

RESOLUTION NO. 456-99

Approving and authorizing a Loan Agreement and providing for the issuance of \$53,000.00 Township Fire Equipment Notes and providing for the levy of taxes to pay the same.

WHEREAS, the Board of Trustees of the Townships of Liberty, Stacyville and Union (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 \$53,000.00 and enter into a loan agreement (the "Loan Agreement") and issue \$53,000.00 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 \$53,000.00, for the purpose set fourth 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 \$53,000.00, 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 5.75 percent per annum. Both principal of and interest on the Note shall be payable in 19 equal semi-annual installments in the amount of \$3521.29 each, the first installment due December 15, 1999 and the subsequent installments due every June 15 and December 15 each of the years 2000 to 2008, inclusive, and one final installment of all remaining principal with accrued interest thereon due at maturity on June 15, 2009. 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 interest. All principal so prepaid shall cease 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 first day of the month of that payment date; except that the final installment of principal and interest 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 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 Liberty, Stacyville and Union, 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, 1999, sufficient to produce the net annual sum of \$7,042.78 (which levy has already been made);

For collection in the fiscal year beginning July 1, 2000, sufficient to produce the net annual sum of \$7,042.78;

For collection in the fiscal year beginning July 1, 2001, sufficient to produce the net annual sum of \$7,042.78;

For collection in the fiscal year beginning July 1, 2002, sufficient to produce the net annual sum of \$7,042.78;

For collection in the fiscal year beginning July 1, 2003, sufficient to produce the net annual sum of \$7,042.78;

For collection in the fiscal year beginning July 1, 2004, sufficient to produce the net annual sum of \$7,042.78;

For collection in the fiscal year beginning July 1, 2005, sufficient to produce the net annual sum of \$7,042.78;

For collection in the fiscal year beginning July 1, 2006, sufficient to produce the net annual sum of \$7,042.78;

For collection in the fiscal year beginning July 1, 2007, sufficient to produce the net annual sum of \$7,042.78;

For collection in the fiscal year beginning July 1, 2008, sufficient to produce the net annual sum of \$7,071.53;

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.

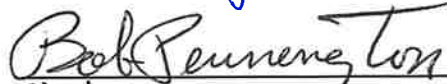
Section 6. The interest or principal and both of them falling due in any year or years shall, if necessary, be paid promptly from current available funds of the Townships in advance of taxes levied and when the taxes shall have been collected, reimbursement shall be made to such current funds in the 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 22nd day of June, 1999.


Chairperson

Attest:


County Auditor