

RESOLUTION NO. 2015-26

Resolution authorizing and providing for the issuance and securing the payment of \$2,325,000 Local Option Sales and Services Tax Improvement and Refunding Revenue Bonds

WHEREAS, pursuant to Chapter 422B of the Code of Iowa and elections duly held, Clay County, Iowa (the "County"), and the City of Spencer (the "City") are entitled to receive proceeds of a one percent local option sales and services tax (the "Local Option Tax") which is being imposed in accordance with Chapter 422B and an ordinance duly adopted by the Board of Supervisors of the County with respect thereto (the "Ordinance"); and

WHEREAS, the purposes for which the revenues from the Local Option Tax to be received by the County and the City may be expended include 10% for the Clay County Fair Association for capital improvements at the Fairgrounds; and

WHEREAS, Chapter 422B authorizes the County to issue revenue bonds in anticipation of the receipt of revenues from the Local Option Tax; and

WHEREAS, the County issued its Local Option Sales and Services Tax Revenue Bonds, Series 2004 (the "Series 2004 Bonds"), a portion of which remain outstanding; and

WHEREAS, in the resolution authorizing the issuance of the Series 2004 Bonds, the County reserved the right to call for prepayment part or all of the Series 2004 Bonds prior to their maturity; and

WHEREAS, the County has proposed to issue \$2,325,000 Local Option Sales and Services Tax Improvement and Refunding Revenue Bonds (the "Series 2015 Bonds") for the purpose of paying the cost, to that amount, of the construction of additional improvements at the Fairground and of refunding the outstanding balance of the Series 2004 Bonds, and has published notice of such proposal and has held a hearing thereon; and

WHEREAS, the County and the City have entered into an Agreement Regarding Allocation of Local Option Sales and Services Tax Pursuant to Section 422B.12 (the "Agreement"), pursuant to which the City and County have agreed to use a portion of the revenues each will receive from the Local Option Tax for the payment of indebtedness incurred by the County on behalf of the Clay County Fair Association (the revenues to be received by the County and the City from the Local Option Tax which are subject to and allocated by the Agreement are hereinafter referred to as the "Allocated Tax Revenues");

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

Section 1. For the purpose referred to in the preamble hereof and pursuant to Chapter 422B of the Code of Iowa, the Series 2015 Bonds are hereby authorized to be issued as a single term bond (the "Series 2015 Bond"), with a final maturity of June 1, 2040, and with mandatory principal installments due on June 1 in each of the years and in such amounts as follows:

Principal <u>Year</u>	<u>Installment</u>	Principal <u>Year</u>	<u>Installment</u>
2016	\$38,000	2029	\$112,000
2017	\$35,000	2030	\$117,000

2018	\$36,000	2031	\$122,000
2019	\$38,000	2032	\$127,000
2020	\$40,000	2033	\$132,000
2021	\$41,000	2034	\$137,000
2022	\$43,000	2035	\$144,000
2023	\$50,000	2036	\$149,000
2024	\$51,000	2037	\$156,000
2025	\$54,000	2038	\$162,000
2026	\$56,000	2039	\$169,000
2027	\$104,000	2040	\$104,000
2028	\$108,000		

Section 2. Outstanding principal of the Series 2015 Bond shall bear interest at the rate of 4.15% per annum, from the date of the Series 2015 Bond or from the most recent date on which interest has been paid. Accrued interest on the Series 2015 Bond shall be payable semiannually on the first day of June and December in each year, commencing December 1, 2015. Payment of interest on and principal of the Series 2015 Bond shall be made to the registered owners appearing on the bond registration books of the County at the close of business on the fifteenth day of the month next preceding the interest or principal payment date and shall be paid by electronic wire transfer or by check or draft mailed to the registered owners at the addresses shown on such registration books; provided, however, that the final payment of principal shall be made only upon presentation and surrender of the Series 2015 Bond at the office of the Paying Agent.

Section 3. The Clay County Auditor is hereby designated as the Registrar and Paying Agent for the Series 2015 Bond and may be hereinafter referred to as the “Registrar” or the “Paying Agent”.

The County reserves the right to call and redeem part or all of the principal of the Series 2015 Bond prior to and in any order of maturity on any date, on terms of par and accrued interest. If less than all of the principal of the Series 2015 Bond is to be redeemed, the particular part of the Series 2015 Bond to be redeemed shall be selected by the Bond Registrar by lot. Notice of such redemption identifying the portion of the Series 2015 Bond 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. That portion of the Series 2015 Bond as to which the County reserves and exercises the right of redemption and as to which notice shall have been given and for the redemption of which funds are duly provided shall cease to bear interest on the redemption date.

The Series 2015 Bond shall be executed on behalf of the County with the official manual or facsimile signature of the Chairperson and attested by the official manual or facsimile signature of the County Auditor, and shall be a fully registered bond without interest coupons. In case any officer whose signature or the facsimile of whose signature shall appear on the Series 2015 Bond shall cease to be such officer before the delivery of such Series 2015 Bond, 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 Series 2015 Bond and the interest thereon and any additional bonds as may be hereafter issued and outstanding from time to time ranking on a parity therewith under the conditions set forth herein (which additional bonds are hereinafter sometimes referred to as the “Parity Bonds”) (the Series 2015 Bond and any Parity Bonds are sometimes hereinafter collectively referred to as the “Bonds”), shall be payable solely from the Sinking Fund hereinafter referred to and shall be a valid claim of the holder thereof only against said

fund, and none of the Bonds shall be a general obligation of the County, and under no circumstances shall the County be in any manner liable by reason of the failure of the Allocated Tax Revenues to be sufficient for the payment in whole or in part of the Bonds and the interest thereon; but the Bonds shall be payable both as to principal and interest solely and only from the future Allocated Tax Revenues pledged therefor as hereinafter provided.

The Series 2015 Bond 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 Bond Registrar, and after such registration, payment of the principal and interest thereof shall be made only to the registered owners, their legal representatives or assigns. The Series 2015 Bond shall be transferable only upon the registration books of the County upon presentation to the Bond Registrar, together with either a written instrument of transfer satisfactory to the Bond 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 Series 2015 Bond shall be kept confidential as provided by Section 22.7 of the Code of Iowa.

The Series 2015 Bond shall not be valid or become obligatory for any purpose until the Certificate of Authentication thereon shall have been signed by the Bond Registrar.

Section 4. The Series 2015 Bond shall be in substantially the following form:

(Form of Series 2015 Bond)

UNITED STATES OF AMERICA
STATE OF IOWA
CLAY COUNTY

LOCAL OPTION SALES AND SERVICES TAX IMPROVEMENT AND REFUNDING
REVENUE BOND
SERIES 2015
(CLAY COUNTY FAIRGROUNDS PROJECT)

No. \$2,325,000

RATE	MATURITY DATE	BOND DATE	CUSIP
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Clay County (the "County"), Iowa, for value received, promises to pay in the manner hereinafter provided to:

or registered assigns, the principal sum of

TWO MILLION THREE HUNDRED TWENTY-FIVE THOUSAND DOLLARS

in lawful money of the United States of America, 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 December 1, 2015, except as the provisions hereinafter set forth with respect to redemption prior to maturity may be and become applicable hereto.

The Clay County Auditor is the Registrar and Paying Agent for this Bond and may be hereinafter referred to as the “Registrar” or the “Paying Agent.”

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

This Bond is issued by the County pursuant to and in strict compliance with the provisions of Chapter 422B of the Code of Iowa, 2015, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the Board of Supervisors of the County authorizing and providing for the sale and issuance and securing the payment of \$2,325,000 Local Option Sales and Services Tax Improvement and Refunding Revenue Bonds, Series 2015 (the “2015 Bond Resolution”), and reference is hereby made to the 2015 Bond Resolution for a more complete statement as to the source of payment of this Bond and the rights of the owners of this Bond.

This Bond has been issued as a single term Bond with a final maturity of June 1, 2040, and with mandatory periodic principal installments due on June 1 in each of the years and in such amounts as follows:

<u>Year</u>	<u>Principal Installment</u>	<u>Year</u>	<u>Principal Installment</u>
2016	\$38,000	2029	\$112,000
2017	\$35,000	2030	\$117,000
2018	\$36,000	2031	\$122,000
2019	\$38,000	2032	\$127,000
2020	\$40,000	2033	\$132,000
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2026	\$56,000	2039	\$169,000
2027	\$104,000	2040	\$104,000
2028	\$108,000		

This Bond is issued for the purpose of paying the cost of construction of improvements at the Clay County Fairgrounds and of refunding the outstanding balance of the County’s Local Option Sales and Services Tax Revenue Bonds, Series 2004, and is not a general obligation of the County, but this Bond, together with any additional bonds as may be hereafter issued and outstanding from time to time ranking on a parity therewith under the conditions set forth in the 2015 Bond Resolution, is payable from and secured solely and only by a pledge of certain revenues to be received by the County and by the City of Spencer, Iowa, from a local option sales and services tax, as defined and provided in the 2015 Bond Resolution (the “Allocated Tax Revenues”). The County has covenanted and agreed that it will deposit such Allocated Tax Revenues to the Sinking Fund created in the 2015 Bond Resolution to pay the principal of and interest on this Bond and other bonds ranking on a parity therewith, as the same become due. Under no circumstances shall the County be in any manner liable by reason of the failure of the said Allocated Tax Revenues to be sufficient for the payment of this Bond and the interest hereon.

Payment of principal of and interest on this Bond shall be made 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 principal or interest payment date and shall be paid by electronic wire transfer or by check or draft mailed to the registered owner at the address shown on such registration books, provided that the final payment of principal shall be made only upon presentation and surrender of this Bond at the office of the Paying Agent.

The County reserves the right to call and redeem part or all of the principal of this Bond prior to and in any order of maturity on any date, on terms of par and accrued interest. If less than all of the principal of this Bond is to be redeemed, the particular part of this Bond to be redeemed shall be selected by the Bond Registrar by lot. Notice of such redemption identifying the portion of this Bond 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. That portion of this Bond as to which the County reserves and exercises the right of redemption and as to which notice 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 names of the owners on the books of the County in the office of the Bond Registrar, after which no transfer shall be valid unless made on said books and then only upon presentation of this Bond to the Bond Registrar, together with either a written instrument of transfer satisfactory to the Bond 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 Bond 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 Bond Registrar and the Paying Agent shall not be affected by any notice to the contrary.

And It Is Hereby Certified, Recited and Declared that all acts, conditions and things required to exist, happen and be performed precedent to and in the issuance of this Bond have existed, have happened and have been performed in due time, form and manner, as required by law, and that the issuance of this Bond does not exceed or violate any constitutional or statutory limitation or provision.

IN TESTIMONY WHEREOF, Clay 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 by the duly authorized facsimile signature of its County Auditor, all as of the 4th day of August, 2015.

CLAY COUNTY, IOWA

By: /s/Linda K. Swanson, Chairperson, Board of Supervisors

Attest: /s/Marjorie A. Pitts, County Auditor