

**RESOLUTION #07-03-23-03**  
**AUTHORIZING AND APPROVING A LOAN AGREEMENT AND PROVIDING FOR**  
**THE ISSUANCE OF A \$3,000,000 GENERAL OBLIGATION COUNTY PURPOSE**  
**NOTE AND PROVIDING FOR THE LEVY OF TAXES TO PAY THE SAME**

WHEREAS, the Board of Supervisors (the “Board”) of Muscatine County, Iowa (the “County”) heretofore proposed to enter into a General Obligation Loan Agreement (the “Essential Purpose Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$2,700,000, pursuant to the provisions of Section 331.402 of the Code of Iowa, for the purpose of paying the cost, to that extent, of (i) equipping the County Attorney Office Facility (\$80,000); (ii) constructing a bathroom addition at the County jail (\$195,000); (iii) constructing County jail parking lot and sidewalk improvements (\$120,000); (iv) undertaking County jail insulation and exterior wall improvements (\$580,000); (v) constructing the Deep Lake Parks maintenance building (\$225,000); (vi) undertaking repairs to County buildings (\$750,000); and (vii) constructing a satellite building for the County Engineer’s Office (\$750,000), and pursuant to law and duly published notice of the proposed action has held a hearing thereon on March 27, 2023; and

WHEREAS, the County also proposed to enter into a General Obligation Loan Agreement (the “General Purpose Loan Agreement #1”) and to borrow money thereunder in a principal amount not to exceed \$200,000 pursuant to the provisions of Section 331.402 of the Code of Iowa for the purpose of paying the cost, to that extent, of undertaking the resurfacing of County Conservation park roads, 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 March 27, 2023, no petition had been filed with the County asking that the question of entering into the General Purpose Loan Agreement #1 be submitted to the registered voters of the County; and

WHEREAS, the County also proposed to enter into a General Obligation Loan Agreement (the “General Purpose Loan Agreement #2”) and together with the Essential Purpose Loan Agreement and General Purpose Loan Agreement #1, the “Loan Agreements”) and to borrow money thereunder in a principal amount not to exceed \$100,000 pursuant to the provisions of Section 331.402 of the Code of Iowa for the purpose of paying the cost, to that extent, of undertaking upgrades to a conservation campground electrical system, 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 March 27, 2023, no petition had been filed with the County asking that the question of entering into the General Purpose Loan Agreement #2 be submitted to the registered voters of the County; and

WHEREAS, the County combined the Loan Agreements into a common loan agreement (the “Loan Agreement”); and

WHEREAS, the Board has authorized a certain term sheet for use in negotiating the Loan Agreement and providing for the private placement of a \$3,000,000 General Obligation County Purpose Note, Series 2023 (the “Note”) to be issued in evidence of the obligation under the Loan Agreement; and

WHEREAS, proposals for the placement of the Note to be issued in evidence of the County's obligation under the Loan Agreement have been received and reviewed; and

WHEREAS, upon due consideration of the proposals, the private placement proposal of CBI Bank & Trust, Muscatine, Iowa (the "Lender"), is the best, such bid proposing the most favorable terms to the County for the Note; and

WHEREAS, it is now necessary to make final provision for the approval of the Loan Agreement and to authorize the issuance of the Note;

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

Section 1. It is hereby determined that the County shall enter into the Loan Agreement with the Lender, in substantially the form which has been placed on file with the County, providing for a loan to the County in the amount of \$3,000,000 for the purpose or purposes as 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 Note is hereby authorized to be issued in evidence of the obligation of the County under the Loan Agreement in the principal amount of \$3,000,000, and shall be dated as of the date of delivery to the Lender (anticipated to be July 18, 2023). Principal of the Note shall be payable in ten (10) annual installments, payable on June 1 in each of the years, in the respective principal amounts, as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2024	\$300,000	2029	\$300,000
2025	\$300,000	2030	\$300,000
2026	\$300,000	2031	\$300,000
2027	\$300,000	2032	\$300,000
2028	\$300,000	2033	\$300,000

Section 3. The County Auditor is hereby designated as the registrar and paying agent for the Note and may be hereinafter referred to as the "Registrar" or the "Paying Agent."

Principal of the Note shall bear interest at the rate of 4.15% per annum from the date of the Note. Accrued interest on the Note shall be payable semiannually on the first day of June and December in each year, commencing December 1, 2023 and continuing to, and including, final maturity on

June 1, 2033. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Payment of both principal of and interest on the Note 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 Note 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 Note at the office of the Paying Agent.

The County reserves the right to prepay principal of the Note in whole or in part on any date prior to maturity upon terms of par and accrued interest. All principal so prepaid shall cease to bear interest on the prepayment date.

The Note 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 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 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 Note 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 Note shall be kept confidential as provided by Section 22.7 of the Code of Iowa.

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

(Form of Note)

UNITED STATES OF AMERICA  
STATE OF IOWA  
MUSCATINE COUNTY

GENERAL OBLIGATION COUNTY PURPOSE NOTE, SERIES 2023

No. 1 \$3,000,000

RATE	MATURITY DATE	NOTE DATE
4.15%	June 1, 2033	July 18, 2023

Muscatine County, State of Iowa, for value received, promises to pay in accordance with the provisions of this Note to

CBI Bank & Trust  
Muscatine, Iowa

or registered assigns, the principal sum of THREE MILLION 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, except as the provisions hereinafter set forth with respect to prepayment prior to maturity may be or become applicable hereto.

Principal of this Note shall be payable in ten (10) annual installments due on June 1 in each of the years, and in the respective amounts as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
2024	\$300,000	2029	\$300,000
2025	\$300,000	2030	\$300,000
2026	\$300,000	2031	\$300,000
2027	\$300,000	2032	\$300,000
2028	\$300,000	2033	\$300,000

This Note bears interest at the rate of 4.15% per annum. Accrued interest on this Note shall be payable semiannually on the first day of June and December in each year, commencing December 1, 2023 and continuing to, and including, final maturity on June 1, 2033. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Both principal of and interest on this Note 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 Note to the Paying Agent.

This Note is issued by the County, pursuant to a resolution adopted on July 3, 2023 (the "Resolution") to evidence its obligation under a certain loan agreement, dated as of July 18, 2023 (the "Loan Agreement"), entered into by the County for the purpose of paying the costs, to that extent, of (i) equipping the County Attorney Office Facility; (ii) constructing a bathroom addition at the County jail; (iii) constructing County jail parking lot and sidewalk improvements; (iv) undertaking County jail insulation and exterior wall improvements; (v) constructing the Deep Lake Parks maintenance building; (vi) undertaking repairs to County buildings; and (vii) constructing a satellite building for the County Engineer's Office; (viii) undertaking the resurfacing of County Conservation park roads; and (ix) undertaking upgrades to a conservation campground electrical system.

The Note is being issued pursuant to and in strict compliance with the provisions of Chapters 76 and 331 of the Code of Iowa, 2023, and all other laws amendatory thereof and supplemental thereto, and in conformity with the Resolution authorizing and approving the Loan Agreement and providing for the issuance and securing the payment of the Note, 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.

The County reserves the right to prepay principal of the Note in whole or in part on any date prior to maturity upon terms of par and accrued interest. All principal so prepaid shall cease to bear interest on the prepayment date.

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

IN TESTIMONY WHEREOF, Muscatine County, Iowa, by its Board of Supervisors, has caused this Note 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 July 18, 2023.

MUSCATINE COUNTY, IOWA

By (DO NOT SIGN)  
Chairperson, Board of Supervisors

Attest:

(DO NOT SIGN)  
County Auditor

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	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 Note 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 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.

Section 5. The Note 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 Lender, upon receipt of the loan 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 Lender and Bond Counsel to the County, is hereby authorized to make such adjustment and to modify the transaction documents accordingly.

Section 6. The proceeds (the "Loan Proceeds") to be received under the Loan Agreement shall be used to pay the costs of the Project and costs of issuance of the Note. Any Loan Proceeds remaining after the full payment of such costs shall be deposited in the Debt Service Fund and used to pay principal of and interest on the Note as the same become due. 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 Note 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, 2024,  
sufficient to produce the net annual sum of \$412,050;

For collection in the fiscal year beginning July 1, 2025,  
sufficient to produce the net annual sum of \$399,600;

For collection in the fiscal year beginning July 1, 2026,  
sufficient to produce the net annual sum of \$387,150;

For collection in the fiscal year beginning July 1, 2027,  
sufficient to produce the net annual sum of \$374,700;

For collection in the fiscal year beginning July 1, 2028,  
sufficient to produce the net annual sum of \$362,250;

For collection in the fiscal year beginning July 1, 2029,  
sufficient to produce the net annual sum of \$349,800;

For collection in the fiscal year beginning July 1, 2030,  
sufficient to produce the net annual sum of \$337,350;

For collection in the fiscal year beginning July 1, 2031,  
sufficient to produce the net annual sum of \$324,900; and

For collection in the fiscal year beginning July 1, 2032,  
sufficient to produce the net annual sum of \$312,450.

(Such taxes being supplemental and additional to taxes previously authorized by the County for this purpose for collection in the fiscal year beginning July 1, 2023).

Section 8. A certified copy of this resolution shall be filed with the County Auditor of Muscatine County, 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 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 interest due on the Note on the first interest payment date.

Pursuant to the provisions of Section 76.4 of the Code of Iowa, each year while the Note remain outstanding and unpaid, any funds of the County which may lawfully be applied for such purpose, may be appropriated, budgeted and, if received, used for the payment of the principal of and interest on the Note 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 said purpose and evidenced in the County's budget.

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 in the sum thus advanced.

Section 10. 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 the 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 "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.

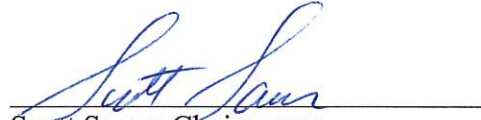
Section 12. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved July 3, 2023.

ATTEST:



Tibe Vander Linden  
Muscatine County Auditor



Scott Sauer, Chairperson  
Muscatine County Board of Supervisors