

RESOLUTION NO. 382-96

To fix a date for a public hearing on a loan agreement in a principal amount not to exceed \$4,000,000

WHEREAS, Mitchell County, Iowa (hereinafter referred to as the "County"), did heretofore establish a county public hospital known as the Mitchell County Memorial Hospital, doing business as the Mitchell County Regional Health Center (hereinafter referred to as the "Hospital") pursuant to the provisions of Chapter 347 of the Code of Iowa; and

WHEREAS, the management and control of the Hospital are vested in the Board of Hospital Trustees (the "Hospital Board"); and

WHEREAS, the Hospital Board has determined it advisable to construct an addition to and renovate the Hospital's existing facilities and to acquire equipment and furnishings therefor (the "Project"); and

WHEREAS, at the request of the Hospital the County proposes to enter into a loan agreement (the "Loan Agreement") and borrow money in a principal amount not to exceed \$4,000,000 pursuant to the provisions of Section 331.402 of the Code of Iowa for the purpose of paying the cost, to that extent, of the Project and to issue its notes (the "Notes") pursuant to such loan agreement payable solely and only from the future revenues of the Hospital; and

WHEREAS, it is necessary to fix a date of meeting of this Board at which it is proposed to take action to enter into the Loan Agreement and to give notice thereof as required by such law; and

WHEREAS, the Internal Revenue Service has issued Section 1.150-2 of the Income Tax Regulations (the "Regulations") dealing with the issuance of the Notes if any proceeds of the Notes are to be used to reimburse the Hospital for project expenditures made by the Hospital prior to the date of issuance; and

WHEREAS, the Regulations generally require that the County, as issuer of the Notes, make a declaration of official intent to allow the Hospital to reimburse itself for such prior expenditures out of the proceeds of the Notes; and

WHEREAS, the County desires to comply with requirements of the Regulations with respect to the Project;

Please Return To
DORSEY & WHITNEY
ATTORNEYS AT LAW
801 Grand, Suite 3900
Des Moines, Iowa 50309

MINUTES ADOPTING A
RESOLUTION SETTING DATE FOR
HEARING ON ENTERING INTO A
LOAN AGREEMENT AND
RELATING TO THE FINANCING OF
A CERTAIN HOSPITAL PROJECT

439786-1 (1st 1/2 N/I)

July 16, 1996

Osage, Iowa

The Board of Supervisors of Mitchell County, Iowa, met on July 16, 1996, at 10:00 o'clock a.m., at the courthouse, Osage, Iowa. The Chairperson presided and the roll was called showing the following members of the Board present and absent:

Present: Hendrickson, McCarthy

Absent: _____

Supervisor McCarthy introduced a resolution hereinafter next set out and moved its adoption, seconded by Supervisor Hendrickson; and after due consideration thereof by the Board, the Chairperson put the question upon the adoption of the said resolution and the roll being called, the following named Supervisors voted:

Ayes: McCarthy, Hendrickson

Nays: _____

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

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

Section 1. This Board shall meet on the 7th day of August, 1996, at the courthouse, Osage, Iowa, at 10:00 o'clock a.m., at which time and place a hearing will be held and proceedings will be instituted and action taken to enter into the Loan Agreement.

Section 2. The County Auditor is hereby directed to give notice of the proposed action on the Loan Agreement setting forth the amount and purpose thereof, the time when and place where the said meeting will be held by publication at least once and not less than 14 nor more than 20 days before the meeting, in a legal newspaper of general circulation in the County. The notice shall be in substantially the following form:

NOTICE OF PROPOSED ACTION TO INSTITUTE PROCEEDINGS
TO ENTER INTO A LOAN AGREEMENT AND BORROW MONEY
IN A PRINCIPAL AMOUNT NOT TO EXCEED \$4,000,000

(HOSPITAL REVENUE)

The Board of Supervisors of Mitchell County, Iowa, will meet on the 7th day of August, 1996, at the Courthouse, Osage, Iowa, at 10:00 o'clock a.m., for the purpose of instituting proceedings and taking action to enter into a loan agreement (the "Loan Agreement") and borrow money and issue its notes in a principal amount not to exceed \$4,000,000 for the purpose of paying the cost, to that extent, of the construction of an addition to and renovation of the facilities owned and operated by Mitchell County Memorial Hospital, doing business as the Mitchell County Regional Health Center (the "Hospital"), including equipment and furnishings (the "Project") located at 616 North 8th Street, Osage, Iowa.

The Loan Agreement and Notes will not constitute a general obligations of the County but will be payable solely and only from the revenues of the Hospital pledged to their payment, and the Loan Agreement is proposed to be entered into pursuant to authority contained in Section 331.402 of the Code of Iowa.

At the aforementioned time and place, oral or written objections may be filed or made to the proposal to enter into the Loan Agreement. After receiving objections, the County may determine to enter into the Loan Agreement, in which case, the decision will be final unless appealed to the District Court within fifteen (15) days thereafter.

By order of the Board of Supervisors of Mitchell County, Iowa.

Sandra Heckstein
County Auditor

Section 3. The Hospital has indicated that it intends to proceed with the Project and that other than (i) expenditures to be paid or reimbursed from sources other than the proceeds of the Notes (ii) expenditures constituting preliminary expenditures authorized by the Regulations, (iii) expenditures made no earlier than 60 days prior to the date hereof, (iv) expenditures which constitute costs of issuance of the Notes or (v) expenditures not in excess of the lesser of \$100,000 or 5% of the proceeds of the Notes no expenditures for the Project have heretofore been made by the Hospital. The County declares its official intent to issue the Notes to finance the Project.

Section 4. All resolutions or parts of resolutions in conflict herewith be and the same are hereby repealed to the extent of such conflict.

Passed and approved July 16, 1996.

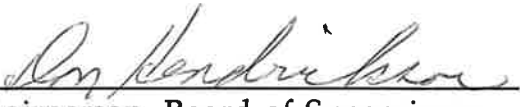

Chairperson, Board of Supervisors

Attest:


County Auditor

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On motion and vote, the meeting adjourned.


Chairperson, Board of Supervisors

Attest:


County Auditor

STATE OF IOWA

SS:

MITCHELL COUNTY

I, the undersigned, County Auditor of the aforementioned County, do hereby certify that attached hereto is a true and correct copy of the proceedings of the Board of Supervisors relating to the adoption of a resolution fixing a date for hearing on the Board's proposal to take action in connection with a loan agreement and relating to the financing of certain improvements to the Mitchell County Memorial Hospital, doing business as the Mitchell County Regional Health Center, all as referred to therein.

WITNESS MY HAND and the seal of the County hereto affixed this
16th day of July, 1996.

Sandra Heckstein
County Auditor

(Seal)