

RESOLUTION #08-10-20-01
AUTHORIZING AND APPROVING A LOAN AGREEMENT AND PROVIDING FOR
THE ISSUANCE OF A \$2,000,000 GENERAL OBLIGATION COUNTY BUILDING
IMPROVEMENT NOTE, SERIES 2020, AND PROVIDING FOR THE LEVY OF TAXES
TO PAY THE SAME

WHEREAS, pursuant to the provisions of Section 331.402 of the Code of Iowa, the Board of Supervisors (the "Board") of Muscatine County, Iowa (the "County"), has heretofore proposed to contract indebtedness and enter into a loan agreement (the "Loan Agreement") in a principal amount not to exceed \$2,000,000 for the purpose of financing improvements and repairs to County buildings and has published notice of the proposed action and has held a hearing thereon; and

WHEREAS, a bid has been received for the purchase of a \$2,000,000 General Obligation County Building Improvements Note (the "Note") in evidence of the obligation of the County under the Loan Agreement, and it is necessary at this time to authorize and approve the Loan Agreement and to make provision for the issuance the Note;

NOW, THEREFORE, be it resolved by the Board of Supervisors of Muscatine County, Iowa, as follows:

Section 1. The bid from CBI Bank & Trust (the "Bank") is hereby accepted, and the Board determines to enter into the Loan Agreement with the Bank, providing for a loan to the County in the principal amount of \$2,000,000 for the purposes set forth in the preamble hereof.

The Chairperson and County Auditor are hereby authorized and directed to sign the Loan Agreement on behalf of the County, and the Loan Agreement is hereby approved.

Section 2. The Note is hereby authorized to be issued in evidence of the obligation of the County under the Loan Agreement, in the principal amount of \$2,000,000 for the purpose or purposes set forth in the preamble hereof.

The County Auditor 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 be payable in ten annual installments in the amount of \$200,000 each, on June 1 in each of the years 2021 to 2030, inclusive, and shall bear interest at the rate of 1.95% per annum.

Accrued interest on the Note shall be payable semiannually on the first day of June and December in each year, commencing June 1, 2021. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Payment of both principal of and interest on the Note shall be made to the registered owner appearing on the registration books of the County at the close of business on the fifteenth day of the month next preceding the payment date and shall be paid by electronic means or 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 County reserves the right to prepay principal of the Note in whole or in part at any time prior to and in inverse order of maturity on terms of par and accrued interest. All principal so prepaid shall cease to bear interest on the prepayment date.

The Note shall be executed on behalf of the County with the official manual or facsimile signature of the Chairperson and attested by the official manual or facsimile signature of the County Auditor and shall be a fully registered Note 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 County 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 without cost to the registered owner thereof only upon the registration books of the County 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.

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

(Form of Note)

**UNITED STATES OF AMERICA
STATE OF IOWA
MUSCATINE COUNTY**

**GENERAL OBLIGATION COUNTY BUILDING IMPROVEMENTS NOTE, SERIES
2020**

No. 1 \$2,000,000

MATURITY DATE

NOTE DATE

June 1, 2030

September 1, 2020

Muscatine County (the "County"), Iowa, for value received, promises to pay in the manner hereinafter provided to

CBI Bank & Trust
Muscatine, Iowa

or registered assigns, the principal sum of TWO MILLION 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 is payable in ten annual installments in the amount of \$200,000 each, on June 1 in each of the years 2021 to 2030, inclusive, and bears interest at the rate of 1.95% per annum.

Accrued interest on this Note shall be payable semiannually on the first day of June and December in each year, commencing June 1, 2021. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Both principal of and interest on this Note are payable to the registered owner appearing on the registration books of the County maintained by the County Auditor (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 electronic means or 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 County to evidence its obligation under a certain Loan Agreement, dated as of September 1, 2020 (the "Loan Agreement") entered into by the County for the purpose of paying the cost, to that extent, of financing improvements and repairs to County buildings.

This Note is issued pursuant to and in strict compliance with the provisions of Chapters 76 and 331 of the Code of Iowa, 2019, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the County Board of Supervisors authorizing and approving the Loan Agreement and providing for the issuance and securing the payment of this 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 this Note and the rights of the owner of this Note.

The County reserves the right to prepay principal of this Note, in whole or in part, at any time prior to and in inverse order of maturity on terms of par and accrued interest. 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 County 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 County, 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 County, 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 County for the payment of the principal of and interest on this Note as the same will respectively become due; and that the total indebtedness of the County, including this Note, does not exceed any constitutional or statutory limitations.

IN TESTIMONY WHEREOF, Muscatine County, Iowa, by its Board of Supervisors, has caused this Note to be executed by its Chairperson and attested by its County Auditor, on September 1, 2020.

MUSCATINE COUNTY, IOWA

By (DO NOT SIGN)
Chairperson, Board of Supervisors

Attest:

(DO NOT SIGN)
County Auditor

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.

ASSIGNMENT

For valuable consideration, receipt of which is hereby acknowledged, the undersigned assigns this Note 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 Note 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 Note in every particular, without alteration or enlargement or any change whatever.

Section 4. The Note shall be executed as herein provided as soon after the adoption of this resolution as may be possible and thereupon shall be delivered to the Registrar for registration and delivery to the Bank, upon receipt of the loan proceeds, and all action heretofore taken in connection with the Loan Agreement is hereby ratified and confirmed in all respects.

Section 5. For the purpose of providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on the Note as the same become due, there is hereby ordered levied on all the taxable property in the County in each of the years while the Note is outstanding, a tax sufficient for that purpose, and in furtherance of this provision, but not in limitation thereof, there is hereby levied on all the taxable property in the County the following direct annual tax for collection in each of the following fiscal years:

For collection in the fiscal year beginning July 1, 2021,
sufficient to produce the net annual sum of \$235,100;

For collection in the fiscal year beginning July 1, 2022,
sufficient to produce the net annual sum of \$231,200;

For collection in the fiscal year beginning July 1, 2023,
sufficient to produce the net annual sum of \$227,300;

For collection in the fiscal year beginning July 1, 2024,
sufficient to produce the net annual sum of \$223,400;

For collection in the fiscal year beginning July 1, 2025,
sufficient to produce the net annual sum of \$219,500;

For collection in the fiscal year beginning July 1, 2026,
sufficient to produce the net annual sum of \$215,600;

For collection in the fiscal year beginning July 1, 2027,
sufficient to produce the net annual sum of \$211,700;

For collection in the fiscal year beginning July 1, 2028,
sufficient to produce the net annual sum of \$207,800;

For collection in the fiscal year beginning July 1, 2029,
sufficient to produce the net annual sum of \$203,900.

(such taxes being supplemental and additional to taxes
previously authorized by the County Board of Supervisors
for this purpose for collection in the fiscal year that began
July 1, 2020).

Section 6. A certified copy of this resolution shall be filed with the County Auditor, and the Auditor is hereby instructed to enter for collection and assess the tax hereby authorized. When annually entering such taxes for collection, the County Auditor shall include the same as a part of the tax levy for Debt Service Fund purposes of the County and when collected, the proceeds of the taxes shall be converted into the Debt Service Fund of the County and set aside therein as a special account to be used solely and only for the payment of the principal of and interest on the Note hereby authorized and for no other purpose whatsoever.

Section 7. The interest or principal and both of them falling due in any year or years shall, if necessary, be paid promptly from current funds on hand in advance of taxes levied and when the taxes shall have been collected, reimbursement shall be made to such current funds to the sum thus advanced.

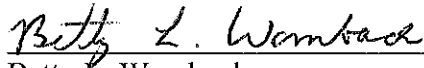
Section 8. It is the intention of the County that interest on the Note be and remain excluded from gross income for federal income tax purposes pursuant to the appropriate provisions of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations in effect with respect thereto (all of the foregoing herein referred to as the "Internal Revenue Code"). In furtherance thereof, the County 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 the applicable future laws, regulations, published rulings and court decisions as may be necessary to insure that the interest on the Note will remain excluded from gross income for federal income tax purposes. Any and all of the officers of the County are hereby authorized and directed to take any and all actions as may be necessary to comply with the covenants herein contained.

The County hereby designates the Note as a "Qualified Tax Exempt Obligation" as that term is used in Section 265(b)(3)(B) of the Internal Revenue Code.

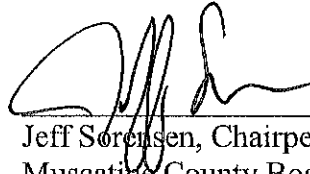
Section 9. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved this 10th day of August, 2020.

ATTEST:



Betty L. Wambach
First Deputy Auditor



Jeff Sorensen, Chairperson
Muscatine County Board of Supervisors