

RESOLUTION NO. 2016-25

Resolution authorizing and approving a Loan Agreement, providing for the issuance of \$4,395,000 General Obligation County Refunding Bonds, Series 2016A, directing the levy of taxes to pay the same and approving escrow agreement

WHEREAS, the Board of Supervisors (the "Board") of Clay County, Iowa (the "County"), has previously issued \$5,090,000 General Obligation County Purpose Bonds, Series 2011A, (the "Series 2011A Bonds"); and

WHEREAS, in the resolution authorizing the issuance of the Series 2011A Bonds, the County reserved the right to call for payment prior to maturity any or all of the Series 2011A Bonds maturing after June 1, 2019 (the "Callable Series 2011A Bonds"); and

WHEREAS, the Board has heretofore proposed to issue General Obligation County Refunding Bonds, Series 2016A, pursuant to the provisions of Chapter 331 of the Code of Iowa, and has proposed to enter into a loan agreement (the "Loan Agreement") for the purpose of paying the cost, to that extent, of advance refunding all of the Callable Series 2011A Bonds and has published notice of the proposed action and has held a hearing thereon; and

WHEREAS, it has been proposed that the County enter into the Loan Agreement with Northland Securities, Minneapolis MN (the "Purchaser") and issue \$4,395,000 General Obligation County Refunding Bonds, Series 2016A (the "Bonds") in evidence of its obligations under the Loan Agreement; and

WHEREAS, the Purchaser prepared a certain Bond Purchase Agreement (the "Bond Purchase Agreement") with respect to the Loan Agreement and the Bonds, and the Board has previously approved the Bond Purchase Agreement and has made provision for its execution and delivery; and

WHEREAS, it is now necessary to take final action for approval of the Loan Agreement and the issuance of the Bonds, and to authorize the early redemption of the Callable Series 2011A Bonds;

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

Section 1. The County shall 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 \$4,395,000, for the purpose set forth in the preamble hereof.

The Chairperson of the Board 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 are hereby authorized to be issued in evidence of the obligation of the County under the Loan Agreement, in the total aggregate principal amount of \$4,395,000, to be dated August 15, 2016, in the denomination of \$5,000 each, or any integral multiple thereof,

maturing annually on June 1 in each of the years, in the respective principal amounts and bearing interest at the respective rates as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
2020	\$325,000	2.000%	2025	\$365,000	2.000%
2021	\$335,000	2.000%	2026	\$370,000	2.000%
2022	\$340,000	2.000%	2028	\$765,000	2.000%
2023	\$345,000	2.000%	2030	\$790,000	2.000%
2024	\$355,000	2.000%	2031	\$405,000	2.125%

Section 3. Bankers Trust Company, 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 prepay part or all of the principal of the Bonds maturing in each of the years 2024 to 2031, inclusive, prior to and in any order of maturity on June 1, 2023, or on any date thereafter upon terms of par and accrued interest.

Principal of the Bond maturing on June 1, 2028, is subject to mandatory redemption (by lot, as selected by the Registrar) on June 1, 2027, at a redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the redemption date, in the following principal amount:

<u>Year</u>	<u>Principal Amount</u>
2027	\$380,000
2028	\$385,000(Maturity)

Principal of the Bond maturing on June 1, 2030, is subject to mandatory redemption (by lot, as selected by the Registrar) on June 1, 2029, at a redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the redemption date, in the following principal amount:

<u>Year</u>	<u>Principal Amount</u>
2029	\$390,000
2030	\$400,000(Maturity)

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 mailed 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. Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Paying Agent of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was sent. 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, 2017. 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 of the Board 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. Each Bond 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 interest 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.
Passed and approved August 2, 2016.

Barry G. Anderson, Chairperson, Board of Supervisors
Attest: /s/ Marjorie A. Pitts, County Auditor