(This Notice to be posted)

NOTICE AND CALL OF PUBLIC MEETING

Governmental Body: The City Council of Shueyville, Iowa.

Date of Meeting:  Tuesday, August 12, 2014.

Time of Meeting: 6:30 o'clock P.M.

Place of Meeting: Council Chambers, City Hall, 2863 - 120th Street NE,

Shueyville, IA 52338-9595.

PUBLIC NOTICE IS HEREBY GIVEN that the above mentioned governmental body will meet at the date, time and place above set out. The tentative agenda for said meeting is as follows:

$1,600,000 Urban Renewal Revenue (Payments Subject to Annual Appropriation) Capital Loan Note, Series 2014.

* Resolution providing for the issuance of a Capital Loan Note and providing for a method of payment of said Note.

Such additional matters as are set forth on the additional four pages attached hereto.

This notice is given at the direction of the Mayor pursuant to Chapter 21, Code of Iowa, and the local rules of said governmental body.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

City Clerk, Shueyville, Iowa

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2014

The City Council of Shueyville, Iowa, met in \_\_\_\_\_\_\_\_\_\_\_ session, in the Council Chambers, City Hall, 2863 - 120th Street NE, Shueyville, Iowa, at \_\_\_\_\_\_\_\_ o'clock \_\_.M., on the above date. There were present Mayor \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, in the chair, and the following named Council Members:

Absent:

\* \* \* \* \* \* \* \* \*

Council Member \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ introduced the following Resolution entitled "RESOLUTION PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF $1,600,000 URBAN RENEWAL REVENUE (PAYMENTS SUBJECT TO ANNUAL APPROPRIATION) CAPITAL LOAN NOTE, SERIES 2014, OF THE CITY OF SHUEYVILLE, IOWA, UNDER THE PROVISIONS OF THE CODE OF IOWA, AND PROVIDING FOR A METHOD OF PAYMENT OF SAID NOTE", and moved its adoption. Council Member \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ seconded the motion to adopt. The roll was called and the vote was:

AYES: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

NAYS: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Whereupon the Mayor declared the following Resolution duly adopted:

RESOLUTION PROVIDING FOR THE ISSUANCE AND SECURING THE PAYMENT OF $1,600,000 URBAN RENEWAL REVENUE (PAYMENTS SUBJECT TO ANNUAL APPROPRIATION) CAPITAL LOAN NOTE, SERIES 2014, OF THE CITY OF SHUEYVILLE, IOWA, UNDER THE PROVISIONS OF THE CODE OF IOWA, AND PROVIDING FOR A METHOD OF PAYMENT OF SAID NOTE

WHEREAS, by Resolution No. 11-10-03, adopted October 15, 2003, the City of Shueyville (the “City” or the “Issuer”), by and through this Council, found and determined that certain areas located within the City were eligible and should be designated as an urban renewal area under Iowa law, and approved and adopted the 2003 Urban Renewal Plan (the "Plan") for the 2003 Urban Renewal Plan Area (the "2003 Urban Renewal Area") described therein, which Plan is on file in the office of the Recorder of Johnson County; and

WHEREAS, by Resolution No. 61-12-2007, adopted December 5, 2007, this City Council approved and adopted an Amendment No. 1 to the Plan, which Amendment No. 1 is on file in the office of the Recorder of Johnston County; and

WHEREAS, by Resolution No. 14-2009, adopted July 9, 2009, this City Council approved and adopted an Amendment No. 2 to the Plan, which Amendment No. 2 is on file in the office of the Recorder of Johnston County; and

WHEREAS, the Plan, as amended, provides that there is to be carried out urban renewal projects within the Shueyville Urban Renewal Project Area; and

WHEREAS, the City and Johnson County (the “County”) agreed on September 30, 2010 to provide for the joint exercise of the respective powers of the parties in connection with the 120th Street Improvement Project, which consists of full reconstruction and widening of 120th Street (the “Project”) which was undertaken within the 2003 Urban Renewal Area, as amended; and

WHEREAS, the City’s share of the costs for the Project is $1,889,354.79 and provisions must now be made by the City to provide for the payment of such costs by the issuance of the Note; and

WHEREAS, the City did heretofore adopt Ordinance No. 46 on December 9, 2003, which was later amended by Ordinance No. 62, adopted on December 12, 2007, (collectively Ordinance No. 46 and Ordinance No. 62 shall be referred hereinafter as the Ordinance), under which the taxes levied on the taxable property in the Project Area shall be divided, and a portion paid into a special fund created under the authority of Section 403.19(2) of the Code of Iowa, as amended, (which special fund is hereinafter referred to as the 2003 Shueyville Urban Renewal Area Tax Increment Revenue Fund or the Revenue Fund) to pay the principal of and interest on loans, monies advanced to or indebtedness whether funded, refunded, assumed or otherwise, including the Note issued under the authority of Sections 384.34A, 403.9(1) and 403.17(7) of the Code of Iowa, as amended, incurred by the City to finance or refinance in whole or in part the Project;

WHEREAS, pursuant to such Ordinance the City may certify the principal of and interest on the Note for reimbursement from the Tax Increment Revenues of the Project Area for payment into the Revenue Fund. The City intends to appropriate such funds as are necessary to fully fund the Sinking Fund as provided herein, but reserves the right to Non-Appropriate funds in the Revenue Fund, or future Tax Increment Revenues of the Project Area as provided herein; and

WHEREAS, the notice of intention of the City to take action for the authorization and the issuance of $2,000,000 Urban Renewal Revenue (Payments Subject to Annual Appropriation) Capital Loan Note was published, no objections to such proposed action were filed; and, it is now necessary and advisable that provisions be made for the issuance of the Note to the amount of $1,600,000 pursuant to the provisions of Sections 384.24A, 403.9 and 403.17(7) of the Code of Iowa, payable solely from the income and proceeds of the 2003 Shueyville Urban Renewal Area Tax Increment Revenue Fund, subject to annual appropriation as set forth in Section 4 of this Resolution; and

WHEREAS, the Note is subject to the right of Non-Appropriation by the City Council in each fiscal year, and it is deemed necessary and advisable that Urban Renewal Revenue (Payments Subject to Annual Appropriation) Capital Loan Note, Series 2014, in the amount of $1,600,000 be issued for said purpose.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF SHUEYVILLE, IN THE COUNTY OF JOHNSON, STATE OF IOWA:

Section 1. Definitions. The following terms with or without capitalization shall have the following meanings in this Resolution unless the text expressly or by necessary implication requires otherwise:

"Additional Obligations" shall mean any Urban Renewal Revenue Notes or bonds issued on a parity with the Note in accordance with the provisions of this Resolution.

"Annual Appropriation" shall mean the affirmative, discretionary act of the City Council of Shueyville, Iowa, the process for such act as is set out in Section 4 of this Resolution.

"Area" or "Project" shall mean the 2003 Shueyville Urban Renewal Project Area, as amended.

"Clerk" shall mean the City Clerk or such other officer of the successor governing body as shall be charged with substantially the same duties and responsibilities.

"Corporate Seal" shall mean the official seal of Issuer adopted by the governing body.

"Fiscal Year" shall mean the twelve-month period beginning on July l of each year and ending on the last day of June of the following year, or any other consecutive twelve-month period adopted by the governing body or by law as the official accounting period of the Project. Requirements of a fiscal year as expressed in this Resolution shall exclude any payment of principal or interest falling due on the first day of the fiscal year and include any payment of principal or interest falling due on the first day of the succeeding fiscal year.

"Governing Body" shall mean the City Council of the City, or its successor in function with respect to the operation and control of the Project.

"Independent Auditor" shall mean an independent firm of Certified Public Accountants or the Auditor of State.

"Issuer" and "City" shall mean the City of Shueyville, Iowa.

"Joint Public Improvement Agreement" shall mean the Joint Public Improvement Agreement between the Issuer and Johnson County dated September 30, 2010.

"Non-Appropriation" shall mean the absence of an Annual Appropriation.

"Note" or "Notes" shall mean $1,600,000 Urban Renewal Revenue (Payments Subject to Annual Appropriation) Capital Loan Note, Series 2014, authorized to be issued by this Resolution.

"Ordinance" shall mean Ordinance Nos. 46 and 62 of the City.

"Original Purchaser" or “County” shall mean Johnson County, as the purchaser of the Note from Issuer.

"Parity Obligations" shall mean other Urban Renewal Revenue Capital Loan Notes, bonds or other obligations payable solely from the Tax Increment Revenues of the portion of the Project Area that is subject to the Ordinance on an equal basis with the Note herein authorized to be issued; and shall include "Additional Obligations" as authorized to be issued under the terms of this Resolution.

"Paying Agent" shall mean the City Clerk or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein as Issuer's agent to provide for the payment of principal of and interest on the Note as the same shall become due.

"Project" or "Urban Renewal Project" shall mean aiding in the planning, undertaking, and carrying out of an urban renewal project, including the full reconstruction and widening of 120th Street in the 2003 Urban Renewal Area ("Project Area") of the Issuer.

"Project Area" shall mean 2003 Urban Renewal Area, as amended.

"Sinking Fund" shall mean the fund required to be established by this Resolution for the deposit of the proceeds of the Note.

"Resolution" shall mean this resolution authorizing the issuance of the Note.

"Tax Increment Revenues" of the Project shall mean the revenues deposited into the special tax fund created by the Ordinance and authorized by Section 403.19(2) of the Code of Iowa.

"Treasurer" shall mean the City Clerk/Treasurer or such other officer as shall succeed to the same duties and responsibilities with respect to the recording and payment of the Note issued hereunder.

Section 2. Authority. The Note authorized by this Resolution shall be issued pursuant to Sections 384.24A, 403.9 and 403.17(7) of the Code of Iowa, and in compliance with all applicable provisions of the Constitution and laws of the State of Iowa.

Section 3. Authorization and Purpose. There is hereby authorized to be issued a serial, fully registered Urban Renewal Revenue (Payments Subject to Annual Appropriation) Capital Loan Note, Series 2014, of the City of Shueyville, in the County of Johnson, State of Iowa, in the aggregate amount of $1,600,000 for the purpose of paying costs of aiding in the planning, undertaking, and carrying out of an urban renewal project, including the full reconstruction and widening of 120th Street, as set forth in the Urban Renewal Plan for the 2003 Urban Renewal Area.

Section 4. Source of Payment. The City’s obligation to make payments of interest and principal with respect to the payments on the Note shall be subject to non-appropriation by the City Council of the Issuer. To the extent the City Council has taken action to make an Annual Appropriation for any fiscal year, the City hereby pledges to the payment of principal and interest on the Note, the appropriated portion of the Tax Increment Revenues collected that is subject to the Ordinance and held in the Sinking Fund. The City also agrees that, to the extent action has been taken to appropriate funds from these sources for any fiscal year, no action will be taken to cancel the existence of the Project Area for that fiscal year.

Payments on the Note shall not constitute a mandatory charge or a requirement in any ensuing fiscal year beyond the then current fiscal year, and the Issuer shall have no continuing obligation to appropriate money for the payment of interest and principal due on the Note for the specified payment dates, and no provision of this Resolution or the Note shall be construed or interpreted as creating a general obligation or other indebtedness of the Issuer within the meaning of any constitutional or statutory debt limitation. The Issuer's obligation to make payments of interest and principal in respect of the Note shall be subject to Non-Appropriation by the City Council.

The City Council shall by resolution determine whether or not to budget and appropriate funds for the next succeeding fiscal year to make the payments of principal of and interest due on the Note during the next fiscal year. If the City Council determines to budget and appropriate funds for the foregoing purposes for such fiscal year, the City agrees to certify to the County Auditor the amount of principal of and interest on the Note which are to be paid from Tax Increment Revenues during such fiscal year. In its resolution making an appropriation for a fiscal year, the City Council shall identify the sources of any amounts of the payments due on the Note that will not be paid from Tax Increment Revenues, if any.

In the event that funds are not budgeted and appropriated by the City Council in an amount sufficient to meet the payment of interest and principal due on the Note for any fiscal year, the Issuer shall give written notice to the County not later than May 1 of the preceding Fiscal Year that funding for the next fiscal year has not been appropriated, and the Issuer's obligations under the Note for payment in any such Fiscal Year shall become null and void on the last day of the preceding fiscal year. Upon the occurrence of any such Non-Appropriation, Issuer shall not be obligated to make payment of any additional amounts in respect of principal and interest on the Note for any such Fiscal Year, and the Issuer shall not be liable to the County for any remaining amounts due under the Note for such Fiscal Year or for any costs, damages (including but not limited to consequential damages) or expenses incurred by the County as a result of the exercise by the Issuer of the foregoing right of Non-Appropriation. This right of Non-Appropriation must be exercised separately for each Fiscal Year to which the right of Non-Appropriation applies.

The Note shall recite in substance that it has been issued by the City in connection with an urban renewal project as defined in Chapter 403 of the Code of Iowa, and in any suit, action or proceeding involving the validity or enforceability of the Note issued hereunder or the security therefor, such Note shall be conclusively deemed to have been issued for such purpose and such project shall be conclusively deemed to have been planned, located and carried out in accordance with the provisions of Chapter 403 of the Code of Iowa.

Section 5. Note Details. An Urban Renewal Revenue (Payments Subject to Annual Appropriation) Capital Loan Note, Series 2014, of the City in the amount of $1,600,000, shall be issued pursuant to the provisions of Sections 384.24A, 403.9 and 403.17(7) of the Code of Iowa for the aforesaid purpose. The Note shall be designated "URBAN RENEWAL REVENUE (PAYMENTS SUBJECT TO ANNUAL APPROPRIATION) CAPITAL LOAN NOTE, SERIES 2014", be dated \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_, 2014, subject to Non-Appropriation, and bear interest from the date thereof, until payment thereof, at the office of the Paying Agent, said interest payable on December 1, 2014, and semiannually thereafter on the 1st day of June and December in each year until maturity. A copy of the proposed Note is attached as Exhibit “A” to this Resolution.

The Note shall be executed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk, and impressed or printed with the seal of the City and shall be fully registered as to both principal and interest as provided in this Resolution; principal, interest and premium, if any, shall be payable by mailing of a check to the County, as the registered owner of the Note.

Section 6. Redemption. The Note is subject to optional redemption at a price of par plus accrued interest as set forth in the Note.

Section 7. Ownership of Note and Cancellation.

(a) Ownership. Ownership of this Note may not be transferred as set forth in the Note. The County shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of the Note and the premium, if any, and interest thereon shall be made only to or upon the order of Johnson County. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note, including the interest thereon, to the extent of the sum or sums so paid.

(b) Cancellation. Once the Note has been fully redeemed, it shall not be reissued but shall be cancelled. The Note, once cancelled, shall be destroyed and a Certificate of the destruction thereof shall be furnished promptly to the Issuer; provided that if the Issuer shall so direct, the County shall forward the cancelled Note to the Issuer.

Section 8. Reissuance of Mutilated, Destroyed, Stolen or Lost Note. In case the Note shall become mutilated or be destroyed, stolen or lost, the Issuer shall at the request of the County authenticate and deliver a new Note of like tenor and amount as the Note so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Note, upon surrender of such mutilated Note, or in lieu of and substitution for the Note destroyed, stolen or lost, upon filing with the Issuer evidence satisfactory to the Issuer that such Note has been destroyed, stolen or lost, and upon furnishing the Issuer with satisfactory indemnity and complying with such other reasonable regulations as the Issuer may prescribe and paying such expenses as the Issuer may incur in connection therewith.

Section 9. Record Date. Payments of principal and interest, otherwise than upon full redemption, made in respect of the Note, shall be made to the County as provided in the Note.

Section 10. Execution and Delivery of the Note. Upon the adoption of this Resolution, the Mayor and Clerk shall execute and deliver the Note to the County.

Section 11. Right to Name Substitute Paying Agent. Issuer reserves the right to name a substitute, successor Paying Agent upon giving prompt written notice to the County.

Section 12. Form of Note. The Note shall be printed substantially in the form as attached as Exhibit A.

Section 13. Equality of Lien. The timely payment of principal of and interest on the Note and Parity Obligations shall be secured equally and ratably by the Tax Increment Revenues of the portion of the Project Area, as amended, that is subject to the Ordinance without priority by reason of number or time of sale or delivery.

Section 14. Debt Certification. After its adoption, a copy of this Resolution shall be filed in the office of the County Auditor of Johnson County to evidence the pledging, subject to a right to Non-Appropriation for payments on the Note, inclusive, a portion of the Tax Increment Revenues of the portion of the Project Area that is subject to the Ordinance to be paid into the Sinking Fund pursuant to the direction of Section 403.19 of the Code of Iowa, the Auditor shall, unless an event of Non-Appropriation occurs as set forth in Section 4 of this Resolution, thereafter allocate the taxes in accordance therewith and in accordance with the Ordinance referred to in the preamble hereof, but subject to the right of Non-Appropriation reserved herein.

It is hereby certified that, subject to Non-Appropriation as set forth in Section 4 of this Resolution and such limitations as provided by in Section 403.19 of the Code of Iowa, the annual amount to be certified on or before December 1, for collection in incremental taxes pursuant to Section 403.19(2) of the Code of Iowa, shall be not less than the maximum amount so collectible, as follows:

AMOUNT FISCAL YEAR (JULY 1 TO JUNE 30)

COLLECTIBLE YEAR OF COLLECTION

$278,088.89 2014/2015

$277,000.00 2015/2016

$272,000.00 2016/2017

$287,000.00 2017/2018

$282,000.00 2018/2019

$267,000.00 2019/2020

$102,000.00 2020/2021

Section 15. Application of Revenues. From and after the delivery of the Note, and as long as the Note or Parity Obligations shall be outstanding and unpaid either as to principal or as to interest, or until all of the payments on the Note and Parity Obligations then outstanding shall have been discharged and satisfied in the manner provided in this Resolution, or the City exercises its right of Non-Appropriation as set forth in Section 4 of this Resolution, a portion of the Tax Increment Revenues of the portion of the Project Area that is subject to the Ordinance shall be deposited as collected in a fund to be known as the 2003 Shueyville Urban Renewal Area Tax Increment Revenue Fund (the "Revenue Fund"), and shall be disbursed only as follows:

(a) Sinking Fund. There is hereby established and shall be maintained a special fund from which the principal of and interest on the Note will be paid. The fund shall be known as the 2014 Urban Renewal TIF Revenue Note Principal and Interest Sinking Fund (the "Sinking Fund"). The amount to be deposited in the Sinking Fund in any year shall be an amount equal to the interest and principal coming due on the Note during the fiscal year. Money in the Sinking Fund shall be used solely for the purpose of paying principal and interest on the Note as the same shall become due and payable.

(b) Subordinate Obligations or General Obligation Bonds Abated By Surplus Revenues. Money in the Revenue Fund may next be used either (i) to pay principal of and interest on (including reasonable reserves therefor) any other obligations which by their terms shall be payable from the revenues of the Project Area, but subordinate to the Note and Parity Obligations, and which have been issued for the purposes of the Project or to retire the Note or Parity Obligations in advance of maturity, or to pay for any lawful purpose, or (ii) to pay principal of and interest on any outstanding General Obligation bond or note of the Issuer, payable from a pledge of the City’s ad valorum taxes, such funds to be used in order to abate tax levies.

(c) Surplus Revenue. All money thereafter remaining in the Revenue Fund at the close of each month shall be held in said Revenue Fund, subject to future appropriation as set forth in Section 4 of this Resolution, for payment of the Note and Parity Obligations.

Money in the Revenue Fund shall be allotted and paid into the various funds and accounts hereinbefore referred to in the order in which said funds are listed, on a cumulative basis, and, unless there has been a Non-Appropriation by the City, if in any month the money in the Revenue Fund shall be insufficient to deposit or transfer the required amount in any of said funds or accounts, the deficiency shall be made up in the following month or months from Tax Increment Revenues.

Section 16. Covenants Regarding the Operation of the Area. The Issuer hereby covenants and agrees with each and every holder of the Note and Parity Obligations:

(a) Maintenance in Force. Except in the event of a Non-Appropriation as set forth in Section 4 of this Resolution, the Issuer will maintain the Urban Renewal Project Area and the Ordinance in force and will annually certify indebtedness for the portion of the Project Area that is subject to the Ordinance and cause the Tax Increment Revenues to be levied, collected and applied as provided in this Resolution. Provided, however, that to the extent that amounts are on hand and are sufficient to meet the payments required to be made and to maintain a sufficient balance in each fund as required by this Resolution, the Issuer may abate the certification and levy of incremental taxes in any year.

(b) Accounting and Audits. The Issuer will cause to be kept proper books and accounts adapted to the Project Area and in accordance with generally accepted accounting practices, and will cause the books and accounts to be audited annually not later than three hundred sixty-five (365) days after the end of each fiscal year by an Independent Auditor, unless there has been a Non-Appropriation related to the portion of the payments subject to Non-Appropriation as set forth in Section 4 of this Resolution, and will file copies of the audit report with the County and will make generally available to the holders of the Note and any Parity Obligations, the balance sheet and the operating statement of the Project Area as certified by such auditor. The County and holders of any Parity Obligations shall have at all reasonable times the right to inspect the Project Area and the records, accounts and data of the Issuer relating thereto. It is further agreed that if the Issuer shall fail to provide the audits and reports required by this subsection, the County or the holder or holders of 25 percent of the outstanding Parity Obligations may cause such audits and reports to be prepared at the expense of the Issuer. The audit reports required by this Section shall include, but not be limited to, the following information:

(i) A statement of tax fund revenues and current expenditures;

(ii) Analyses of each fund and account created hereunder, including deposits, withdrawals and beginning and ending balances;

(iii) The tax rates in effect during the fiscal year, and the use of the Project;

(iv) A general statement covering any events or circumstances which are perceived to affect the financial status of the Project and the Note.

(c) State Laws. Subject to Non-Appropriation as set forth in Section 4 of this Resolution, the Issuer will faithfully and punctually perform all duties with reference to the Project Area required by the Constitution and laws of the State of Iowa, including the certification and collecting of indebtedness for the Project Area as above provided, and will segregate the revenues of the Project Area and apply said revenues to the funds specified in this Resolution.

(d) The Issuer reserves the right to amend the Project, the Urban Renewal Plan and the Project Area (and the Ordinance, to the extent necessary to conform the same to the Urban Renewal Plan and Project Area, as so amended) at any time in its lawful discretion. In addition, the Issuer may amend the Project Area by merging or combining with another such urban renewal area, but if both have obligations outstanding payable from incremental taxes, the combined tax increment revenues of the new combined area for the Fiscal Year in which the action takes place shall be at least equal to 1.25 times the maximum combined debt service of the Project Area and the other urban renewal area, in any fiscal year. The terms of merger of new project area may provide that all of the obligations of the new project area have the same lien position. In no event shall obligations resulting from a merger have any priority over the Note or Parity Obligations.

Section 17. Remedies of Noteholders. Subject to Annual Appropriation as set forth under this Resolution, the County and the holder or holders of any Parity Obligations shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa, and of the United States of America, for the enforcement of payment of the Note and interest thereon, and of the pledge of the Tax Increment Revenues of the portion of the Project Area that is subject to the Ordinance.

Section 18. Prior Lien and Parity Obligations. The Issuer will issue no other Bonds or obligations of any kind or nature payable from or enjoying a lien or claim on the property or Tax Increment Revenues of the Project Area having priority over the Bonds or Parity Obligations.

Additional Bonds may be issued on a parity and equality of rank with the Bonds with respect to the lien and claim of such Additional Bonds to the revenues of the Project Area and the money on deposit in the funds adopted by this Resolution, for the following purposes and under the following conditions, but not otherwise:

(a) For the purpose of refunding any of the Bonds or Parity Obligations which shall have matured or which shall mature not later than three months after the date of delivery of such refunding Bonds and for the payment of which there shall be insufficient money in the Sinking Fund;

(b) The City shall have the right to issue additional Notes or Bonds for the purpose of refunding any outstanding Notes or other Parity Obligations;

(c) For the purpose of funding of the Project or additional projects within the Shueyville Urban Renewal Area, if all the following conditions shall have been met:

(i) before any such Notes or Bonds ranking on a parity are issued, there will have been procured and filed with the City Clerk, a statement of an independent Certified Public Accountant, not a regular employee of the Issuer, reciting the opinion based upon necessary investigations that the incremental tax revenues to be collected in the City’s Shueyville Urban Renewal Area for the fiscal year in which the certificate is prepared would be sufficient to provide for public debt payments on the Bonds and all Parity Obligations due the following year plus an additional amount of 10%.

(ii) the Additional Bonds must be payable as to principal and as to interest on the same month and day as the Bonds herein authorized.

Section 19. Discharge and Satisfaction of Note. The covenants, liens and pledges entered into, created or imposed pursuant to this Resolution may be fully discharged and satisfied with respect to the Note and Parity Obligations, or any of them, in any one or more of the following ways:

(a) By an event of Non-Appropriation as provided in this Resolution; and

(b) By paying the Note or Parity Obligations when the same shall become due and payable; and

(c) By depositing in trust with the Treasurer, or with a corporate trustee designated by the Governing Body for the payment of said obligations and irrevocably appropriated exclusively to that purpose an amount in cash or direct obligations of the United States the maturities and income of which shall be sufficient to retire at maturity, or by redemption prior to maturity on a designated date upon which said obligations may be redeemed, all of such obligations outstanding at the time, together with the interest thereon to maturity or to the designated redemption date, premiums thereon, if any, that may be payable on the redemption of the same; provided that proper notice of redemption of all such obligations to be redeemed shall have been previously published or provisions shall have been made for such publication.

Upon such payment or deposit of money or securities, or both, in the amount and manner provided by this Section, all liability of the Issuer with respect to the Note or Parity Obligations shall cease, determine and be completely discharged, and the holders thereof shall be entitled only to payment out of the money or securities so deposited.

Section 20. Resolution a Contract. The provisions of this Resolution shall constitute a contract between the Issuer and the County and the holder or holders of any Parity Obligations, and after the issuance of the Note, no change, variation or alteration of any kind in the provisions of this Resolution shall be made in any manner, except as provided in the next succeeding Section, until such time as there has been a non-appropriation as set forth in Section 4 of this Resolution or the Note and Parity Obligations, and interest due thereon, shall have been satisfied and discharged as provided in this Resolution.

Section 21. Amendment of Resolution Without Consent. The Issuer may, without the consent of or notice to the County or any of the holders of the Parity Obligations, amend or supplement this Resolution for any one or more of the following purposes:

(a) to cure any ambiguity, defect, omission or inconsistent provision in this Resolution or in the Note or Parity Obligations; or to comply with any application provision of law or regulation of federal or state agencies; provided, however, that such action shall not materially adversely affect the interests of the County or the holders of the Parity Obligations;

(b) to grant to or confer upon the County or the holders of the Parity Obligations any additional rights, remedies, powers or authority that may lawfully be granted to or conferred upon the County;

(c) to add to the covenants and agreements of the Issuer contained in this Resolution other covenants and agreements of, or conditions or restrictions upon, the Issuer or to surrender or eliminate any right or power reserved to or conferred upon the Issuer in this Resolution; or

(d) to subject to the lien and pledge of this Resolution additional pledged revenues as may be permitted by law.

Section 22. Amendment of Resolution Requiring Consent. This Resolution may be amended from time to time if such amendment shall have been consented to by the County and the holders of not less than two-thirds in principal amount of the Parity Obligations at any time outstanding (not including in any case any Note which may then be held or owned by or for the account of the Issuer, but including such Refunding Obligations as may have been issued for the purpose of refunding the Note if such Refunding Obligations shall not then be owned by the Issuer); but this Resolution may not be so amended in such manner as to:

(a) Make any change in the maturity or interest rate of the Note, or modify the terms of payment of principal of or interest on the Note or impose any conditions with respect to such payment;

(b) Materially affect the rights of the County or the holders of less than all of the Parity Obligations then outstanding; and

(c) Reduce the percentage of the principal amount of Note, the consent of the County is required to effect a further amendment.

Whenever the Issuer shall propose to amend this Resolution under the provisions of this Section, it shall cause notice of the proposed amendment to be filed with the County and to be mailed by certified mail to the County. Such notice shall 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 Clerk.

Whenever at any time within one year from the date of the mailing of said notice there shall be filed with the Clerk an instrument or instruments executed by the County, which instrument or instruments shall refer to the proposed amendatory Resolution described in said notice and shall specifically consent to and approve the adoption thereof, thereupon, but not otherwise, the Governing Body of the Issuer may adopt such amendatory Resolution and such Resolution shall become effective and binding upon the County and the holders of the Parity Obligations.

Any consent given by the County pursuant to the provisions of this Section shall be irrevocable for a period of six months from the date of the instrument evidencing such consent and shall be conclusive and binding upon all future Board members during such period. Such consent may be revoked at any time after six months from the date of such instrument by the Board of Supervisors of the County which provided such consent or by a successor Board of Supervisors by filing notice of such revocation with the Clerk.

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 person 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 23. Severability. If any section, paragraph, or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions.

Section 24. Repeal of Conflicting Ordinances or Resolutions and Effective Date. All other ordinances, resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution are, to the extent of such conflict, hereby repealed; and this Resolution shall be in effect from and after its adoption.

PASSED AND APPROVED this 12th day of August, 2014.

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Mayor

ATTEST:

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Clerk

CERTIFICATE

STATE OF IOWA )

) SS

COUNTY OF JOHNSON )

I, the undersigned City Clerk of Shueyville, Iowa, do hereby certify that attached is a true and complete copy of the portion of the corporate records of the Municipality showing proceedings of the Council, and the same is a true and complete copy of the action taken by the Council with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the Council and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the Council (a copy of the face sheet of the agenda being attached hereto) pursuant to the local rules of the Council and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective city offices as indicated therein, that no Council vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the Municipality hereto affixed this 12th day of August, 2014.

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City Clerk, Shueyville, Iowa

SEAL

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