compliance with the

provisions of Sections 384.24A and 384.83 of the Code of Iowa, 2005, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the City Council authorizing and approving the Agreement and providing for the issuance and securing the payment of the Bonds (the “Resolution”), and reference is hereby made to the Resolution and the Agreement for a more complete statement as to the source of payment of the Bonds and the rights of the owners of the Bonds.

The Bonds are subject to optional redemption by the City at a price of par plus accrued interest (i) on any interest payment date after the ten (10) year anniversary date of the Agreement, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any optional redemption of the Bonds by the City may be made from any funds regardless of source, in whole or from time to time in part, in inverse order of maturity upon not less than thirty (30) days notice of redemption by certified or registered mail to the Iowa Finance Authority (or any other registered owner of the Bonds). The Bonds are also subject to mandatory redemption as set forth in Section 5 of the Agreement.

The Bonds are not general obligations of the City but, together with any additional obligations as may be hereafter issued and outstanding from time to time ranking on a parity therewith under the conditions set forth in the Resolution, are payable solely and only out of the future Net Revenues of the Municipal Sanitary Sewer System of the City, a sufficient portion of which has been ordered set aside and pledged for that purpose. 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 the said Net Revenues to be sufficient for the payment of this Bond and the interest thereon.

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

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

And It Is Hereby Certified, Recited and Declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of the Bonds have existed, have happened and have been performed in due time, form and manner, as required by law, and that the issuance of the Bonds does not exceed or violate any constitutional or statutory limitation or provision.

ABBREVIATIONS

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

- |         |   |  |  |
|---------|---|--|--|
| TEN COM | - | as tenants in common   | UTMA _____   |
| TEN ENT | - | as tenants by the entireties   | (Custodian)  |
| JT TEN  | - | as joint tenants with right of survivorship and not as tenants in common | As Custodian for _____<br>(Minor)<br>under Uniform Transfers to Minors Act<br>_____<br>(State) |

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

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

\_\_\_\_\_  
(Please print or type name and address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

and does hereby irrevocably appoint \_\_\_\_\_, Attorney, to transfer this Bond on the books kept for registration thereof with full power of substitution.

Dated: \_\_\_\_\_

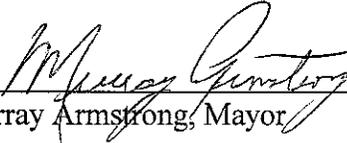
Signature guaranteed:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

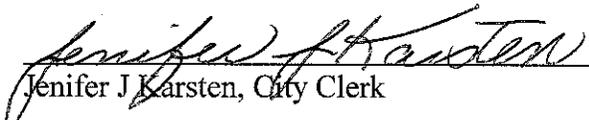
NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears on this Bond in every particular, without alteration or enlargement or any change whatever.

IN TESTIMONY WHEREOF, the City of Williamsburg, Iowa, has caused this Bond to be executed by its Mayor and attested by its City Clerk, and to be sealed with the official seal of the City, all the 13th day of June, 2005.

CITY OF WILLIAMSBURG, IOWA

By   
Murray Armstrong, Mayor

Attest:

  
Jenifer J. Karsten, City Clerk

(Seal)

**(On the back of each Bond the following certificate shall be executed with the duly authorized signature of the City Treasurer)**

STATE OF IOWA  
COUNTY OF IOWA SS: CITY TREASURER'S CERTIFICATE  
CITY OF WILLIAMSBURG

The original issuance of the Bonds, of which this Bond is a part, was duly and properly recorded in my office as of \_\_\_\_\_, 2005.

\_\_\_\_\_  
Jenifer J. Karsten, City Treasurer

PRINCIPAL PAYMENT SCHEDULE

<u>Due</u> <u>June 1</u>	<u>Amount</u>	<u>Due</u> <u>June 1</u>	<u>Amount</u>
2006	\$39,000	2016	\$52,000
2007	\$40,000	2017	\$54,000
2008	\$41,000	2018	\$56,000
2009	\$43,000	2019	\$57,000
2010	\$44,000	2020	\$59,000
2011	\$45,000	2021	\$61,000
2012	\$47,000	2022	\$63,000
2013	\$48,000	2023	\$65,000
2014	\$49,000	2024	\$67,000
2015	\$51,000	2025	\$69,000

Section 5. The loan proceeds, exclusive of any accrued interest and except as provided below, shall be held by the Trustee and disbursed for costs of the Project, as referred to in the preamble hereof.

Section 6. So long as any of the Bonds or any Parity Obligations are outstanding, the City shall continue to maintain the Utility in good condition, and the Utility shall continue to be operated in an efficient manner and at a reasonable cost as a revenue producing undertaking. The City shall establish, impose, adjust and provide for the collection of rates to be charged to customers of the Utility, including the City, to produce gross revenues (hereinafter sometimes referred to as the “Gross Revenues”) at least sufficient to pay the expenses of operation and maintenance of the Utility, which shall include salaries, wages, cost of maintenance and operation, materials, supplies, insurance and all other items normally included under recognized accounting practices (but does not include allowances for depreciation in the valuation of physical property) (which such expenses are hereinafter sometimes referred to as the “Operating Expenses”) and to leave a balance of net revenues (herein referred to as the “Net Revenues”) equal to at least 110% of the principal of and interest on all of the Bonds and any other Parity Obligations due in such fiscal year, as the same become due.

Section 7. From and after the issuance of the Bonds, the Gross Revenues of the Utility shall be set aside into a separate and special fund which is hereby established, to be known and hereinafter referred to as the “Sewer Revenue Fund”. The Sewer Revenue Fund shall be used in maintaining and operating the Utility, and after payment of the Operating Expenses shall, to the extent hereinafter provided, be used to pay the principal of and interest on the Bonds and any Parity Obligations, and to create and maintain the several separate funds hereinafter established.

Section 8. 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” (herein referred to as the “Sinking Fund”), into which there shall be set aside from the future Net Revenues of the Utility such portion thereof as will be sufficient to pay the interest on and principal of all of the Bonds and any Parity Obligations at any time outstanding as the same become due, and it is hereby determined that the minimum amounts to be set aside into the Sinking Fund from the Net Revenues during each month of each year shall be not less than as follows:

An amount equal to 1/6th of the installment of interest coming due on the next interest payment date on the then outstanding Bonds and any Parity Obligations, plus an amount equal to 1/12th of the installment of principal coming due on such Bonds and any Parity Obligations on the next succeeding principal payment date until the full amount of such installment is on deposit in the Sinking Fund.

Money in the Sinking Fund shall be used solely for the purpose of paying principal of and interest on the Bonds and any Parity Obligations as the same shall become due and payable. Whenever Parity Obligations are issued under the conditions and restrictions hereinafter set forth, provisions shall be made for additional payments to be made into the Sinking Fund for the purpose of paying the interest on and principal of such Parity Obligations.

If at any time there be a failure to pay into the Sinking Fund the full amount above stipulated, then an amount equivalent to the deficiency shall be paid into the Sinking Fund from the Net Revenues of the Utility as soon as available, and the same shall be in addition to the amount otherwise required to be so set apart and paid into the Sinking Fund.

No further payments need be made into the Sinking Fund when and so long as the amount therein is sufficient to retire all of the Bonds and any Parity Obligations then outstanding which are payable from the Sinking Fund and to pay all interest to become due thereon prior to such retirement, or if provision for such payment has been made.

Section 9. All of such payments required to be made into the 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 legal holiday, then such payments shall be made on the next succeeding secular day.

Section 10. 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 Revenues remaining after first making the required payments into the Sinking Fund. All money credited to the Surplus Fund shall be transferred and credited to the Sinking Fund whenever necessary to prevent or remedy a default in the payment of the principal of or interest on the Bonds and any Parity Obligations.

As long as the Sinking Fund has the full amounts required to be deposited therein by this resolution, any balance in the Surplus Fund may be made available to the City as the Council, or such other duly constituted body as may then be charged with the operation of the Utility, may from time to time direct.

Section 11. All money held in any fund or account created or to be maintained under the terms of this resolution shall be deposited in lawful depositories of the City or invested in accordance with Chapters 12B and 12C of the Code of Iowa and continuously held and secured as provided by the laws of the State of Iowa relating to the depositing, securing, holding and investing of public funds. All interest received by the City as a result of investments under this section shall be considered to constitute Gross Revenues of the Utility and shall be deposited in or transferred to the Sewer Revenue Fund and used solely and only for the purposes specified herein for such funds.

Section 12. The City hereby covenants and agrees with the owner or owners of the Bonds and Parity Obligations, or any of them, that from time to time may be outstanding, that it will faithfully and punctually perform all duties with reference to the Utility required and provided by the Constitution and laws of the State of Iowa, that it will segregate the Gross Revenues of the Utility and make application thereof in accordance with the provisions of this resolution and that it will not sell, lease or in any manner dispose of the Utility or any part thereof, including any and all extensions and additions that may be made thereto, until all of the Bonds and Parity Obligations shall have been paid in full, both principal and interest, or unless and until provisions shall have been made for the payment of said Bonds and Parity Obligations and interest thereon in full; provided, however, that the City may dispose of any property which in the judgment of the Council, or the duly constituted body as may then be charged with the

operation of the Utility, is no longer useful or profitable in the operation of the Utility nor essential to the continued operation thereof and when the sale thereof will not operate to reduce the revenues to be derived from the operation of the Utility.

Section 13. Upon a breach or default of a term of the Bonds or any Parity Obligations and this resolution, a proceeding may be brought in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required under the terms of this resolution and Division V of Chapter 384 of the Code of Iowa or an action may be brought to obtain the appointment of a receiver to take possession of and operate the Utility and to perform the duties required by this resolution and Division V of Chapter 384 of the Code of Iowa.

Section 14. The Bonds or any Parity Obligations shall not be entitled to priority or preference one over the other in the application of the Net Revenues of the Utility regardless of the time or times of the issuance of such Bonds or Parity Obligations, it being the intention of the City that there shall be no priority among the Bonds or Parity Obligations, regardless of the fact that they may have been actually issued and delivered at different times. The City hereby reserves the right and privilege of issuing additional obligations from time to time payable from the Net Revenues of the Utility and ranking on a parity with the Bonds (herein referred to as "Parity Obligations").

Section 15. The City agrees that so long as the Bonds or any Parity Obligations remain outstanding, it will maintain insurance for the benefit of the owners of the Bonds and any Parity Obligations on the insurable portions of the Utility of a kind and in an amount which usually would be carried by private companies or municipalities engaged in a similar type of business. The proceeds of any insurance, except public liability insurance, shall be used to repair or replace the part or parts of the Utility damaged or destroyed. The City will keep proper books of record and account, separate from all other records and accounts, showing the complete and correct entries of all transactions relating to the Utility, and the owners of the Bonds or any Parity Obligations shall have the right at all reasonable times to inspect the Utility and all records, accounts and data of the City relating thereto.

Section 16. The provisions of this resolution shall constitute a contract between the City and the owners of the Bonds and Parity Obligations as may from time to time be outstanding, and after the issuance of the Bonds, no change, variation or alteration of any kind of the provisions of this resolution shall be made which will adversely affect the owners of the Bonds or Parity Obligations until all of the Bonds and Parity Obligations and the interest thereon shall have been paid in full, except as hereinafter provided.

The owners of a majority in principal amount of the Bonds and Parity Obligations at any time outstanding (not including in any case any obligations which may then be held or owned by or for the account of the City, but including such obligations as may be issued for the purpose of refunding any of the Bonds or Parity Obligations if such obligations shall not then be owned by the City) shall have the right from time to time to consent to and approve the adoption by the City of a resolution or resolutions modifying or amending any of the terms or provisions contained in this resolution; provided, however, that this resolution may not be so modified or amended in such manner as to:

- (a) Make any change in the maturity or redemption terms of the Bonds or Parity Obligations.
- (b) Make any change in the rate of interest borne by any of the Bonds or Parity Obligations.
- (c) Reduce the amount of the principal payable on any Bonds or Parity Obligations.
- (d) Modify the terms of payment of principal of or interest on the Bonds or Parity Obligations, or any of them, or impose any conditions with respect to such payment.
- (e) Affect the rights of the owners of less than all of the Bonds or Parity Obligations then outstanding.
- (f) Reduce the percentage of the principal amount of the Bonds or Parity Obligations, the consent of the owners of which shall be required to effect a further modification.

Whenever the City shall propose to amend or modify this resolution under the provisions of this section, it shall cause notice of the proposed amendment to be (1) filed with the Lender and (2) mailed by certified mail to each registered owner of any Bond or Parity Obligation as shown by the records of the Registrar. Such notice shall 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 City Clerk.

Whenever at any time within one year from the date of the mailing of said notice, there shall be filed with the City Clerk an instrument or instruments executed by the owners of at least a majority in aggregate principal amount of the Bonds and Parity Obligations outstanding at the time of the adoption of such amendatory resolution specifically consenting to the adoption thereof as herein provided, no owner of any Bonds or Parity Obligations shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the City from taking any action pursuant to the provisions thereof.

Any consent given by the owners of a Bond or Parity Obligation pursuant to the provisions of this section shall be irrevocable for a period of six (6) months from the date of such consent and shall be conclusive and binding upon all future owners of the same Bond or Parity

Obligation during such period. Such consent may be revoked at any time after six (6) months from the date of such consent by the owner who gave such consent or by a successor in title, but such revocation shall not be effective if the owners of a majority in aggregate principal amount of the Bonds and Parity Obligations outstanding as in this section defined shall have, prior to the attempted revocation, consented to and approved the amendatory resolution referred to in such revocation.

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 persons signing such instrument acknowledged before such officer the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

Section 17. It is the intention of the City that interest on the Bonds be and remain excluded from gross income for federal income tax purposes pursuant to the appropriate provisions of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations in effect with respect thereto (all of the foregoing herein referred to as the “Internal Revenue Code”). In furtherance thereof the City covenants to comply with the provisions of the Internal Revenue Code as they may from time to time be in effect or amended and further covenants to comply with applicable future laws, regulations, published rulings and court decisions as may be necessary to insure that the interest on the Bonds will remain excluded from gross income for federal income tax purposes. Any and all of the officers of the City are hereby authorized and directed to take any and all actions as may be necessary to comply with the covenants herein contained.

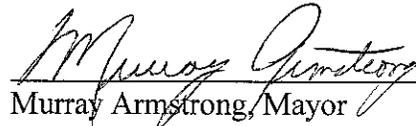
The City hereby designates the Bonds as “Qualified Tax Exempt Obligations” as that term is used in Section 265(b)(3)(B) of the Internal Revenue Code.

Section 18. If any section, paragraph, clause or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

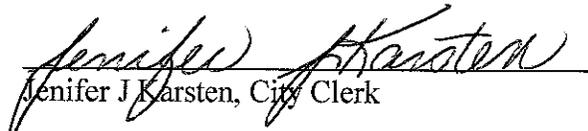
Section 19. All resolutions and orders or parts thereof in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed.

Section 20. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved June 13, 2005.

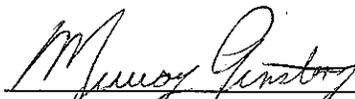
  
Murray Armstrong, Mayor

Attest:

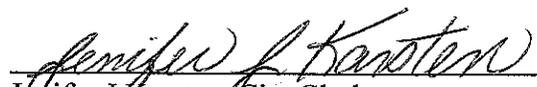
  
Jennifer J. Karsten, City Clerk

••••

On motion and vote, the meeting adjourned.

  
\_\_\_\_\_  
Murray Armstrong, Mayor

Attest:

  
\_\_\_\_\_  
Jennifer J. Karsten, City Clerk