RESOLUTION NO. 210

Approving and authorizing a Loan Agreement and providing for the issuance of $65,000 Township Fire Equipment Notes and providing for the levy of taxes to pay the same

WHEREAS, the Board of Trustees of the Townships of Mitchell, Newburg, Otranto, Rock and St. Ansgar (hereinafter collectively referred to as the "Townships") have heretofore authorized and directed this Board to anticipate the collection of taxes levied on property within the Townships pursuant to Section 359.43 of the Code of Iowa and to borrow money on their behalf in the amount of $65,000 and enter into a loan agreement (the "Loan Agreement") and issue $65,000 Township Fire Equipment Notes pursuant to Sections 359.45, 331.402, and 331.441 through 331.449, inclusive, and 384.24A of the Code of Iowa; and

WHEREAS, the County has heretofore proposed to contract such indebtedness and has published notice of the proposed action and has held a hearing thereon;

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

Section 1. The County hereby determines to enter into the Loan Agreement with St. Ansgar State Bank, St. Ansgar, Iowa, as lender (the "Lender"), in substantially the form attached hereto providing for a loan to the County in the principal amount of $65,000, for the purpose 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. A Township Fire Equipment Note (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 $65,000, to be dated as of the date of delivery to the Lender, and bear interest from its date until paid as hereinafter provided at the rate of 9 per cent per annum. Both principal of and interest on the Note shall be payable in 9 equal annual installments in the amount of $10,128 each due on June 1 in each of the years 1990 to 1998, inclusive, and one final installment of all remaining principal with accrued interest thereon due at maturity on June 1, 1999, except that the first installment shall include an additional amount in payment of interest accruing on the Note from its date to June 1, 1989. Each installment shall be applied first to the payment of interest and next to the reduction of principal.

The County Auditor is hereby designated as the Registrar and Paying Agent for the Notes and may be hereinafter referred to as the "Registrar" or 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 upon terms of par and accrued interst. All principal so prepaid shall bease to bear interest on the prepayment date.

Payment of both principal of and interest on the Note shall be made in lawful money of the United States of America by check or draft mailed to the registered owner at the address 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; except that the final installment of principal and interst shall be payable only upon presentation and surrender of the Note at the office of the Paying Agent.

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 have the County's seal impressed or printed thereon, 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 of 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.

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 form set forth as Exhibit A to the Loan Agreement attached hereto, and shall be executed as herein provided as soon after the adoption of this resolution as may be and thereupon 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 Loan Agreement is hereby ratified and confirmed in all respects.

Section 4. Pursuant to Chapter 76 and Section 359.45 of the Code of Iowa and 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 has been and there is hereby ordered levied on all the taxable property within the Townships of Mitchell, Newburg, Otranto, Rock and St. Ansgar, excluding property within any benefited fire district or within the corporate limits of any city, 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 has been and there is hereby levied on all such taxable property as aforesaid 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, 1989, sufficient to produce the net annual sum of $10,632 (which levy has already been made);

For collection in the fiscal year beginning July 1, 1990, sufficient to produce the net annual sum of $10,128;

For collection in the fiscal year beginning July 1, 1991, sufficient to produce the net annual sum of $10,128;

For collection in the fiscal year beginning July 1, 1992, sufficient to produce the net annual sum of $10,128;

For collection in the fiscal year beginning July 1, 1993, sufficient to produce the net annual sum of $10,128;

For collection in the fiscal year beginning July 1, 1994, sufficient to produce the net annual sum of $10,128;

For collection in the fiscal year beginning July 1, 1995, sufficient to produce the net annual sum of $10,128;

For collection in the fiscal year beginning July 1, 1996, sufficient to produce the net annual sum of $10,128;

For collection in the fiscal year beginning July 1, 1997, sufficient to produce the net annual sum of $10,128;

For collection in the fiscal year beginning July 1, 1998, sufficient to produce the net annual sum of $10,133.

Section 5. A certified copy of this resolution shall be filed with the County Auditor of Mitchell County, and said Auditor shall be and 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. Any amount received by the County as accrued interest on the Note shall be deposited into such special account and used to pay principal of and/or interest due on the Note on the first payment date.

Section 6. The interest or principal and both of them falling due in any year or years shall, if necessary, be paid promptly from current available funds of the Townships in advance of taxes levied and when the taxes shall have been collected, reimbursement shall be made to such current funds in the sum thus advanced.

Section 7. 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 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 8. All resolutions or parts thereof in conflict herewith be and the same are hereby repealed to the extent of such conflict.

Passed and approved this 3rd day of April, 1989.

Don Hendrickson
Chairperson

Attest:

Sandra Heckstein
County Auditor

LOAN AGREEMENT

This Loan Agreement is entered into as of the first day of April, 1989, by and between the County of Mitchell, State of Iowa (the "County"), and St. Ansgar State Bank, St. Ansgar, Iowa (the "Lender"). The parties agree as follows:

1. The Lender shall loan to the County the sum of $65,000 and the County's obligation to repay hereunder shall be evidenced by the issuance of a Township Fire Equipment Note in the principal amount of $65,000 (the "Note").

2. The County has adopted a resolution (the "Resolution") authorizing and approving the Loan Agreement and providing for the issuance of the Note and the levy of taxes to pay the principal of and interest on the Note for the purpose of paying the cost, to that extent, of acquiring a fire truck for the Townships of Mitchell, Newburg, Otranto, Rock and St. Ansgar (the "Townships"). The Resolution is incorporated herein by reference, and the parties agree to abide by the terms and provisions of the Resolution. In and by the Resolution, provision has been made for the levy of a sufficient continuing annual tax on all the taxable property within the Townships, excluding property within any benefited fire district or within the corporate limits of any City for the payment of the principal of and interest on the Note as the same will respectively become due.

3. Any amount received by the County as accrued interest on the Note shall be deposited in the special account within the County's Debt Service Fund established pursuant to the Resolution and shall be held therein and used, along with other amounts on deposit in such account, to pay principal of and/or interest on the Note on the first payment date.

4. The County agrees to repay the loan and interest thereon as hereinafter provided. The Note in substantially the form set forth in Exhibit A attached hereto, shall be executed and delivered to the Lender to evidence the County's obligation to repay the amounts payable hereunder. The Note shall be dated as of the date of its delivery to the Lender and shall bear interest, shall be payable in installments on the dates and in the amounts, shall be subject to prepayment prior to maturity and shall contain such other terms and provisions as provided in the Note and the Resolution.

5. This Loan Agreement is executed pursuant to the provisions of Section 359.45, 331.402, 331.441 through 331.449, inclusive, and 384.24A of the Code of Iowa and shall be read and construed as conforming to all provisions and requirements of the statute.

IN WITNESS WHEREOF, we have hereunto affixed our signatures all as of the date first above written.

COUNTY OF MITCHELL, IOWA

By Don Hendrickson
Chairperson

Attest:

Sandra Heckstein
County Auditor

(Seal)

ST. ANSGAR STATE BANK
St. Ansgar, Iowa

By Timothy D. Halvorson
(Signature)
Timothy D. Halvorson
(Name)
Vice President
(Title)

EXHIBIT A

(Form of Note)

UNITED STATES OF AMERICA

STATE OF IOWA

COUNTY OF MITCHELL

TOWNSHIP FIRE EQUIPMENT NOTE

No. 1

$65,000

The County of Mitchell (the "County"), in the State of Iowa, for value received, promises to pay to

St. Ansgar State Bank
Box 219
237 West 4th
St. Ansgar, Iowa 50472

(the "Lender") or registered assigns, the principal sum of SIXTY FIVE THOUSAND DOLLARS ($65,000) with interest on said sum from the date hereof until paid as hereinafter provided at the rate of Nine Per Cent (9%) per annum. Both principal of and interest on this Note shall be payable in 9 equal annual installments of $10,128 each on June 1 in each of the years 1990 to 1998, inclusive, and one final installment of all remaining principal and accrued interest due thereon at maturity on June 1, 1999, provided, however, that the first installment shall include an additional amount in payment of interest accruing hereon from the date hereof to June 1, 1989, and the final installment of principal and interest shall be payable only upon presentation and surrender of this Note at the office of the Paying Agent in Osage, Iowa. Each installment shall be paid in lawful money of the United States of America at the close of business on the fifteenth day of the month next preceding the payment date by check or draft mailed to the registered owner hereof at the address shown on the County's registration books maintained by the County Auditor (hereinafter referred to as the "Registrar" or the "Paying Agent") and shall be applied first to the payment of interest and next to the reduction of principal..

The County reserves the right to prepay the principal hereof, 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 issued by the County to evidence its obligation under a certain Loan Agreement, dated as of April 1, 1989 (the "Loan Agreement"), entered into by the County for the purpose of providing funds to pay a portion of the cost of acquiring fire equipment for the Townships of Mitchell, Newburg, Otranto, Rock and St. Ansgar (the "Townships").

This Note is issued pursuant to and in strict compliance with the provisions of Chapter 76 and Sections 359.45, 331.402, and 331.441 through 331.449, inclusive, and 384.24A of the Code of Iowa, 1987, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the Board of Supervisors 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 owners of the Note.

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 this Note does not constitute a general obligation of the County but is payable only from taxes levied on property located within the Townships, (excluding any property within a benefited fire district or within the corporate limits of a city), and provision has been made for the levy of such taxes for the payment of the principal of and interest on this Note as the same will respectively become due; that the full faith and diligence of the County in collection and payment hereon of said taxes are irrevocably pledged for the prompt payment hereof, both principal and interest; and that the total indebtedness of the Townships and the County, including this Note, does not exceed any constitutional or statutory limitations.

IN TESTIMONY WHEREOF, the County of Mitchell, State of Iowa, by its Board of Supervisors, has caused this Note to be sealed its official seal, to be executed by its Chairpeson and attested by the duly authorized facsimile signature of its County Auditor, all the first day of April, 1989.

COUNTY OF MITCHELL, STATE OF IOWA

/s/ Don Hendrickson
Chairperson

Attest:

/s/ Sandra Heckstein
County Auditor

(Seal)

(Legend as to 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
TEN ENT - as tenants by the entireties
JT TEN - as joint tenants with right of survivorship and not as tenants in common

UNIF TRANSFER MIN ACT
________ Custodian ________
(Cust) (Minor)
under Uniform Transfers to Minors Act ________
(State)

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

(An Assignment, in the form hereinafter set out, should be printed on each Note:)

ASSIGNMENT

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

____

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

____
(Please print or type name and address 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.