



**BUSINESS OF THE CITY COUNCIL  
BONDURANT, IOWA  
AGENDA STATEMENT**


Item No. 12  
For Meeting of 06.15.2020

**ITEM TITLE:** Public authorizing and approving a Loan Agreement and providing for the issuance and securing the payment of \$2,665,000 Sewer Revenue Bonds, Series 2020C

**CONTACT PERSON:** Marketa Oliver, City Administrator

**SUMMARY EXPLANATION:**

The purpose for this resolution is to authorize the sewer revenue bonds for the NW Trunk Sewer project that is currently underway. A public hearing on the matter was held April 20, 2020. The bonds were privately negotiated and the City secured a 2.65% rate.

<input checked="" type="checkbox"/> Resolution _____	<input type="checkbox"/> Ordinance _____	<input type="checkbox"/> Contract _____	<input type="checkbox"/> Other (Specify) _____
Funding Source _____			
APPROVED FOR SUBMITTAL _____  City Administrator			

**RECOMMENDATION:** Staff recommends approval of the resolution.

## CITY OF BONDURANT

## RESOLUTION NO. 200615-182

Resolution authorizing and approving a Loan Agreement and providing for the issuance and securing the payment of \$2,665,000 Sewer Revenue Bonds, Series 2020C

WHEREAS, the City of Bondurant (the “City”), in Polk County, State of Iowa, did heretofore establish a Municipal Sanitary Sewer System (the “Utility”) in and for the City which has continuously supplied sanitary sewer service in and to the City and its inhabitants since its establishment; and

WHEREAS, the management and control of the Utility are vested in the City Council (the “Council”) and no board of trustees exists for this purpose; and

WHEREAS, the City heretofore proposed to enter into a Sewer Revenue Loan Agreement (the “Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$2,750,000, pursuant to the provisions of Section 384.24A of the Code of Iowa, for the purpose of paying the cost, to that extent, of constructing improvements and extensions to the Utility, and pursuant to law and a notice duly published, the City Council has held a public hearing on such proposal on April 20, 2020;

WHEREAS, Piper Sandler & Co. (the “Placement Agent”) as placement agent to the City has advised that the City consider private placement proposals for the placement of the Loan Agreement and the corresponding issuance of Sewer Revenue Bonds, Series 2020C (the “Bonds”) in evidence of its obligations thereunder; and

WHEREAS, upon due consideration and advice from the Placement Agent and PFM Financial Advisors LLC (the “Financial Advisor”), as municipal financial advisor to the City, the proposal of ZMFU II, Inc., Salt Lake City, Utah (the “Purchaser”) has been chosen, such bid being in the best interest of the City; and

WHEREAS, it is now necessary to authorize and approve the Loan Agreement and to make provision for the issuance of the Bonds in evidence of the obligation of the City under the Loan Agreement;

NOW, THEREFORE, Be It Resolved by the City Council of the City of Bondurant, Iowa, as follows:

Section 1. It is hereby determined that the City shall enter into the Loan Agreement with the Purchaser providing for a loan to the City in the amount of \$2,665,000, for the purpose or purposes set forth in the preamble hereof.

The Mayor and City Clerk are authorized and directed to sign the Loan Agreement on behalf of the City, and the Loan Agreement is hereby approved.

Section 2. The Bonds are hereby authorized to be issued in evidence of the obligation of the City under the Loan Agreement, in the aggregate principal amount of \$2,665,000, to be dated the date of delivery to the Purchaser, such date anticipated to be June 30, 2020 and shall be payable as to both principal and interest in the manner hereafter specified.

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 City 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 Council; the Mayor and City Clerk are hereby authorized and directed to sign the Registrar/Paying Agent Agreement on behalf of the City; and the Registrar/Paying Agent Agreement is hereby approved.

Section 3. The Bonds shall be initially issued as a single term Bond (the “Bond”) with final maturity on June 1, 2035 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>
2021	\$145,000	2029	\$180,000
2022	\$150,000	2030	\$185,000
2023	\$155,000	2031	\$190,000
2024	\$160,000	2032	\$195,000
2025	\$165,000	2033	\$200,000
2026	\$170,000	2034	\$205,000
2027	\$175,000	2035	\$215,000
2028	\$175,000		

Principal of the Bonds bear interest at the fixed rate of 2.65% per annum from the date of the Bonds, or from the most recent date on which interest has been paid as hereinafter set forth. Accrued interest on the Bonds shall be payable semiannually on each June 1 and December 1, commencing on December 1, 2020 and continuing to, and including, final maturity on June 1, 2035. 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 Bonds shall be made to the registered owner appearing on the registration books of the City at the close of business on the fifteenth day of the month next preceding the payment date and shall be paid by check or draft mailed to the registered owner at the address shown on such registration books; provided, however,

that the final installment of principal and interest shall be payable only upon presentation and surrender of the Bonds to the Paying Agent.

Section 4. The City reserves the right to optionally prepay principal of the Bonds in whole or in part at any time prior to and in inverse order of maturity on terms of par and accrued interest, provided, however that the City shall provide written notice thereof by mail or electronic means to the Purchaser not less than 30-days prior to the date of early prepayment. All principal so prepaid shall cease to bear interest on the date of prepayment.

Section 5. The Bonds shall be executed on behalf of the City with the official manual or facsimile signature of the Mayor and attested with the official manual or facsimile signature of the City Clerk, and shall be a fully registered Bonds without interest coupons. The issuance of the Bonds shall be recorded in the office of the City Treasurer, and the certificate on the back of the Bonds shall be executed with the official manual or facsimile signature of the City Treasurer. 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 and any additional obligations as may be hereafter issued and outstanding from time to time ranking on a parity therewith (which additional obligations are hereinafter sometimes referred to as “Parity Obligations”), shall be payable solely from the Net Revenues of the Utility and the Sinking Fund hereinafter referred to, both of which are hereby pledged to the repayment of the Bonds. Neither the Bonds nor the Loan Agreement shall be general obligations of the City, nor payable in any manner by taxation, and under no circumstances shall the City be in any manner liable by reason of the failure of the Net Revenues of the Utility to be sufficient for the payment in whole or in part of the Bonds and the interest thereon.

The Bonds shall be fully registered as to principal and interest in the name of the owner on the registration books of the City kept by the Registrar, and after such registration, payment of the principal and interest thereof shall be made only to the registered owner, its legal representatives or assigns. The Bonds shall be transferable only upon the registration books of the City 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 Bonds shall be kept confidential as provided by Section 22.7 of the Code of Iowa.

Section 6. The Bonds shall be in substantially the following form:



(Form of Bond)

**UNITED STATES OF AMERICA  
STATE OF IOWA POLK COUNTY  
CITY OF BONDURANT**

**SEWER REVENUE BOND, SERIES 2020C**

No. 1 \$2,665,000

RATE	MATURITY DATE	BOND DATE
2.65%	June 1, 2035	June 30, 2020

The City of Bondurant (the “City”), in Polk County, State of Iowa, for value received, promises to pay in the manner hereinafter provided to

ZMFU II, Inc.  
Salt Lake City, Utah

or registered assigns (the “Purchaser”), the principal sum of TWO MILLION SIX HUNDRED FIFTY-FIVE THOUSAND DOLLARS, together with interest on the outstanding principal hereof from the date of this Bond, 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.

The Bonds are being initially issued as a single term Bond (the “Bond”) with final maturity on June 1, 2035 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>
2021	\$145,000	2029	\$180,000
2022	\$150,000	2030	\$185,000
2023	\$155,000	2031	\$190,000
2024	\$160,000	2032	\$195,000
2025	\$165,000	2033	\$200,000
2026	\$170,000	2034	\$205,000
2027	\$175,000	2035	\$215,000
2028	\$175,000		

This Bond bears interest at the fixed rate of 2.65% per annum. Accrued interest on this Bond shall be payable semiannually on each June 1 and December 1, commencing on December 1, 2020 and continuing to, and including, final maturity on June 1, 2035. 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 Bond are payable to the registered owner appearing on the registration books of the City maintained by UMB Bank, N.A., West Des Moines, Iowa (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 Bond to the Paying Agent.

This Bond is issued by the City to evidence its obligation under a certain Loan Agreement, dated as of June 30, 2020 (the “Loan Agreement”) entered into by the City for the purpose of paying the cost, to that extent, constructing improvements and extensions to the Municipal Sanitary Sewer System (the “Utility”) of the City.

This Bond is issued pursuant to and in strict compliance with the provisions of Chapter 384 of the Code of Iowa, 2019, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the City Council authorizing and approving the Loan Agreement and providing for the issuance and securing the payment of this Bond (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 this Bond and the rights of the owners of this Bond.

The City reserves the right to optionally prepay principal of the Bonds in whole or in part at any time prior to and in inverse order of maturity on terms of par and accrued interest, provided, however that the City shall provide notice thereof by mail or electronic means to the Purchaser not less than 30-days prior to the date of early prepayment. All principal so prepaid shall cease to bear interest on the date of prepayment.

This Bond is not a general obligation of the City but, together with any additional obligations as may be hereafter issued and outstanding from time to time ranking on a parity therewith, is payable solely and only out of the future Net Revenues (as defined in the Resolution) of the Utility. The City reserves the right to issue additional obligations payable from the same source as and ranking on a parity with this Bond pursuant to the provisions of the Resolution.

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 City 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.

This Bond may only be transferred to: (i) an affiliate of the Purchaser; (ii) a “Bank” as defined in Section 3(a)(2) of the Securities Act of 1933 as amended (the “Securities Act”); (iii) an “Accredited Investor” as defined in Regulation D under the Securities Act; or (iv) a “Qualified Institutional Buyer” as defined in Rule 144A under the Securities Act.



The City, 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 City, the 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, the City of Bondurant, Iowa, by its City Council, has caused this Bond to be executed by its Mayor and attested by its City Clerk, all as of the Bond Date.

CITY OF BONDURANT, IOWA

By: (DO NOT SIGN)  
Mayor

Attest:

(DO NOT SIGN)  
City Clerk

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 \_\_\_\_\_  
Authorized Officer

CITY TREASURER'S CERTIFICATE

STATE OF IOWA  
POLK COUNTY  
CITY OF BONDURANT

SS:

The original issuance of this Bond was duly and properly recorded in my office as of the Bond Date.



(DO NOT SIGN)

\_\_\_\_\_  
City Treasurer



### 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	_____
TEN ENT	- as tenants by the entireties	As Custodian for	_____
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 7. It is anticipated that closing of the borrowing transaction contemplated herein will be on or around June 30, 2020, provided, however, that execution of the Bonds and the Loan Agreement shall be undertaken as soon after the adoption of this resolution as may be possible and thereupon shall be delivered to the Registrar for registration and delivery to or upon the direction of the Purchaser, 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. The City Clerk, with advice from bond counsel and the Purchaser is hereby authorized to change the date of closing if necessary, and to conform the loan documents to account for such adjustment.

The Proceeds received from the sale of the Bonds shall be used to (1) pay the costs of the Project; (2) pay costs of issuance of the Bonds; and (3) fund the Reserve Fund (as defined herein). To the extent that Loan Proceeds remain after funding the Reserve Fund and the full payment of the costs set forth in (1) and (2) in the preceding sentence, such Loan Proceeds shall be used for the payment of interest on the Bonds. The City 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 8. So long as the Bonds or any Parity Obligations are outstanding, the City shall continue to maintain the Utility in good condition, and the Utility shall continue to be operated in an efficient manner and at a reasonable cost as a revenue producing undertaking. The City shall establish, impose, adjust and provide for the collection of rates to be charged to customers of the Utility, including the City, to produce gross revenues (hereinafter sometimes referred to as the “Gross Revenues”) at least sufficient to pay the expenses of operation and maintenance of the Utility, which shall include salaries, wages, cost of maintenance and operation, materials, supplies, insurance and all other items normally included under recognized accounting practices (but does not include allowances for depreciation in the valuation of physical property) (which such expenses are hereinafter sometimes referred to as the “Operating Expenses”) and to leave a balance of net revenues (herein referred to as the “Net Revenues”) equal to at least 110% of the principal of and interest on all of the Bonds and any other Parity Obligations due in such fiscal year, as the same become due. The City hereby covenants and agrees to provide the Purchaser with certification, in a form acceptable to the Purchaser, of such rate sufficiency in each fiscal year.

Section 9. From and after the issuance of the Bonds, the Gross Revenues of the Utility shall be set aside into a separate and special fund which is hereby established, to be known and hereinafter referred to as the City’s Sewer Revenue Fund (“Sewer Revenue Fund”). The Sewer Revenue Fund shall be used in maintaining and operating the Utility, and after payment of the Operating Expenses shall, to the extent hereinafter provided, be used to pay the principal of and interest on the Bonds and any Parity Obligations, and to create and maintain the several separate funds hereinafter established.

Section 10. There shall be and is hereby created and there shall be maintained a “Sewer Revenue Bond Sinking Fund” (herein referred to as the “Sinking Fund”), into which there shall be set aside from future Net Revenues of the Utility such portion thereof as will be sufficient to pay the interest on and principal of the Bonds and any Parity Obligations at any time outstanding as the same become due, and it is hereby determined that the minimum amounts to be set aside into the Sinking Fund from the Net Revenues during each month of the year shall be not less than as follows:

Commencing on July 1, 2020, and continuing to and including November 1, 2020, an amount equal to 1/5th of the installment of interest coming due on December 1, 2020, and thereafter, commencing on December 1, 2020, and continuing to final maturity, an amount equal to 1/6th of the installment of interest coming due on the next succeeding interest payment date on the then outstanding Bonds. In addition, commencing on July 1, 2020 and continuing to and including May 1, 2021, an amount equal to 1/11th of the installment of principal coming due on June 1, 2021, and thereafter, commencing on June 1, 2021 and continuing to final maturity, an amount equal to 1/12th of the installment of principal coming due on such Bonds on the next succeeding principal payment date until the full amount of such installment is on deposit in the Sinking Fund.

Money in the Sinking Fund shall be used solely for the purpose of paying principal of and interest on the Bonds and any Parity Obligations as the same shall become due and payable. Whenever Parity Obligations are issued under the conditions and restrictions hereinafter set forth, provisions shall be made for additional payments to be made into the Sinking Fund for the purpose of paying the interest on and principal of such Parity Obligations.

If at any time there should be a failure to pay into the Sinking Fund the full amount above stipulated, then an amount equivalent to the deficiency shall be paid into the Sinking Fund from the Net Revenues of the Utility as soon as available, and the same shall be in addition to the amount otherwise required to be so set apart and paid into the Sinking Fund.

No further payments need be made into the Sinking Fund when and so long as the amount therein is sufficient to retire all of the Bonds and any Parity Obligations then outstanding which are payable from the Sinking Fund and to pay all interest to become due thereon prior to such retirement, or if provision for such payment has been made.

All of such payments required to be made into the Sinking Fund shall be made in equal monthly installments on the first day of each month, except that when the first day of any month shall be a Sunday or legal holiday, then such payments shall be made on the next succeeding secular day.

Section 11. There is hereby created, and shall be maintained, a special fund to be known and designated as the “Reserve Fund,” and the minimum amount required to remain on deposit in the Reserve Fund shall be and remain at \$110,348.75 (the “Required Reserve Fund Balance”), which amount represents 50% of the maximum amount of principal and interest that will become due in any fiscal year during the life of the Bonds. Whenever the sum on deposit in the Reserve Fund has been reduced to less than the Required Reserve Fund Balance by the expenditure of all or a portion of such funds in order to prevent or remedy a deficiency in the Sinking Fund, there shall be deposited into the Reserve Fund in each month an amount equal to twenty-five percent (25%) of the amount required by this Resolution to be deposited into the Sinking Fund in such month. Such payments shall continue until such time as the sum on deposit in the Reserve Fund shall be at least equal to the Required Reserve Fund Balance.

All money credited to the Reserve Fund shall be used and is hereby pledged for the payment of the principal of and interest on the Bonds and Parity Obligations which are secured by the Reserve Fund whenever for any reason the funds on deposit in the Sinking Fund are insufficient to pay such principal and interest when due. If and to whatever extent Parity Obligations shall be issued under the conditions set forth in this resolution, provision shall be made to create and maintain a reasonable reserve therefor, if so required by the purchaser of such Parity Obligations at the time of their issuance.

Section 12. There is hereby created, and shall be maintained, a special fund to be known and designated as the Surplus Fund into which there shall be set apart and paid all of the Net Revenues remaining after first paying the Operating Expenses and making the required payments into the Sinking Fund and the Reserve Fund, and after the Reserve Fund contains the Required Reserve Fund Balance. All money credited to the Surplus Fund shall be transferred and credited to the Sinking Fund whenever necessary to prevent or remedy a default in the payment of the principal of or interest on the Bonds and any Parity Obligations or shall be transferred and credited to the Reserve Fund whenever any deficiency may exist in the Reserve Fund.

As long as the Sinking Fund and the Reserve Fund have the full amounts required to be deposited therein by this resolution, any balance in the Surplus Fund may be made available to the City as the City Council, or such other duly constituted body as may then be charged with the operation of the Utility, may from time to time direct.

Section 13. All money held in any fund created or to be maintained under the terms of this resolution shall be deposited in lawful depositories of the City or invested in accordance with Chapters 12B and 12C of the Code of Iowa and continuously held and secured as provided by the laws of the State of Iowa relating to the depositing, securing, holding and investing of public funds. All interest received by the City as a result of investments under this section shall be considered to constitute Gross Revenues of the Utility

and shall be deposited in or transferred to the Sewer Revenue Fund and used solely and only for the purposes specified herein for such funds.

Section 14. Upon a breach or default of a term of the Bonds or any Parity Obligations and this resolution, a proceeding may be brought in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required under the terms of this resolution and Division V of Chapter 384 of the Code of Iowa or an action may be brought to obtain the appointment of a receiver to take possession of and operate the Utility and to perform the duties required by this resolution and Division V of Chapter 384 of the Code of Iowa.

Section 15. The Bonds or any Parity Obligations shall not be entitled to priority or preference one over the other in the application of the Net Revenues of the Utility, regardless of the time or times of the issuance thereof, it being the intention that there shall be no priority among the Bonds or any Parity Obligations, regardless of the fact that they may have been actually issued and delivered at different times. The City hereby covenants and agrees that so long as any of the Bonds or any Parity Obligations are outstanding and unpaid, no other bonds or obligations payable from the Net Revenues of the Utility will be issued except upon the basis of such bonds or obligations being subject to the priority and security for payment of the Bonds or any Parity Obligations then outstanding; provided, however, that the City reserves the right and privilege of issuing additional obligations from time to time payable from the Net Revenues of the Utility and ranking on a parity with the Bonds and any Parity Obligations (herein referred to as "Parity Obligations") in order to pay the cost of improvements and extensions to the Utility or for refunding any bonds or obligations payable from the Net Revenues of the Utility, but only if there shall have first been procured and filed with the City a statement of an independent certified public accountant, consulting engineer or financial advisor, not a regular employee of the City, reciting the opinion that the officially reported Net Revenues of the Utility for the last preceding fiscal year prior to the issuance of such Parity Obligations (with adjustments as hereinafter provided) were equal to at least 110% of the maximum amount of principal and interest that will become due in any subsequent year during the life of the Bonds and any Parity Obligations then outstanding and the Parity Obligations then proposed to be issued. For purposes of this Section, "preceding Fiscal Year" shall be the most recently completed Fiscal Year for which audited or unaudited financial statements are available, but in no event a Fiscal Year which ended more than eighteen months prior to the date of issuance of Parity Obligations.

The amount of Gross Revenues of the Utility may be adjusted for the purpose of the foregoing computations by an independent auditor, an independent consulting engineer or a financial consultant, not a regular employee of the City, so as to reflect any revision in the schedule of rates and charges being imposed at the time of the issuance of any such Parity Obligations.

Obligations issued to refund the Bonds or any Parity Obligations shall not be subject to the foregoing restrictions, provided the Bonds or Parity Obligations being refunded mature, or shall be redeemed, within three (3) months of the date of such refunding and no other funds are available to pay such maturing Bonds or Parity Obligations, or the issuance of the refunding obligations will not cause an increase in the annual debt service requirements during the life of any of the Bonds or any Parity Obligations then outstanding which are not being refunded, but otherwise any Parity Obligations shall only be issued subject to the restrictions of this resolution.

The City reserves the right to issue additional obligations secured by and payable from the Net Revenues of the Utility, provided that such additional obligations shall be in all ways subject and subordinate to the rights vested in the Bonds and any Parity Obligations as may from time to time be and remain outstanding.

The City agrees that so long as the Bonds or any Parity Obligations remain outstanding, it will maintain insurance for the benefit of the owners of the Bonds and any Parity Obligations on the insurable portions of the Utility of a kind and in an amount which usually would be carried by private companies or municipalities engaged in a similar type of business. The City will keep proper books of record and account, separate from all other records and accounts, showing the complete and correct entries of all transactions relating to the Utility, and the owners of the Bonds or any Parity Obligations shall have the right at all reasonable times to inspect the Utility and all records, accounts and data relating thereto.

Section 16. The provisions of this resolution shall constitute a contract between the City and the owners of the Bonds, and after the issuance of the Bonds, no change, variation or alteration of any kind of the provisions of this resolution shall be made which will adversely affect the owners of the Bonds until all of the Bonds and the interest thereon shall have been paid in full, except as hereinafter provided.

The owners of a majority in principal amount of the Bonds and Parity Obligations at any time outstanding (not including in any case any obligations which may be then held or owned by or for the account of the City, but including such obligations as may be issued for the purpose of refunding any of the Bonds or any Parity Obligations if such obligations shall not then be owned by the City) shall have the right from time to time to consent to and approve the adoption by the City Council, or such other duly constituted body as may be then charged with the operation of the Utility, of a resolution or resolutions modifying or amending any of the terms or provisions contained in this resolution; provided, however, that this resolution may not be so modified or amended in such manner as to:

- a. make any change in the maturity or redemption terms of the Bonds or any Parity Obligations;
- b. make any change in the rate of interest borne by the Bonds or any Parity Obligations;

- c. reduce the amount of the principal payable on any Bonds or Parity Obligations;
- d. modify the terms of payment of principal of or interest on the Bonds or any Parity Obligations, or any of them, or impose any conditions with respect to such payment;
- e. affect the rights of the owners of less than all of the Bonds and any Parity Obligations then outstanding; or
- f. reduce the percentage of the principal amount of the Bonds and any Parity Obligations, the consent of the owners of which shall be required to effect a further modification.

Whenever the City shall propose to amend or modify this resolution under the provisions of this section, it shall cause notice of the proposed amendment to be sent by regular or electronic mail to each of the owners of the Bonds and any Parity Obligations at the addresses appearing on the registration books of the City. Such notice shall briefly set forth the nature of the proposed amendment and shall state that a copy of the proposed amendatory resolution is on file in the office of the City Clerk.

If the owners of at least a majority in aggregate principal amount of the Bonds and any Parity Obligations outstanding at the time of the adoption of such amendatory resolution shall have consented to and approved the adoption thereof as herein provided, no owner of any Bond or Parity Obligation shall have any right or interest to object to the adoption of such amendatory resolution or to object to any of the terms or provisions therein contained or to the operation thereof or to enjoin or restrain the City from taking any action pursuant to the provisions thereof.

Any consent given by the owners of a Bond or Parity Obligation pursuant to the provisions of this section shall be irrevocable for a period of six (6) months from the date of such consent and shall be conclusive and binding upon all future owners of the same Bond or Parity Obligation during such period. Such consent may be revoked at any time after six (6) months from the date of such consent by the owner who gave such consent or by a successor in title, but such revocation shall not be effective if the owners of a majority in aggregate principal amount of the Bonds and Parity Obligations outstanding as in this section defined shall have, prior to the attempted revocation, consented to and approved the amendatory resolution referred to in such revocation.

The fact and date of the execution of any instrument under the provisions of this section may be proved by the certificate of any officer in any jurisdiction who by the laws thereof is authorized to take acknowledgments of deeds within such jurisdiction, that the persons signing such instrument acknowledged before him the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

Section 17. So long as the Bonds shall be and remain outstanding, the City covenants and agrees to provide the Purchaser with the Audited Financial Statements of the City for the prior fiscal year, not less than 270 days after the end of such prior fiscal year, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board, as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board, or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such audited financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. .

Section 18. The Bonds may only be transferred to: (i) an affiliate of the Purchaser; (ii) a “Bank” as defined in Section 3(a)(2) of the Securities Act of 1933 as amended (the “Securities Act”); (iii) an “Accredited Investor” as defined in Regulation D under the Securities Act; or (iv) a “Qualified Institutional Buyer” as defined in Rule 144A under the Securities Act.

Section 19. It is the intention of the City 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 City 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 Bonds will remain excluded from gross income for federal income tax purposes. Any and all of the officers of the City are hereby authorized and directed to take any and all actions as may be necessary to comply with the covenants herein contained.

The City hereby designates the Bonds as “Qualified Tax Exempt Obligations” as that term is used in Section 265(b)(3)(B) of the Internal Revenue Code.

Section 20. If any section, paragraph, clause or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this resolution.

Section 21. All resolutions and orders or parts thereof in conflict with the provisions of this resolution are, to the extent of such conflict, hereby repealed.

Section 22. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved June 15, 2020.

Passed this 15th day of June, 2020,



By: \_\_\_\_\_  
Curt Sullivan, Mayor

ATTEST: I, Shelby Hagan, City Clerk of Bondurant, hereby certify that at a meeting of the City Council held on the above date, among other proceedings the above was adopted.

IN WITNESS WHEREOF, I have hereunto set my hand the day and year above written.

\_\_\_\_\_  
Shelby Hagan, City Clerk

Name	Yay	Nay	Abstain	Absent
Enos				
Cox				
McKenzie				
Elrod				
Peffer				

**ATTESTATION CERTIFICATE**

STATE OF IOWA  
COUNTY OF POLK  
CITY OF BONDURANT

SS:

I, the undersigned, do hereby certify that I have in my possession or have access to the complete corporate records of the City and of its City Council and officers and that I have carefully compared the transcript hereto attached with the aforesaid corporate records and that the transcript hereto attached is a true, correct and complete copy of all the corporate records in relation to authorizing the redemption of outstanding Bonds and the adoption of a resolution entitled "Resolution authorizing and approving a Loan Agreement and providing for the issuance and securing the payment of \$2,665,000 Sewer Revenue Bonds, Series 2020C," and that the transcript hereto attached contains a true, correct and complete statement of all the measures adopted and proceedings, acts and things had, done and performed up to the present time with respect thereto.

I further certify that no appeal has been taken to the District Court from the decision of the City Council to enter into the Loan Agreement or to issue the Bonds.

WITNESS MY HAND this \_\_\_\_\_ day of \_\_\_\_\_, 2020.

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City Clerk

**ESTABLISHMENT AND NON-LITIGATION CERTIFICATE**

STATE OF IOWA  
COUNTY OF POLK  
CITY OF BONDURANT

SS:

I, the undersigned City Clerk of the aforementioned City, do hereby certify that I have complete access and control of all of the corporate records of the City and that, based upon examination of such records, I have determined that the City did heretofore establish a Municipal Sanitary Sewer System (the "Utility"), that the management and control of the Utility are vested in the City Council, and that no board of trustees exists which has any part of the control and management of such Utility.

I further certify that there is not pending or threatened any question or litigation whatsoever touching the establishment, improvement or operation of such Utility and that there are no bonds or other obligations of any kind now outstanding which are payable from or constitute a lien upon the revenues derived from the operation of such Utility, except for the current issue of Sewer Revenue Bonds, Series 2020C.

WITNESS MY HAND this \_\_\_\_ day of \_\_\_\_\_, 2020.

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City Clerk