

MINUTES TO PROVIDE FOR PRIVATE
PLACEMENT AND ISSUANCE OF
NOTE

436558-13

Early, Iowa

April 22, 2025

The City Council of the City of Early, Iowa, met on April 22, 2025, at 6:00 p.m. at the Municipal Building, 107 N. Main Street, Early, Iowa.

The meeting was called to order by the Mayor, and the roll was called showing the following named Council Members present and absent:

Present: B. Pickhinke, T. Langner, C. madden

Absent: B. Scadden, C. Tiefenthaler.

This being the time and place specified for taking action on the proposal to enter into a General Obligation Water Improvement Loan Agreement in a principal amount not to exceed \$600,000, the City Clerk announced that no written objections had been placed on file. Whereupon, the Mayor called for any written or oral objections, and there being none, the Mayor closed the public hearing.

After due consideration and discussion, Council Member T. Langner introduced the resolution next hereinafter set out and moved its adoption, seconded by Council Member B. Pickhinke. The Mayor put the question upon the adoption of said resolution, and the roll being called, the following named Council Members voted:

Ayes: B. Pickhinke, T. Langner, C. madden

Nays: _____.

Whereupon, the Mayor declared the resolution duly adopted, as hereinafter set out.

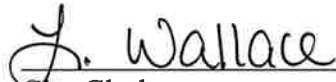
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At the conclusion of the meeting, and upon motion and vote, the City Council adjourned.



Mayor

Attest:



City Clerk

RESOLUTION NO. 25-04

Resolution authorizing and approving a Loan Agreement, providing for the private placement and issuance of a \$600,000 General Obligation Water Improvement Note, Series 2025 and providing for the levy of taxes to pay the same

WHEREAS, the City of Early (the "City"), in Sac County, State of Iowa heretofore proposed to enter into a loan agreement (the "Loan Agreement"), pursuant to the provisions of Section 384.24A of the Code of Iowa, and to borrow money thereunder in a principal amount not to exceed \$600,000 for the purpose of paying the costs, to that extent, of constructing improvements to the municipal waterworks system (the "Project"), and pursuant to law and a notice duly published, the City Council has held a public hearing on such proposal on April 22, 2025; and

WHEREAS, D.A. Davidson & Co., the placement agent (the "Placement Agent"), has negotiated the placement of a \$600,000 General Obligation Water Improvement Note, Series 2025 (the "Note") to be issued in evidence of the Loan Agreement to Citizens 1st National Bank, Storm Lake, Iowa (the "Lender"); and

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

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

Section 1. The proposal from the Lender referred to in the preamble hereof is hereby accepted; the Loan Agreement and the Note are hereby awarded to the Lender at the price specified in such proposal; the Mayor and City Clerk are hereby authorized to execute such documents as may be necessary to accept such proposal on behalf of the City; and all action heretofore taken in this regard is hereby ratified and affirmed. The Note shall be dated as of the date of their delivery to the Lender and shall be payable as to both principal and interest in the manner hereinafter specified.

Section 2. The City shall enter into the Loan Agreement with the Lender, in substantially the form as has been placed on file with the City Council, providing for a loan to the City in the principal amount of \$600,000, for the purpose or purposes set forth in the preamble hereof.

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

Section 3. During the period commencing on the Note Date and continuing to, and including, June 1, 2026 (the “Draw Period”), advances (each an “Advance”) on the Note may be requested by the Mayor or the City Clerk in such amounts and at such times as are needed to pay costs of the Project. The date and amount of each Advance shall be entered by the Lender on a Schedule of Advances, and each Advance shall bear interest from the date of such entry. All principal not drawn as an Advance by the end of the Draw Period shall be applied as a mandatory prepayment of principal on June 1, 2026 and shall be applied in inverse order of maturity on terms of par, plus accrued interest.

Section 4. The Note is hereby authorized to be issued in evidence of the obligation of the City under the Loan Agreement, in the principal amount of \$600,000, and shall be dated the date of delivery to the Lender, such date anticipated to be May 8, 2025.

The City Clerk is hereby designated as the registrar and paying agent for the Note and may be hereinafter referred to as the “Registrar” or the “Paying Agent.”

Principal of the Note shall be payable in one (1) installment due on May 1, 2028 in the amount of \$600,000.

The Note shall bear interest at the rate of 3.350% per annum. Interest on the Note shall be payable in semiannual installments due on each May 1 and November 1, commencing November 1, 2025 and continuing to, and including, final maturity on May 1, 2028. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Payment of both principal of and interest on the Note shall be made to the registered 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 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 Note to the Paying Agent.

The City reserves the right to optionally prepay principal of the Note in whole or in part at any time prior to and in inverse order of maturity on terms of par and accrued interest. All principal so prepaid shall cease to bear interest on the date of prepayment.

The Note 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 Note without interest coupons. In case any officer whose signature or the facsimile of whose signature appears on the Note shall cease to be such officer before the delivery of the Note, such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

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

Section 5. The Note shall be in substantially the following form:

(Form of Note)

UNITED STATES OF AMERICA
STATE OF IOWA SAC COUNTY
CITY OF EARLY

GENERAL OBLIGATION WATER IMPROVEMENT NOTE, SERIES 2025

\$600,000

RATE	MATURITY DATE	NOTE DATE
3.350%	May 1, 2028	May 8, 2025

The City of Early (the "City"), in Sac County, State of Iowa, for value received, promises to pay in the manner hereinafter provided to

Citizens 1st National Bank
Storm Lake, Iowa

or registered assigns, the principal sum of SIX-HUNDRED THOUSAND DOLLARS, together with interest on the outstanding principal hereof from the date of this Note, or from the most recent payment date on which interest has been paid, except as the provisions hereinafter set forth with respect to prepayment prior to maturity may be or become applicable hereto.

During the period commencing on the Note Date and continuing to, and including, June 1, 2026 (the "Draw Period"), advances (each an "Advance") on the Note may be requested by the Mayor or the City Clerk in such amounts and at such times as are needed to pay costs of the Project (as defined herein). The date and amount of each Advance shall be entered by the Lender on a Schedule of Advances, and each Advance shall bear interest from the date of such entry. All principal not drawn as an Advance by the end of the Draw Period shall be applied as a mandatory prepayment of principal on June 1, 2026 and shall be applied in inverse order of maturity on terms of par, plus accrued interest.

Principal of the Note shall be payable in one (1) annual installment due on May 1, 2028 in the amount of \$600,000.

This Note shall bear interest at the rate of 3.350% per annum. Accrued interest on this Note shall be payable in semiannual installments due on each May 1 and November 1, commencing November 1, 2025 and continuing to, and including, final maturity on May 1, 2028. Interest shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Both principal of and interest on this Note are payable to the registered owner appearing on the registration books of the City maintained by the City Clerk (hereinafter referred to as the "Registrar" or the "Paying Agent") at the close of business on the fifteenth day of the month next preceding the payment date in lawful money of the United States of America to the registered owner at the address shown on such registration books; provided, however, that the final installment of principal and interest will be payable only upon presentation and surrender of this Note to the Paying Agent.

This Note is issued by the City to evidence its obligation under a certain Loan Agreement, dated the date hereof (the "Loan Agreement"), entered into by the City for the purpose of constructing improvements to the municipal waterworks system (the "Project").

This Note is issued pursuant to and in strict compliance with the provisions of Chapter 76 and Chapter 384 of the Code of Iowa, 2025, 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 Note (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 Note and the rights of the owner of this Note.

The City reserves the right to optionally prepay principal of this Note in whole or in part at any time prior to and in inverse order of maturity on terms of par and accrued interest. All principal so prepaid shall cease to bear interest on the date of prepayment.

This Note is fully negotiable but shall be fully registered as to both principal and interest in the name of the owner on the books of the 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 Note to the Registrar, together with either a written instrument of transfer satisfactory to the Registrar or the assignment form hereon completed and duly executed by the registered owner or the duly authorized attorney for such registered owner.

The 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 and Recited that all acts, conditions and things required by the laws and Constitution of the State of Iowa, to exist, to be had, to be done or to be performed precedent to and in the issue of this Note were and have been properly existent, had, done and performed in regular and due form and time; that provision has been made for the levy of a sufficient continuing annual tax on all the taxable property within the City for the payment of the principal of and interest on this Note as the same will respectively become due; and that the total indebtedness of the City, including this Note, does not exceed any constitutional or statutory limitations.

IN TESTIMONY WHEREOF, the City of Early, Iowa, by its City Council, has caused this Note to be executed by its Mayor and attested by its City Clerk, on May 8, 2025.

CITY OF EARLY, IOWA

By (DO NOT SIGN)
Mayor

Attest:

(DO NOT SIGN)
City Clerk

ABBREVIATIONS

The following abbreviations, when used in this Note, shall be construed as though they were written out in full according to applicable laws or regulations:

TEN COM	- as tenants in common	UTMA	_____
			(Custodian)
TEN ENT	- as tenants by the entireties	As Custodian for	_____
JT TEN	- as joint tenants with right of survivorship and not as tenants in common		(Minor)
		under Uniform Transfers to Minors Act	_____
			(State)

Additional abbreviations may also be used though not in the list above.

ASSIGNMENT

For valuable consideration, receipt of which is hereby acknowledged, the undersigned assigns this Note to

 (Please print or type name and address of Assignee)

PLEASE INSERT SOCIAL SECURITY OR OTHER IDENTIFYING NUMBER OF ASSIGNEE

and does hereby irrevocably appoint _____, Attorney, to transfer this Note on the books kept for registration thereof with full power of substitution.

Dated: _____

Signature guaranteed:

NOTICE: The signature to this Assignment must correspond with the name of the registered owner as it appears on this Note in every particular, without alteration or enlargement or any change whatever.

Date of Advance	Amount Advanced	Remaining Principal Balance	Signature of Authorized Officer of Lender
07/20/2025	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____
_____	\$ _____	\$ _____	_____

Section 6. The Note shall be executed as herein provided 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 Lender, upon receipt of the loan proceeds (the "Loan Proceeds"), and all action heretofore taken in connection with the Loan Agreement is hereby ratified and confirmed in all respects. It is anticipated that the closing of the credit transaction contemplated herein will occur on May 8, 2025. To the extent that the date of closing needs to be adjusted, the City Clerk, with advice from the Lender and Bond Counsel to the City, is hereby authorized to make such adjustment and to modify the transaction documents accordingly.

Section 7. The proceeds (the "Loan Proceeds") to be received under the Loan Agreement shall be used to pay the costs of the Project, and costs of issuance of the Note. Any Loan Proceeds remaining after the full payment of such costs shall be deposited in the Debt Service Fund and used to pay principal of and interest on the Note as the same become due. The 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. As required by Chapter 76 of the Code of Iowa, and for the purpose of providing for the levy and collection of a direct annual tax sufficient to pay the principal of and the interest on the Note as the same become due, there is hereby ordered levied on all the taxable property in the City in each of the years while the Note is outstanding the following direct annual tax::

For collection in the fiscal year beginning July 1, 2026,
sufficient to produce the net annual sum of \$20,100; and

For collection in the fiscal year beginning July 1, 2027,
sufficient to produce the net annual sum of \$620,100.

Section 9. A certified copy of this resolution shall be filed with the County Auditor of Sac County, and the County Auditor is hereby instructed to enter for collection and assess the tax hereby authorized. When annually entering such taxes for collection, the County Auditor shall include the same as a part of the tax levy for Debt Service Fund purposes of the City and when collected, the proceeds of the taxes shall be converted into the Debt Service Fund of the City and set aside therein as a special account to be used solely and only for the payment of the principal of and interest on the Note hereby authorized and for no other purpose whatsoever.

Pursuant to the provisions of Section 76.4 of the Code of Iowa, each year while the Note remains outstanding and unpaid, any funds of the City which may lawfully be applied for such purpose may be appropriated, budgeted and, if received, used for the payment of the principal of and interest on the Note as the same become due, and if so appropriated, the taxes for any given fiscal year as provided for in Section 7 of this Resolution, shall be reduced by the amount of such alternate funds as have been appropriated for such purpose, and evidenced in the City's budget.

Section 10. The interest or principal and both of them falling due in any year or years shall, if necessary, be paid promptly from current funds on hand in advance of taxes levied and

when the taxes shall have been collected, reimbursement shall be made to such current funds to the sum thus advanced.

Section 11. It is the intention of the City that interest on the Note be and remain excluded from gross income for federal income tax purposes pursuant to the appropriate provisions of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations in effect with respect thereto (all of the foregoing herein referred to as the "Internal Revenue Code"). In furtherance thereof, the 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 the applicable future laws, regulations, published rulings and court decisions as may be necessary to insure that the interest on the Note will remain excluded from gross income for federal income tax purposes. Any and all of the officers of the 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 Note as "Qualified Tax-Exempt Obligations" as that term is used in Section 265(b)(3)(B) of the Internal Revenue Code.

Section 12. All resolutions or parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 13. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved on April 22, 2025.



Mayor

Attest:



City Clerk

ATTESTATION CERTIFICATE

STATE OF IOWA
SAC COUNTY
CITY OF EARLY

SS:

I, the undersigned, City Clerk of the City of Early, do hereby certify that as such City Clerk I have in my possession or have access to the complete corporate records of the City and of its Council and officers and that I have carefully compared the transcript hereto attached with those corporate records and that the transcript hereto attached is a true, correct and complete copy of all the corporate records in relation to the adoption of a resolution entitled "Resolution authorizing and approving a Loan Agreement, providing for the private placement and issuance of a \$600,000 General Obligation Water Improvement Note, Series 2025 and providing for the levy of taxes to pay the same," 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, to issue the Note or to levy the taxes to pay the principal thereof and interest thereon.

WITNESS MY HAND this 22nd day of April, 2025.

L. Wallace
City Clerk

COUNTY FILING CERTIFICATE

STATE OF IOWA

SS:

SAC COUNTY

I, the undersigned, County Auditor of Sac County, in the State of Iowa, do hereby certify that on the 2nd day of May, 2025, the City Clerk of the City of Early filed in my office a certified copy of a resolution of the City shown to have been adopted by the City Council and approved by the Mayor thereof on April 22, 2025, entitled: "Resolution authorizing and approving a Loan Agreement, providing for the private placement and issuance of a \$600,000 General Obligation Water Improvement Note, Series 2025 and providing for the levy of taxes to pay the same," and that I have duly placed the copy of the resolution on file in my records.

I further certify that the taxes provided for in that resolution will in due time, manner and season be entered on the State and County tax lists of this County for collection in the fiscal year beginning July 1, 2026, and subsequent years as provided in the resolution.

WITNESS MY HAND this 2nd day of May, 2025.

Renee Roland, Deputy
County Auditor

LOAN AGREEMENT

This Loan Agreement is entered into as of May 8, 2025, by and between the City of Early, Iowa (the "City"), and Citizens 1st National Bank, Storm Lake, Iowa (the "Lender"). The parties agree as follows:

1. The Lender shall loan to the City the sum of \$600,000, and the City's obligation to repay hereunder shall be evidenced by the issuance of a General Obligation Water Improvement Note, Series 2025 (the "Note") in the principal amount of \$600,000.

2. The City has adopted a resolution on April 22, 2025 (the "Resolution") authorizing and approving this Loan Agreement and providing for the issuance of the Note and the levy of taxes to pay the principal of and interest on the Note for the purpose or purposes set forth in the Resolution. The Resolution is incorporated herein by reference, and the parties agree to abide by the terms and provisions of the Resolution. In and by the Resolution, provision has been made for the levy of a sufficient continuing annual tax on all the taxable property within the City for the payment of the principal of and interest on the Note as the same will respectively become due.

3. The Note, in substantially the form set forth in the Resolution, shall be executed and delivered to or on behalf of the Lender to evidence the City's obligation to repay the amount payable hereunder. The Note shall be dated May 8, 2025, shall bear interest, shall be payable as to principal on the dates and in the amounts, shall be subject to prepayment prior to maturity and shall contain such other terms and provisions as provided therein and in the Resolution.

4. The Loan Agreement and the Note shall be assignable by the Lender in whole with the consent of the City, provided that the Lender shall not assign or transfer this Loan Agreement or the Note to any person other than a commercial bank. Written notice of such assignment or transfer shall be provided by the Lender to the City within 30 days of the date of the assignment or transfer. The Lender agrees that any assignment or transfer in violation of the foregoing shall be null and void and of no force or effect, at the election of the City. In connection with any such assignment or participation, the Lender may disclose to any proposed assignee or participant any information without the City's consent.

5. This Loan Agreement is executed pursuant to the provisions of Section 384.24A of the Code of Iowa and shall be read and construed as conforming to all provisions and requirements of the statute.

IN WITNESS WHEREOF, we have hereunto affixed our signatures all as of the date first above written.

CITY OF EARLY, IOWA

By William Cuyll
Mayor

Attest:

L. Wallace
City Clerk

CITIZENS 1ST NATIONAL BANK
Storm Lake, Iowa

By [Signature]
(Signature)

William Brookhouser C.O.
(Print Name and Title)