

Cass County Resolution No. 2017-036

Resolution authorizing and approving a Loan Agreement, providing for the sale and issuance of General Obligation County Purpose Bonds, Series 2017A and providing for the levy of taxes to pay the same

WHEREAS, the Board of Supervisors of Cass County, Iowa (the “County”), heretofore proposed to enter into a loan agreement (the “Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$4,500,000, pursuant to the provisions of Section 331.402, Section 331.441(2)(b)(4), Section 331.441(2)(b)(16) and Section 331.443 of the Code of Iowa, for the purpose paying the costs, to that extent, of (1) constructing grey water management improvements; and (2) undertaking capital projects for the construction of roads, bridges and culverts to assist in economic development which is anticipated to create jobs and wealth (collectively, the “Projects”), and pursuant to law and duly published notice of the proposed action has held a hearing thereon on June 30, 2017; and

WHEREAS, the Board has authorized Robert W. Baird & Co. (the “Placement Agent”) to negotiate the Loan Agreement and providing for the sale of General Obligation County Purpose Bonds, Series 2017A (the “Bonds”); and

WHEREAS, upon due consideration and advice from the Placement Agent, the proposal of Rolling Hills Bank & Trust, Atlantic, Iowa and First Whitney Bank & Trust, Atlantic, Iowa (sometimes collectively hereinafter referred to as the “Purchasers”), was determined to be the best, and the County has determined to enter into the Loan Agreement with the Purchasers; and

WHEREAS, it is now necessary to make final provision for the approval of the Loan Agreement and to authorize the issuance of the Bonds in evidence of the obligation of the County under the Loan Agreement;

NOW, THEREFORE, Be It Resolved by the Board of Supervisors of the County of Cass, Iowa, as follows:

Section 1. It is hereby determined that the County, shall enter into the Loan Agreement with the Purchasers, in substantially the form which will be placed on file with the County, providing for a loan to the County in the principal amount of \$2,498,000 for the purpose or 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 Bonds are hereby authorized to be issued in evidence of the obligation of the County under the Loan Agreement, in the total aggregate principal amount of \$2,498,000, to be dated September 12, 2017, numbered and in the denominations, or any integral multiple thereof, maturing on June 1 in each of the years, in the respective principal amounts and bearing interest at the respective rates, as follows:

<u>Numbers</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
R1	2026	\$1,249,000	2.25%

<u>Numbers</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
R2	2026	\$1,249,000	2.25%

Section 3. The County Auditor 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.”

The County reserves the right to optionally prepay part or all of the principal of the Bonds maturing in each of the years 2022 to 2026, inclusive, prior to and in inverse order of maturity on June 1, 2021 or on any date thereafter. All principal so prepaid shall cease to bear interest on the date of prepayment.

Principal of the R1 Bond maturing on June 1, 2026 is subject to mandatory redemption (by lot, as selected by the Registrar) on June 1, in each of the years 2021, 2022, 2023, 2024 and 2025, at a redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the redemption date, in the following principal amounts:

<u>Year</u>	<u>Principal Amount</u>
2021	\$211,500
2022	\$216,500
2023	\$221,500
2024	\$226,500
2025	\$231,500
2026	\$141,500 (Maturity)

Principal of the R2 Bond maturing on June 1, 2026 is subject to mandatory redemption (by lot, as selected by the Registrar) on June 1, in each of the years 2021, 2022, 2023, 2024 and 2025, at a redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the redemption date, in the following principal amounts:

<u>Year</u>	<u>Principal Amount</u>
2021	\$211,500
2022	\$216,500
2023	\$221,500
2024	\$226,500
2025	\$231,500
2026	\$141,500 (Maturity)

Outstanding principal of the Bonds shall bear interest at the per annum rates set forth above from the date of the Bonds, or from the most recent date on which interest has been paid as hereinafter set forth. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Accrued interest on the Bonds shall be payable semiannually on the first day of June and December in each year, commencing June 1, 2018.

Payment of both principal of and interest on the Bonds shall be made to the registered owners 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 at the addresses 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 Bonds to the Paying Agent.

The Bonds shall be executed on behalf of the County with the official manual or facsimile signature of the Chairperson and attested with the official manual or facsimile signature of the County Auditor and shall be fully registered Bonds without interest coupons. 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 the 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 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 Bonds shall be transferable 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.

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

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

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF IOWA
CASS COUNTY

GENERAL OBLIGATION COUNTY PURPOSE BOND, SERIES 2017A

No.R-1 \$1,249,000

RATE	MATURITY DATE	BOND DATE
2.25%	June 1, 2026	September 12, 2017

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

Rolling Hills Bank & Trust
Atlantic, Iowa

or registered assigns, the principal sum of ONE MILLION TWO HUNDRED FORTY-NINE 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. Payment of accrued interest on this Bond shall be due semiannually on June 1 and December 1 of each year, commencing June 1, 2018, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto. Interest on this Bond will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Principal of this Bond shall be subject to mandatory payment in installments on June 1 in each of the years and in such amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
2021	\$211,500
2022	\$216,500
2023	\$221,500
2024	\$226,500
2025	\$231,500
2026	\$141,500 (Maturity)

This Bond is one of a series of General Obligation County Purpose Bonds, Series 2017A (the "Bonds") issued by the County to evidence its obligation under a certain Loan Agreement, dated the date hereof (the "Loan Agreement"), entered into by the County for the purpose of paying the costs, to that extent, of (1) constructing grey water management improvements; and (2) undertaking capital projects for the construction of roads, bridges and culverts to assist in economic development which is anticipated to create jobs and wealth.

This Bond is issued pursuant to and in strict compliance with the provisions of Chapter 76 and Chapter 331 of the Code of Iowa, 2017, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the Board dated August 31, 2017 (the "Resolution") authorizing and approving the Loan Agreement and providing for the issuance and securing the payment of this Bond, 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 Bond and the rights of the owner of this Bond.

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

The County reserves the right to optionally prepay part or all of the principal of the Bonds maturing in each of the years 2022 to 2026, inclusive, prior to and in inverse order of maturity on June 1, 2021, or on any date thereafter. All principal so prepaid shall cease to bear interest on the date of prepayment

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 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 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 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 Bond 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 Bond as the same will respectively become due; and that the total indebtedness of the County, including this Bond, does not exceed any constitutional or statutory limitations.

IN TESTIMONY WHEREOF, Cass County, Iowa, by its Board of Supervisors, has caused this Bond to be executed by its Chairperson and attested by its County Auditor, on September 12, 2017.

CASS COUNTY, IOWA

By (DO NOT SIGN)
Chairperson, Board of Supervisors

Attest:

(DO NOT SIGN)
County Auditor

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

TEN ENT - as tenants by the entireties

JT TEN - as joint tenants with right of survivorship and not as tenants in common

UTMA _____
(Custodian)

As Custodian for _____
(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 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.

(Form of Bond)

UNITED STATES OF AMERICA
STATE OF IOWA
CASS COUNTY

GENERAL OBLIGATION COUNTY PURPOSE BOND, SERIES 2017A

No.R-2 \$1,249,000

RATE	MATURITY DATE	BOND DATE
2.25%	June 1, 2026	September 12, 2017

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

First Whitney Bank & Trust
Atlantic, Iowa

or registered assigns, the principal sum of ONE MILLION TWO HUNDRED FORTY-NINE 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. Payment of accrued interest on this Bond shall be due semiannually on June 1 and December 1 of each year, commencing June 1, 2018, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto. Interest on this Bond will be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Principal of this Bond shall be subject to mandatory payment in installments on June 1 in each of the years and in such amounts as follows:

<u>Year</u>	<u>Principal Amount</u>
2021	\$211,500
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2026	\$141,500 (Maturity)

This Bond is one of a series of General Obligation County Purpose Bonds, Series 2017A (the "Bonds") issued by the County to evidence its obligation under a certain Loan Agreement, dated the date hereof (the "Loan Agreement"), entered into by the County for the purpose of paying the costs, to that extent, of (1) constructing grey water management improvements; and (2) undertaking capital projects for the construction of roads, bridges and culverts to assist in economic development which is anticipated to create jobs and wealth.

This Bond is issued pursuant to and in strict compliance with the provisions of Chapter 76 and Chapter 331 of the Code of Iowa, 2017, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the Board dated August 31, 2017 (the "Resolution") authorizing and approving the Loan Agreement and providing for the issuance and securing the payment of this Bond, 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 Bond and the rights of the owner of this Bond.

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

The County reserves the right to optionally prepay part or all of the principal of the Bonds maturing in each of the years 2022 to 2026, inclusive, prior to and in inverse order of maturity on June 1, 2021, or on any date thereafter. All principal so prepaid shall cease to bear interest on the date of prepayment

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 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 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 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 Bond 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 Bond as the same will respectively become due; and that the total indebtedness of the County, including this Bond, does not exceed any constitutional or statutory limitations.

IN TESTIMONY WHEREOF, Cass County, Iowa, by its Board of Supervisors, has caused this Bond to be executed by its Chairperson and attested by its County Auditor, on September 12, 2017.

CASS COUNTY, IOWA

By (DO NOT SIGN)
Chairperson, Board of Supervisors

Attest:

(DO NOT SIGN)
County Auditor

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

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UTMA _____
(Custodian)

As Custodian for _____
(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 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.

Section 5. It is anticipated that closing of the borrowing transaction contemplated herein will be on or around September 12, 2017, provided, however, that execution of the Bonds and the Loan Agreement shall be undertaken 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 or upon the direction of the Purchasers, upon receipt of the proceeds (the "Loan Proceeds"), and all action heretofore taken in connection with the Loan Agreement is hereby ratified and confirmed in all respects. To the extent that the date of closing needs to be adjusted, the County Auditor, with advice from the Purchasers, Placement Agent and Bond Counsel to the County, is hereby authorized to make such adjustment and to modify the transaction documents accordingly.

Section 6. A portion of the Loan Proceeds (\$2,361,817.37) received from the sale of the Bonds, plus R.I.S.E. grant proceeds (\$1,358,608), shall be deposited in a dedicated fund (the "Project Fund"), which is hereby created, to be used for the payment of costs of the Projects and to the extent that any such proceeds (the "Project Proceeds") remain after the full payment of the costs of the Projects, such Project Proceeds, shall be transferred to the Debt Service Fund for the payment of interest on the Bonds.

The Loan Proceeds received as capitalized interest proceeds (\$91,957.63) shall be deposited into the Debt Service Fund for payment of interest on the Bonds through June 1, 2019.

The remainder of the Loan Proceeds (\$44,225) (the "Cost of Issuance Proceeds"), received from the sale of the Bonds shall be deposited in the Project Fund, and shall be used for the payment of costs of issuance of the Bonds, and to the extent that Cost of Issuance Proceeds remain after the full payment of the costs of issuance of the Bonds, such Cost of Issuance Proceeds shall be transferred to the Debt Service Fund for the payment of interest on the Bonds.

The County shall keep a detailed and segregated accounting of the expenditure of, and investment earnings on, the Loan Proceeds to ensure compliance with the requirements of the Internal Revenue Code, as hereinafter defined.

Section 7. 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 Bonds as the same become due, there is hereby ordered levied on all the taxable property in the County the following direct annual tax for collection in each of the following fiscal years, to wit:

For collection in the fiscal year beginning July 1, 2018,
sufficient to produce the net annual sum of \$56,205;

For collection in the fiscal year beginning July 1, 2019,
sufficient to produce the net annual sum of \$56,205;

For collection in the fiscal year beginning July 1, 2020,
sufficient to produce the net annual sum of \$479,205;

For collection in the fiscal year beginning July 1, 2021,
sufficient to produce the net annual sum of \$479,688;

For collection in the fiscal year beginning July 1, 2022,
sufficient to produce the net annual sum of \$479,945;

For collection in the fiscal year beginning July 1, 2023,
sufficient to produce the net annual sum of \$479,978;

For collection in the fiscal year beginning July 1, 2024,
sufficient to produce the net annual sum of \$479,785; and

For collection in the fiscal year beginning July 1, 2025,
sufficient to produce the net annual sum of \$289,368.

Section 8. A certified copy of this resolution shall be filed with the County Auditor, and the County 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 Bonds hereby authorized and for no other purpose whatsoever. Any amount received by the County as accrued interest on the Bonds shall be deposited into such special account and used to pay interest due on the Bonds on the first interest payment date.

Pursuant to the provisions of Section 76.4 of the Code of Iowa, each year while the Bonds remain outstanding and unpaid, any funds of the County which may lawfully be applied for such purpose, including incremental property tax revenues, may be appropriated, budgeted and, if received, used for the payment of the principal of and interest on the Bonds as the same become due, and if so appropriated, the taxes for any given fiscal year as provided for in Section 7 of this Resolution, shall be reduced by the amount of such alternate funds as have been appropriated for such purpose, and evidenced in the County's budget. The County has declared the Projects to be urban renewal projects of the County. The County intends to use incremental property tax revenues for the payment of principal and interest on the Bonds.

Section 9. 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 10. It is the intention of the County 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 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 Bonds 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 Bonds as "Qualified Tax Exempt Obligations" as that term is used in Section 265(b)(3)(B) of the Internal Revenue Code.

Section 11. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 12. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

PASSED AND APPROVED this 31st day of August, 2017.

/s/-Gaylord Schelling, Chairperson

Attest: /s/-Dale Sunderman, County Auditor