

RESOLUTION NO. 10 19/20

Resolution authorizing and approving a certain Loan Agreement, providing for the issuance of \$750,000 General Obligation Urban Renewal Bonds, Series 2019 and providing for the levy of taxes to pay the same

WHEREAS, the Board of Supervisors of Osceola County (the "County"), heretofore proposed to enter into a General Obligation Urban Renewal Loan Agreement (the "Loan Agreement") and to borrow money thereunder in a principal amount not to exceed \$750,000 pursuant to the provisions of Section 331.402 and Section 331.441(2)(b)(14) of the Code of Iowa for the purpose of paying the costs, to that extent, of carrying out an urban renewal project in the 2003 Urban Renewal District 1 (Spirit Lake Ethanol, LLC a.k.a. Otter Creek Ethanol, LLC) consisting of constructing road and highway improvements for the promotion of economic development and agribusiness expansion (the "Project"), and in lieu of calling an election upon such proposal, has published notice of the proposed action and has held a hearing thereon, and as of September 17, 2019, no petition had been filed with the County asking that the question of entering into the Loan Agreement be submitted to the registered voters of the County; and

WHEREAS, a Preliminary Official Statement (the "P.O.S.") has been prepared to facilitate the sale of \$750,000 General Obligation Urban Renewal Bonds, Series 2019 (the "Bonds") in evidence of the obligation of the County under the Loan Agreement, and it is now necessary to make provision for the approval of the P.O.S. and to authorize its use by Speer Financial, Inc. (the "Financial Advisor"), as municipal financial advisor to the County; and

WHEREAS, pursuant to advertisement of sale, bids for the purchase of the Bonds to be issued in evidence of the County's obligation under the Loan Agreement were received and canvassed on behalf of the County and the substance of such bids noted in the minutes; and

WHEREAS, upon final consideration of all bids, the bid of Bankers' Bank, Madison, Wisconsin (the "Purchaser"), is the best, such bid proposing the lowest interest cost to the County for the Bonds; and

WHEREAS, the Purchaser has executed a certain Official Bid Form/Sale Agreement (the "Sale Agreement") with respect to the Loan Agreement and the Bonds, and the Board has previously approved the Sale Agreement and has made provision for its execution and delivery; 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;

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

Section 1. This Board of Supervisors hereby determines to enter into the Loan Agreement with the Purchaser, in substantially the form as has been placed on file with the Board, providing for a loan to the County in the principal amount of \$750,000, 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. The Bonds, in the aggregate principal amount of \$750,000, are hereby authorized to be issued in evidence of the County's obligations under the Loan Agreement. The Bonds shall be dated October 29, 2019, shall be issued in the denomination of \$5,000 each or any integral multiple thereof and shall mature on June 1 in each of the years, in the respective principal amounts, and bear interest at the respective rates as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest Rate Per Annum</u>	<u>Year</u>	<u>Principal</u>	<u>Interest Rate Per Annum</u>
2021	\$110,000	2.00%	2024	\$130,000	2.00%
2022	\$115,000	2.00%	2025	\$135,000	2.00%
2023	\$125,000	2.00%	2026	\$135,000	2.00%

Section 3. UMB Bank, n.a., West Des Moines, Iowa, 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 shall enter into an agreement (the "Registrar/Paying Agent Agreement") with the Registrar, in substantially the form as has been placed on file with the Board; the Chairperson and County Auditor are hereby authorized and directed to sign the Registrar/Paying Agent Agreement on behalf of the County; and the Registrar/Paying Agent Agreement is hereby approved.

The County reserves the right to optionally prepay part or all of the principal of the Bonds maturing on June 1 in the years 2025 and 2026, inclusive, prior to and in any order of maturity on June 1, 2024, or on any date thereafter upon terms of par and accrued interest. If less than all of the Bonds of any like maturity are to be redeemed, the particular part of those Bonds to be redeemed shall be selected by the Registrar by lot. The Bonds may be called in part in one or more units of \$5,000.

If less than the entire principal amount of any Bond in a denomination of more than \$5,000 is to be redeemed, the Registrar will issue and deliver to the registered owner thereof, upon surrender of such original Bond, a new Bond or Bonds, in any authorized denomination, in a total aggregate principal amount equal to the unredeemed balance of the original Bond. Notice of such redemption as aforesaid identifying the Bond or Bonds (or portion thereof) to be redeemed shall be sent by electronic means or by certified mail to the registered owners thereof at the addresses shown on the County's registration books not less than 30 days prior to such redemption date. All of such Bonds as to which the County reserves and exercises the right of redemption and as to which notice as aforesaid shall have been given and for the redemption of which funds are duly provided, shall cease to bear interest on the redemption date.

Accrued interest on the Bonds shall be payable semiannually on the first day of June and December in each year, commencing June 1, 2020. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months. Payment of 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 interest payment date and shall be

paid to the registered owners at the addresses shown on such registration books. Principal of the Bonds shall be payable in lawful money of the United States of America to the registered owners or their legal representatives upon presentation and surrender of the Bond or Bonds at the office of 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 not be valid or become obligatory for any purpose until the Certificate of Authentication thereon shall have been signed by the Registrar.

The Bonds shall be fully registered as to principal and interest in the names of the owners 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 owners or their 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 the owners of the Bonds shall be kept confidential as provided by Section 22.7 of the Code of Iowa.

Section 4. Notwithstanding anything above to the contrary, the Bonds shall be issued initially as Depository Bonds, with one fully registered Bond for each maturity date, in principal amounts equal to the amount of principal maturing on each such date, and registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). On original issue, the Bonds shall be deposited with DTC for the purpose of maintaining a book-entry system for recording the ownership interests of its participants and the transfer of those interests among its participants (the "Participants"). In the event that DTC determines not to continue to act as securities depository for the Bonds or the County determines not to continue the book-entry system for recording ownership interests in the Bonds with DTC, the County will discontinue the book-entry system with DTC. If the County does not select another qualified securities depository to replace DTC (or a successor depository) in order to continue a book-entry system, the County will register and deliver replacement Bonds in the form of fully registered certificates, in authorized denominations of \$5,000 or integral multiples of \$5,000, in accordance with instructions from Cede & Co., as nominee for DTC. In the event that the County identifies a qualified securities depository to replace DTC, the County will register and deliver replacement Bonds, fully registered in the name of such depository, or its nominee, in the denominations as set forth above, as reduced from time to time prior to maturity in connection with redemptions or retirements by call or payment, and in such event, such depository will then maintain the book-entry system for recording ownership interests in the Bonds.

Ownership interests in the Bonds may be purchased by or through Participants. Such Participants and the persons for whom they acquire interests in the Bonds as nominees will not receive certificated Bonds, but each such Participant will receive a credit balance in the records of DTC in the amount of such Participant's interest in the Bonds, which will be confirmed in accordance with DTC's standard procedures. Each such person for which a Participant has an interest in the Bonds, as nominee, may desire to make arrangements with such Participant to have all notices of redemption or other communications of the County to DTC, which may affect such person, forwarded in writing by such Participant and to have notification made of all interest payments.

The County will have no responsibility or obligation to such Participants or the persons for whom they act as nominees with respect to payment to or providing of notice for such Participants or the persons for whom they act as nominees.

As used herein, the term "Beneficial Owner" shall hereinafter be deemed to include the person for whom the Participant acquires an interest in the Bonds.

DTC will receive payments from the County, to be remitted by DTC to the Participants for subsequent disbursement to the Beneficial Owners. The ownership interest of each Beneficial Owner in the Bonds will be recorded on the records of the Participants whose ownership interest will be recorded on a computerized book-entry system kept by DTC.

When reference is made to any action which is required or permitted to be taken by the Beneficial Owners, such reference shall only relate to those permitted to act (by statute, regulation or otherwise) on behalf of such Beneficial Owners for such purposes. When notices are given, they shall be sent by the County to DTC, and DTC shall forward (or cause to be forwarded) the notices to the Participants so that the Participants can forward the same to the Beneficial Owners.

Beneficial Owners will receive written confirmations of their purchases from the Participants acting on behalf of the Beneficial Owners detailing the terms of the Bonds acquired. Transfers of ownership interests in the Bonds will be accomplished by book entries made by DTC and the Participants who act on behalf of the Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interest in the Bonds, except as specifically provided herein. Interest and principal will be paid when due by the County to DTC, then paid by DTC to the Participants and thereafter paid by the Participants to the Beneficial Owners.

Section 5. The Bonds shall be in substantially the following form:

(Form of Bond)

**UNITED STATES OF AMERICA  
STATE OF IOWA  
OSCEOLA COUNTY  
GENERAL OBLIGATION URBAN RENEWAL BOND, SERIES 2019**

No. \_\_\_\_\_ \$ \_\_\_\_\_

RATE	MATURITY DATE	BOND DATE	CUSIP
_____%	June 1, 20__	October 29, 2019	68803T ____

Osceola County (the "County"), State of Iowa, for value received, promises to pay on the maturity date of this Bond to

Cede & Co.  
New York, New York

or registered assigns, the principal sum of

THOUSAND DOLLARS

in lawful money of the United States of America upon presentation and surrender of this Bond at the office of UMB Bank, n.a., West Des Moines, Iowa (hereinafter referred to as the "Registrar" or the "Paying Agent"), with interest on said sum, until paid, at the rate per annum specified above from the date of this Bond, or from the most recent interest payment date on which interest has been paid, on June 1 and December 1 of each year, commencing June 1, 2020, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be or become applicable hereto. Interest on this Bond is payable 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 interest payment date, and shall be paid to the registered owner at the address shown on such registration books. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

This Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication hereon shall have been signed by the Registrar.

This Bond is one of a series of General Obligation Urban Renewal Bonds, Series 2019 (the "Bonds") issued by the County to evidence its obligation under a certain loan agreement, dated as of October 29, 2019 (the "Loan Agreement"), entered into by the County for the purpose of carrying out an urban renewal project in the 2003 Urban Renewal District 1 (Spirit Lake Ethanol, LLC a.k.a. Otter Creek Ethanol, LLC) consisting of constructing road and highway improvements for the promotion of economic development and agribusiness expansion.

The Bonds are issued pursuant to and in strict compliance with the provisions of Chapters 76 and 384 of the Code of Iowa, 2019, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the Board of Supervisors, adopted on October 15, 2019, authorizing and approving the Loan Agreement and providing for the issuance and securing the payment of the Bonds (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 Bonds and the rights of the owners of the Bonds.

The County reserves the right to optionally prepay part or all of the principal of the Bonds maturing on June 1 in the years 2025 and 2026, inclusive, prior to and in any order of maturity on June 1, 2024, or on any date thereafter upon terms of par and accrued interest. If less than all of the Bonds of any like maturity are to be redeemed, the particular part of those Bonds to be redeemed shall be selected by the Registrar by lot. The Bonds may be called in part in one or more units of \$5,000.

If less than the entire principal amount of any Bond in a denomination of more than \$5,000 is to be redeemed, the Registrar will issue and deliver to the registered owner thereof, upon surrender of such original Bond, a new Bond or Bonds, in any authorized denomination, in a total aggregate principal amount equal to the unredeemed balance of the original Bond. Notice of such redemption as aforesaid identifying the Bond or Bonds (or portion thereof) to be redeemed shall be sent by electronic means or by certified mail to the registered owners thereof at the addresses shown on the County's registration books not less than 30 days prior to such redemption date. All of such Bonds as to which the County reserves and exercises the right of redemption and as to which notice as aforesaid shall have been given and for the redemption of which funds are duly provided, shall cease to bear interest on the redemption date.

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, Osceola County, Iowa, by its Board of Supervisors, has caused this Bond to be executed with the duly authorized facsimile signature of its Chairperson and attested with the duly authorized facsimile signature of its County Auditor, all as of October 29, 2019.

OSCEOLA COUNTY, IOWA

By (DO NOT SIGN)  
Chairperson

Attest:

(DO NOT SIGN)  
County Auditor

Registration Date: (Registration Date)

REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This Bond is one of the Bonds described in the within-mentioned resolution.

UMB BANK, n.a.  
West Des Moines, Iowa  
Registrar

By: (Signature)  
Authorized Officer

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	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 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 6. The Bonds shall be executed as herein provided as soon after the adoption of this resolution as may be possible, and thereupon they shall be delivered to the Registrar for registration, authentication and delivery to or on behalf of the Underwriter, upon receipt of the loan proceeds, including original issue premium (the "Loan Proceeds"), and all action heretofore taken in connection with the Loan Agreement is hereby ratified and confirmed in all respects.

A portion of the Loan Proceeds (\$6,750) shall be retained by the Underwriter as underwriter's discount.

A portion of the Loan Proceeds (\$731,765.15) (the "Project Proceeds"), received from the sale of the Bonds shall be deposited in a dedicated fund (the "Project Fund"), which is hereby created, to be used for the payment of costs of the Project and to the extent that Project Proceeds remain after the full payment of the costs of the Project, such Proceeds, shall be transferred to the Debt Service Fund for the payment of interest on the Bonds.

The remainder of the Loan Proceeds (\$20,650) (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:

For collection in the fiscal year beginning July 1, 2020,  
sufficient to produce the net annual sum of \$125,000;

For collection in the fiscal year beginning July 1, 2021,  
sufficient to produce the net annual sum of \$127,800;

For collection in the fiscal year beginning July 1, 2022,  
sufficient to produce the net annual sum of \$135,500;

For collection in the fiscal year beginning July 1, 2023,  
sufficient to produce the net annual sum of \$138,000;

For collection in the fiscal year beginning July 1, 2024,  
sufficient to produce the net annual sum of \$140,400; and

For collection in the fiscal year beginning July 1, 2025,  
sufficient to produce the net annual sum of \$137,700.

Section 8. A certified copy of this resolution shall be filed with the County Auditor of Osceola County, 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 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 and approved the Project as an urban renewal project to be undertaken in the 2003 Urban Renewal District 1 (Spirit Lake Ethanol, LLC a.k.a. Otter Creek Ethanol, LLC). The County reserves the right to use incremental property tax revenues derived from the 2003 Urban Renewal District 1 (Spirit Lake Ethanol, LLC a.k.a. Otter Creek Ethanol, LLC) for the payment of principal of 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 are "Qualified Tax Exempt Obligations" as that term is used in Section 265(b)(3)(B) of the Internal Revenue Code.

Section 11. It is the intention of the County that the interest on the Bonds be and remain exempt from the taxes imposed by Division II (Personal Net Income Tax) and Division III (Business Tax on Corporations) of Chapter 422 of the Code of Iowa, as amended.

The County hereby declares that the Bonds are being issued solely for the urban renewal purposes of the County pursuant to the authority granted in Section 403.12 of the Code of Iowa and under the urban renewal plan for the 2019 CFE Urban Renewal Area. Furthermore, the County covenants to use the proceeds from the issuance of the Bonds strictly for the carrying out of urban renewal projects in the 2019 CFE Urban Renewal Area as set forth in the preamble hereof.

Section 12. The Securities and Exchange Commission (the "SEC") has promulgated certain amendments to Rule 15c2-12 under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12) (the "Rule") that make it unlawful for an underwriter to participate in the primary offering of municipal securities in a principal amount of \$1,000,000 or more unless, before submitting a bid or entering into a purchase contract for the bonds, an underwriter has reasonably determined that the issuer or an obligated person has undertaken in writing for the benefit of the bondholders to provide certain disclosure information to prescribed information repositories on a continuing basis or unless and to the extent the offering is exempt from the requirements of the Rule.

On the date of issuance and delivery of the Bonds, the County will execute and deliver a Continuing Disclosure Certificate pursuant to which the County will undertake to comply with the Rule. The County covenants and agrees that it will comply with and carry out the provisions of the Continuing Disclosure Certificate. 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 Rule and the Continuing Disclosure Certificate.

Section 13. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 14. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved on October 15, 2019.

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Chairperson, Board of Supervisors

Attest:

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County Auditor