

Regular Meeting  
June 13, 1994

The Public Hearing for the purpose of approving plans and specifications and form of contract and to receive bids was called to order by Mayor Bill Gearhart at 7:00 p.m. in the Council Chambers.

Council members present: King, Lutes, Krause, Case, Sanderson  
" " absent: None

No persons were present or filed objections to the proposed plans, specifications, form of contract and estimate of cost of Wolf Creek Estates and Tucker Trail Addition Improvement Project.

Resolution

Council Member King introduced the resolution approving the plans, specifications and form of contract and moved it be adopted. Council Member Lutes seconded the motion to adopt.

Roll call vote: Ayes: King, Lutes, Krause, Case, Sanderson  
Nays: None

Mayor Gearhart declared this resolution duly passed and adopted this 13th day of June, 1994.

Bill Gearhart  
Bill Gearhart, Mayor

Attest: Carol Whipple  
Carol Whipple, Clerk

The Mayor announced this was the time and place set for the reception and consideration of bids for the Wolf Creek Estates and Tucker Trail Addition Improvements Project.

Motion by Lutes, second by Case to proceed with the opening of such bids.

Roll call vote: Ayes: King, Lutes, Krause, Case, Sanderson  
Nays: None

Motion carried.

The following bids were received:

Wicks Construction, Decorah, IA	\$361,609.90
Weichers Construction, Cedar Falls, IA	333,415.68
Brycon Corporation, Marshalltown, IA	361,736.46
Benway Construction, Tama IA	362,939.50
Construct, Inc., Marshalltown, IA	345,411.85
Concrete Foundations Inc., Waterloo, IA	331,873.18

Resolution

Council Member Sanderson introduced the resolution awarding contract for Wolf Creek Estates and Tucker Trail Addition Improvement Project to Concrete Foundations Inc., 3359 Mt. Vernon Drive, Waterloo, IA in the amount of \$331,873.18 and moved it be adopted. Second to adopt by Lutes.

Roll call vote: Ayes: King, Lutes, Krause, Case, Sanderson  
Nays: None

Mayor Gearhart declared this resolution duly passed and adopted this 13th day of June, 1994.

Bill Gearhart  
Bill Gearhart, Mayor

Carol Whipple  
Attest: Carol Whipple, Clerk

Mayor Gearhart declared the hearing closed and the regular council meeting open.

The minutes of May 9 and May 19 were approved.

The treasurer's report was approved in a motion by King, second

by Sanderson and carried.

The finance committee presented the following bills:

Robert Klein	Refund of deposit	12.80
Cheryl Meester	Clerk's hours	32.32
IA Dept. of Water, Air, Waste	Const. permit	50.00
Conrad Development Corp.	Purchase of land	36,728.00
IES Utilities	Bills 5/94	2,099.55
Reva Ladehoff	Cleaning	13.00
First State Bank	Note payment	12,500.00
First State Bank	Bond and interest	12,485.00
First State Bank	Note & balloon paymt.	33,869.46
Piper Jaffrey Inc.	Bond and interest	10,322.50
CENTSEC	Interest	487.50
Earl Olson	Interest	1,164.99
C.W. Conte	Interest	675.00
I. Erickson	Interest	509.99
A. Dahm	Interest	340.00
M. Grove	Bond & interest	5,161.25
Conrad Community Center	Renovation	5,000.00
Post master	Stamps	55.00
First State Bank	Payroll taxes 5/94	1,176.60
Treas. State of Iowa	IA WH 5/94	178.22
IPERS	IPERS 5/94	409.63
Clerk of District Court	Filing/small claims	60.00
Conrad Development Corp.	Purchase of land	87,594.40
Raskel's	Food/FD	108.68
Country Cobbler	Plants/City Hall	5.95
Chad Adelmund	Mowing	140.00
Conrad Main Street Inc.	2nd 1/2 93-94 paymt.	5,000.00
Grundy County Sheriff	Delivery fee	10.50
Moler Sanitation	Annual container fee	234.00
LGI	W/W analysis	94.50
Verne A. Reece	Meeting & mileage	36.42
Center Street MiniMart	Gas 5/94	35.70
Schiebel Electric	Repairs/So. Lift Station	183.90
Scott Haugan Electric	Ser. Call/So. Lift Sta.	415.75
Kibby Hardware	Supplies 5/94	90.84
Gearhart Welding	Repair/sweeper	100.25
Iowa One Call	1/94 - 4/94	19.00
Feed-Rite Controls Inc.	Fluoride	325.08
Michael Todd & Co.	Supplies	295.67
Water Pro	Remote reader	26.85
John Hanzelka	Repair/tanker	30.00
Conrad Auto Supply	Supplies	61.00
Toynes	Turbojet nozzle/FD	504.00
GTE	Bills 5/94	228.45
The Record	Publication 5/94	179.69
Ross-VanWechel, Inc.	Repair/Pick up	159.38
Conrad Tire and Auto	Water pump, sensor	192.93
Bob's Farm Center	Diesel fuel	93.51
City of Marshalltown	W/W tests 5/94	364.50
Eflin Acres, Inc.	Use of disc	60.00
Grain Farms, Inc.	Use of tractor	100.00
Ryken Engineering	Eng. services	7,990.00
Roger Moler	Recycling service 6/94	300.00
Grundy County Landfill	Landfill 6/94	878.42
Grundy County Sheriff	Law enforcement 6/94	3,166.66

Motion by King, second by Sanderson that the above bills be accepted and warrants drawn on the same. Carried.

Total receipts for May 1994: \$62,308.82

General - 12,874.38	Road Use Tax - 4,236.67
Sewer - 2,105.14	Tax Inc. Fund - 34,729.95
Water - 3,818.89	Debt Service 4,543.79

One building permit was issued this month to Janice Juchems in the amount of \$500 for a deck.

Gary Moler reported that he needs to purchase a piece of equipment to test chlorine, fluoride and the pH level. The total cost of the equipment with a separate pH tester would be approximately \$1100 to \$1200. One without the separate pH probe would be \$1800.

King made a motion that Moler investigate further and consult with the equipment<sup>Committee</sup> and if the purchase is not over \$2,000 to proceed. Second by Case and carried.

Moler again made reference to the Safe Drinking Water Act and asked the council if he should proceed with the testing or not.

Lutes made the motion to delay initiation of any testing until the law is further clarified. Second by Case and carried.

Moler stated he needed to add hydrated lime to the sludge holding pit twice a year according to new sludge laws. Lutes noted that Bob's Farm Center has a tank of lime that the city can use for that purpose at a cost of \$30 a ton.

Adelmund has contacted Brycon to repair manholes and is waiting for them to get the work into their schedule. He has also contacted Cessford's for a bid on blacktopping but they haven't been here as yet.

Mayor Gearhart asked Adelmund to make sure that the company putting the new sidewalks in at the Conrad Clinic make the curb handicap accessible.

Gary Krause, on behalf of the Fire Department, asked for council approval to install three door openers at the Fire Station. One was donated by Cliff Wilson and the other two would be purchased from Priceless Overhead Doors of Marshalltown for \$1,040. The council gave their approval. The city will bring the electricity to the door openers.

Krause noted that citizens in the north and south parts of town are not able to hear the storm waring siren. Chief Hines will check to see if there is civil defense money available for additional sirens.

Mayor Gearhart reported that the Planning and Zoning Commission met on June 7, 1994 with himself and Shane Tiernan of the Conrad Development Corporation. He presented a letter from them stating they had examined the preliminary plats of Wolf Creek Estates and Tucker Trail Addition and recommended their acceptance to the City Council. They also recommended that the A1 zoning be changed to R1 in those additions.

There was a motion by Lutes, second by Sanderson to waive requiring sidewalks in the Wolf Creek and Tucker Trail Additions. Motion carried.

Sanderson made the motion to accept the agreement with IES Utilities to provide electricity to Lots 1-14 in the Tucker Trail addition for the advance cost of \$15,907. Second by Case and carried.

At this point in the meeting Hollis Ryken and John Cleary noted they had examined the bids and recommended the city accept the low bid from Concrete Foundations Inc. of Waterloo.

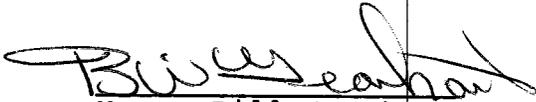
#### Resolution

Council Member Sanderson introduced the resolution to accept the bid of \$331,873.18 from Concrete Foundations Inc., Waterloo, IA and moved it be adopted. Council Member Lutes seconded the motion to adopt.

Roll call vote: Ayes: King, Lutes, Sanderson, Case, Krause  
Nays: None

Mayor Gearhart declared this resolution duly passed and

adopted this 13th day of June, 1994.

  
Mayor Bill Gearhart

Attest:   
Carol Whipple, Clerk

The council will hold a special meeting at a later date to approve the contract and bond.

John Ehn, Park Board chairman, and members, Betty Wood, Gloria Dielschneider, Ron Ladehoff, Rick Eckerman, Kurt Steckleberg, Steve Hedlund and pool operator, Bob Kruse, made a presentation to the council. The board has been investigating a Family Aquatic Center designed by Water Tech, Inc., Cedar Rapids at a cost of \$600,000. The present pool is outdated and no longer meets standards. The new plan includes a bathhouse, pool, slide & pump house. The Park Board was asked to get the feelings of the community for such a project before the council would make any kind of commitment.

Don Kliebenstein will visit with the bonding attorney in regard to the guidelines for a bond issue for this purpose.

The public hearing in in regard to the loan agreement between the First State Bank and the City of Conrad was held at 9:00 p.m. as advertised.

Jim Molloy was present to inform the council of the details of the loan. The \$400,000 loan, at 5.25%, is designed with a balloon payment payable on 6/1/99.

Resolution

Council Member Sanderson introduced the resolution approving and authorizing a loan agreement and providing for the issuance of \$400,000 General Obligation Corporate Purpose Note and providing for the levy of taxes to pay the same, and moved it be adopted. Council Member Case seconded the motion to adopt.

Roll call vote: Ayes: King, Lutes, Sanderson, Case, Krause  
Nays: None

Mayor Gearhart declared this resolution duly passed and adopted this 13th day of June, 1994.

  
Bill Gearhart, Mayor

Attest:   
Carol Whipple, Clerk

Mike Myers was appointed to a six year term and Danice Zern to a six year term as rural representative on the Library Board in a motion by Sanderson, second by Krause. Carried.

Kim Case was appointed to represent Conrad on the Government Services Sharing Program Steering Committee in a motion by Krause, second by Sanderson. Carried.

The council approved the spraying of dandelions on city property in the spring and fall by the city employees.

A Class C beer permit and Sunday Sales permit for Center Street MiniMart were approved in a motion by Lutes, second by Sanderson. Carried.

R.J.'s Lounge was granted a Class C liquor license in a motion by Sanderson, second by Lutes. Carried.

A request by Mary Morris to close Maple St. and Blythe St. west of Wilhelm on June 26th at 6:00 p.m. for a block party

**FOR YOUR RECORDS**

**MINUTES OF MEETING TO APPROVE  
PLANS AND SPECIFICATIONS AND  
FORM OF CONTRACT AND TO RECEIVE  
BIDS**

420912-3 (L)

Conrad, Iowa

June 13, 1994

The City Council of the City of Conrad, Iowa, met at the Council Chambers, City Hall, in Conrad, Iowa, at 7:00 o'clock p.m., on June 13, 1994, pursuant to previous resolution and published notice. The meeting was called to order, the Mayor presided and the roll being called, the following named Council Members were present and absent:

Present: King, Lutes, Krause, Case, Sanderson

Absent: None

The Mayor announced this was the time and place set for hearing and inspection of bids for the proposed Wolf Creek Estates and Tucker Trail Addition Improvements Project.

Upon investigation, it was found that no persons had appeared and filed objections to the proposed plans, specifications, form of contract and estimate of cost of such Wolf Creek Estates and Tucker Trail Addition Improvements Project as follows:

(Insert the word "no" in the blank space above or list here the names of objectors and the types of objections, if any are filed.)

~~The Council heard said objectors and evidence for or against the proposed Wolf Creek Estates and Tucker Trail Addition Improvements Project; whereupon, the Mayor declared the hearing closed. After further consideration, it was found that said objections were without merit, and it was moved by Council Member \_\_\_\_\_ and seconded by Council Member \_\_\_\_\_ that all objections be overruled. The Mayor put the question on the motion and the roll being called, the following named Council Members voted:~~

~~Ayes: \_\_\_\_\_~~

~~Nays: \_\_\_\_\_~~

~~Whereupon, the Mayor declared the said motion duly carried.~~

Council Member King introduced the following resolution and moved its adoption, seconded by Council Member Lutes; and after due consideration thereof by the Council, the Mayor put the question upon the motion and the roll being called, the following named Council Members voted:

Ayes: King, Lutes, Krause, Case, Sanderson

Nays: None

Whereupon, the Mayor declared the said motion duly carried and the resolution adopted as follows:

RESOLUTION NO. 94-6-1

Finally approving and confirming plans, specifications and form of contract for the Wolf Creek Estates and Tucker Trail Addition Improvements Project

WHEREAS, this Council has heretofore approved plans, specifications and form of contract for the proposed Wolf Creek Estates and Tucker Trail Addition Improvements Project (the "Project"), as described in the resolution providing for a notice of hearing on proposed plans and specifications, proposed form of contract and estimate of cost of the Project and the taking of bids therefor; and

WHEREAS, hearing has been held on objections to the proposed plans, specifications and form of contract and to the cost of the Project and all objections thereto have been overruled;

NOW, THEREFORE, IT IS RESOLVED by the City Council of the City of Conrad, Iowa, as follows:

Section 1. The plans, specifications and form of contract referred to in the preamble hereof are hereby finally approved, and the prior action of the Council approving them is hereby finally confirmed, and the Project, as provided for in the plans, specifications and form of contract, is necessary and desirable.

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, 1994

  
\_\_\_\_\_  
Mayor

Attest:

  
\_\_\_\_\_  
City Clerk

The Mayor announced that this was the time and place set for the reception and consideration of bids for the Wolf Creek Estates and Tucker Trail Addition Improvements Project.

It was moved by Council Member Lutes and seconded by Council Member Case that the Mayor and the City Clerk proceed with the opening of such proposals as had been filed, after first ascertaining that the required bid security accompanied each such proposal. The Mayor put the question on the motion and the roll being called, the following named Council Members voted:

Ayes: King, Lutes, Krause, Case, Sanderson  
Nays: None

Thereupon, the Mayor declared the said motion duly carried and the Mayor and the City Clerk proceeded accordingly.

Bids and proposals which had been submitted for the construction of the Wolf Creek Estates and Tucker Trail Addition Improvements Project were then opened and considered, and it was found that the following bids and proposals had been received:

<u>Name and Address of Bidder</u>	<u>Amount of Bid</u>
(List here or attach a sheet listing proposals received.)	
1. Wicks Construction Decorah, Iowa	361,609.90
2. Weichers Construction Cedar Falls, IA	333,415.68
3. Brycon Corporation Marshalltown, Iowa	361,736.46
4. Benway Construction Tama, Iowa	362,939.50
5. Construct, Inc. Marshalltown, Iowa	345,411.85
6. Concrete Foundations Inc. Waterloo, Iowa	331,873.18

It was moved by Council Member Sanderson and seconded by Council Member Krause that this meeting be adjourned to June 13, 1994, at 8:45 o'clock p.m., at the Council Chambers, City Hall, in Conrad, Iowa, at which time and place the Council will meet to further consider such proposals.

The Mayor put the question on the motion and the roll being called, the following named Council Members voted:

Ayes: King, Lutes, Krause, Case, Sanderson

Nays: None

Whereupon, the Mayor declared the said motion duly carried and the meeting was adjourned to the said time and place.

B. W. Yearhart  
Mayor

Attest:

Carol Whipple  
City Clerk

MINUTES OF MEETING TO AWARD CONTRACT

420912-3

Conrad, Iowa

June 13, 1994

The City Council of the City of Conrad, Iowa, met at the Council Chambers, City Hall in Conrad, Iowa, at 8:45 o'clock p.m., on June 13, 1994, pursuant to adjournment and the rules of this Council. The meeting was called to order by the Mayor and the roll being called, there were present the following named Council Members:

Present: King, Lutes, Krause, Case, Sanderson

Absent: None

The Council further considered proposals received for the proposed Wolf Creek Estates and Tucker Trail Addition Improvements Project and embodied its findings in the resolution next hereinafter referred to.

Council Member Sanderson introduced a resolution entitled: "Resolution awarding contract for the Wolf Creek Estates and Tucker Trail Addition Improvements Project", and moved that the said resolution be adopted; seconded by Council Member Lutes; and after due consideration thereof by the Council, the Mayor put the question upon the motion and the roll being called, the following named Council Members voted:

Ayes: King, Lutes, Krause, Case, Sanderson

Nays: None

Whereupon, the Mayor declared the said motion duly carried and the said resolution duly adopted.

RESOLUTION NO. 94-6-2

Awarding contract for the Wolf Creek Estates and Tucker Trail Addition Improvements Project

WHEREAS, pursuant to notice duly published in the manner and form prescribed by resolution of this Council and as required by law, bids and proposals were received by the City Clerk and reported to this Council for the Wolf Creek Estates and Tucker Trail Addition Improvements Project (the "Project"); and

WHEREAS, all of the said bids and proposals have been carefully considered, and it is necessary and advisable that provision be made for the award of the contract for the Project;

NOW, THEREFORE, IT IS RESOLVED by the City Council of the City of Conrad, Iowa, as follows:

Section 1. The bid for the Project submitted by the following contractor is fully responsive to the plans and specifications for the Project, heretofore approved by the Council, and is the lowest responsible bid received, such bid being as follows:

<u>Name and Address of Contractor</u>	<u>Amount of Bid</u>
Concrete Foundations Inc. 3359 Mt. Vernon Drive Waterloo, Iowa	\$ <u>331,873.18</u>

Section 2. The contract for the Project is hereby awarded to such contractor at the total estimated cost set out above, the final settlement to be made on the basis of the unit prices therein set out and the actual final quantities of each class of materials furnished, the said contract to be subject to the terms of the aforementioned resolution, the notice of hearing and letting, the plans and specifications and the terms of the bidder's written proposal.

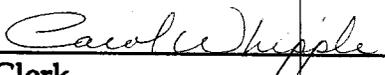
Section 3. The Mayor and City Clerk are hereby authorized and ordered to enter into a written contract with said contractor for the Project, said contract not to be binding until approved by resolution of this Council.

Section 4. The amount of the contractor's performance and/or payment bonds is hereby fixed and determined to be 100% of the amount of the contract.

Passed and approved June 13, 1994.

  
Mayor

Attest:

  
City Clerk

**FOR YOUR RECORDS**

420912-3 (Hearing/Issuance - G.O.)

Conrad, Iowa

June 13, 1994

The City Council of the City of Conrad, Iowa, met on June 13, 1994, at 9:00 o'clock p.m., at the Council Chambers, City Hall, Conrad, Iowa.

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

Present: King, Lutes, Krause, Case, Sanderson

Absent: None

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

After due consideration and discussion, Council Member Sanderson introduced the resolution next hereinafter set out and moved its adoption, seconded by Council Member Case. The Mayor put the question upon the adoption of said resolution, and the roll being called, the following named Council Members voted:

Ayes: King, Lutes, Krause, Case, Sanderson

Nays: None

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

RESOLUTION NO. \_\_\_\_\_

Approving and authorizing a Loan Agreement and providing for the issuance of a \$400,000 General Obligation Corporate Purpose Note and providing for the levy of taxes to pay the same

WHEREAS, pursuant to the provisions of Section 384.24A of the Code of Iowa, the City of Conrad, Iowa (the "City"), has heretofore proposed to contract indebtedness and enter into a loan agreement (the "Loan Agreement") in the principal amount of \$400,000 to provide funds to pay the cost, to that extent, of the construction of street and storm sewer improvements, and construction of water and sanitary sewer lines, and has published notice of the proposed action and has held a hearing thereon; and

WHEREAS, it is necessary at this time to authorize and approve the Loan Agreement and to make provision for the issuance of a General Obligation Corporate Purpose Note (the "Note") in evidence of the obligation of the City under the Loan Agreement;

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

Section 1. The City hereby determines to enter into the Loan Agreement with First State Bank, Conrad, Iowa, as lender (the "Lender"), in substantially the form as has been placed on file with the Council, providing for a loan to the City in the principal amount of \$400,000 for the purpose or purposes set forth in the preamble hereof.

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

Section 2. The Note is hereby authorized to be issued in the principal amount of \$400,000, and shall be dated as of the date of its delivery to the Lender and shall be payable as to both principal and interest in the manner hereinafter specified.

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

Principal of the Note shall bear interest until paid from the date of the Note or from the last date on which interest has been paid at the rate of 5.25% per annum. Both principal of and interest on the Note shall be payable in 10 equal semi annual installments in the amount of \$20,000 each, due June 1 and December 1 in each year, commencing December 1, 1994, to and including June 1, 1999, and one final installment (the "Final Installment") of all remaining principal at maturity on June

1, 1999. All payments shall be applied to the payment of any interest due and next to the reduction of principal.

Payment of both principal of and interest on the Note shall be made to the registered owner appearing on the registration books of the City at the close of business on the fifteenth day of the month next preceding the payment date and shall be paid by check or draft mailed to the registered owner at the address shown on such registration books; provided, however, that the final installment of principal and interest shall be payable only upon presentation and surrender of the Note to the Paying Agent.

The City reserves the right to prepay the Final Installment in whole or in part at any time prior to maturity on terms of par. All principal so prepaid shall cease to bear interest on the prepayment date.

The City hereby pledges the faith, credit, revenues and resources and all of the real and personal property of the City for the full and prompt payment of the principal of and interest on the Note.

The Note 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 a fully registered instrument without interest coupons. In case any officer whose signature or the facsimile of whose signature appears on the Note shall cease to be such officer before the delivery of the Note, 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 Note shall be fully registered as to principal and interest in the name of the owner on the registration books of the City kept by the Registrar, and after such registration, payment of the principal thereof and interest thereon shall be made only to the registered owner or its legal representatives or assigns. The Note shall be transferable 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 any owners of the Note shall be kept confidential as provided by Section 22.7 of the Code of Iowa.

Section 3. The Note shall be in substantially the following form:

(Form of Note)

**UNITED STATES OF AMERICA  
STATE OF IOWA COUNTY OF GRUNDY  
CITY OF CONRAD**

**GENERAL OBLIGATION CORPORATE PURPOSE NOTE**

No. 1 \$400,000

<b>RATE</b>	<b>MATURITY DATE</b>	<b>NOTE DATE</b>
5.25%	June 1, 1999	_____, 1994

The City of Conrad (the "City"), in the County of Grundy, State of Iowa, for value received, promises to pay in the manner hereinafter provided to

First State Bank  
Conrad, Iowa

or registered assigns, the principal sum of FOUR HUNDRED THOUSAND DOLLARS, together with interest on the outstanding principal hereof from the date of this Note, or from the most recent payment date on which interest has been paid, except as the provisions hereinafter set forth with respect to prepayment prior to maturity may be or become applicable hereto.

Principal of this Note shall bear interest until paid from the date of this Note or from the last date on which interest has been paid at the rate of 5.25% per annum. Both principal of and interest on this Note shall be payable in 10 equal semi annual installments in the amount of \$20,000 each, due June 1 and December 1 in each year, commencing December 1, 1994, to and including June 1, 1999, and one final installment (the "Final Installment") of all remaining principal at maturity on June 1, 1999. All payments shall be applied to the payment of interest due and next to the reduction of principal.

Both principal of and interest on this Note are payable to the registered owner appearing on the registration books of the City maintained by the City Clerk (hereinafter referred to as the "Registrar" or the "Paying Agent") at the close of business on the fifteenth day of the month next preceding the payment date in lawful money of the United States of America by check or draft mailed to the

registered owner at the address shown on such registration books; provided, however, that the final installment of principal and interest shall be payable only upon presentation and surrender of this Note to the Paying Agent.

This Note is issued by the City to evidence its obligation under a certain Loan Agreement, dated June 22, 1994 (the "Loan Agreement") entered into by the City for the purpose of providing funds to pay a portion of the cost of the construction of street and storm sewer improvements, and construction of water and sanitary sewer lines.

This Note is issued pursuant to and in strict compliance with the provisions of Chapter 384 and Chapter 76 of the Code of Iowa, 1993, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the City Council authorizing and approving the Loan Agreement and providing for the issuance and securing the payment of the Note (the "Resolution"), and reference is hereby made to the Resolution and the Loan Agreement for a more complete statement as to the source of payment of the Note and the rights of the owner of the Note.

The City reserves the right to prepay principal of the Final Installment, in whole or in part, at any time prior to maturity on terms of par. All principal so prepaid shall cease to bear interest on the prepayment date.

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

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

And It Is Hereby Certified and Recited that all acts, conditions and things required by the laws and Constitution of the State of Iowa, to exist, to be had, to be done or to be performed precedent to and in the issue of this Note were and have been properly existent, had, done and performed in regular and due form and time; that provision has been made for the levy of a sufficient continuing annual tax on

all the taxable property within the City for the payment of the principal of and interest on this Note as the same will respectively become due; that the faith, credit, revenues and resources and all the real and personal property of the City are irrevocably pledged for the prompt payment hereof, both principal and interest; and that the total indebtedness of the City, including this Note, does not exceed any constitutional or statutory limitations.

IN TESTIMONY WHEREOF, the City of Conrad, Iowa, by its City Council, has caused this Note to be sealed with its official seal, to be executed by its Mayor and attested by its City Clerk, all the 22nd day of June, 1994.

CITY OF CONRAD, IOWA

*Bruce Yearhart*  
By (Signature)  
Mayor

Attest:

*Carol Whipple*  
(Signature)  
City Clerk

(Seal)

**ABBREVIATIONS**

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

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

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

••••

On motion and vote, the meeting adjourned.

Bruce Seabart  
Mayor

Attest:

Carol A. Whipple  
City Clerk