

NOTICE OF PROPOSED ACTION TO INSTITUTE  
PROCEEDINGS TO ENTER INTO A LOAN AND DISBURSEMENT AGREEMENT  
IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,300,000

(WATER REVENUE)

The City Council of the City of Prairie City, Iowa, will meet on July 14, 2021, at the Council Chambers, in the City, at six o'clock p.m., for the purpose of instituting proceedings and taking action to enter into a loan and disbursement agreement (the "Agreement") and to borrow money thereunder in a principal amount not to exceed \$1,300,000, for the purpose of paying the cost, to that extent, of planning, designing and constructing improvements and extensions to the City's Municipal Waterworks Utility System.

Due to federal and state government recommendations in response to COVID-19 pandemic conditions, alternative access to the meeting will be provided electronically via Zoom, which will be accessible at the following:

<https://us02web.zoom.us/j/82821831241?pwd=RjRvdzNrWlZldkhHVlhJK2hUT05UZz09>

The Agreement will not constitute a general obligation of the City, nor will it be payable in any manner by taxation but, together with any additional obligations of the City as may be hereafter issued and outstanding from time to time ranking on a parity therewith, will be payable solely and only from the Net Revenues of the Municipal Waterworks Utility System of the City.

At the aforementioned time and place, oral or written objections may be filed or made to the proposal to enter into the Agreement. After receiving objections, the City may determine to enter into the Agreement, in which case, the decision will be final unless appealed to the District Court within fifteen (15) days thereafter.

By order of the City Council of the City of Prairie City, Iowa.

Jodie Wyman  
City Administrator

## NOTICE TO PROCEED

Date: July 6, 2021

Project: Water System Improvements -- Phase 1	
Owner: City of Prairie City	Owner's Contract No.:
Contract: City of Prairie City -- Water System Improvements Phase 1	Engineer's Project No.: 08994029
Contractor: MB Construction, LLC	
Contractor's Address: 22614 State Hwy 16	
Monticello, MO 63457	

You are notified that the Contract Times under the above Contract will commence to run on July 14, 2021. On or before that date, you are to start performing your obligations under the Contract Documents. In accordance with Article 4 of the Agreement, the date of Substantial Completion is May 16, 2022, and the date of readiness for final payment is June 15, 2022.

Before you may start any Work at the Site, Paragraph 2.01.B of the General Conditions provides that you and Owner must each deliver to the other (with copies to Engineer and other identified additional insureds and loss payees) certificates of insurance which each is required to purchase and maintain in accordance with the Contract Documents.

Also, before you may start any Work at the Site, you must: N/A

MB CONSTRUCTION, L.L.C.  
Contractor  
Received by: Brian J. Murphy  
Authorized Signature  
MANAGING MEMBER  
Title  
07/07/2021  
Date

Owner  
Given by: Julie Wyma  
Authorized Signature  
Interim City Administrator / City Clerk  
Title  
7/7/21  
Date

Copy to Engineer



June 28, 2021

CITY OF PRAIRIE CITY  
ATTN: JOE BARTELLO  
PO BOX 607, 203 E JEFFERSON ST  
PRAIRIE CITY, IA 50228

Subject: Waiver from the separation requirements from water mains to storm sewers  
Water System Improvements - Phase 1  
PWSID No. IA5064055 – Project No. W2020-0075

Dear Mr. Bartello:

To issue a waiver, all of the criteria found in Iowa Code section 17A.9A, Iowa Administrative Code (IAC) section 561-10.4, and 567 IAC 43.3(2) "a" must be satisfied. Iowa Code 17A.9A and 567 IAC 10.4 require that all of the following criteria be met:

- a. The application of the rule would pose an undue hardship on the person for whom the waiver is requested.
- b. The waiver from the requirements of a rule in the specific case would not prejudice the substantial legal rights of any person.
- c. The provisions of a rule subject to a petition for a waiver are not specifically mandated by statute or another provision of law.
- d. Substantially equal protection of public health, safety, and welfare will be afforded by a means other than that prescribed in the particular rule for which the waiver is requested.

Further, 567 IAC 43.3(2) "a", allows a waiver (formerly variance) when

engineering justification satisfactory to the director is provided substantially demonstrating that variation from the design standards will result in equivalent or improved effectiveness, such a variation from design standards may be accepted by the director.

You have requested a waiver from Iowa Administrative Code Subrule 567 IAC 43.3(2)"a"(3), which requires separation of water mains from sanitary sewers and storm sewers shall be in accordance with the Iowa Wastewater Facilities Design Standards, chapter 12, section 5.8, "Protection of Water Supplies". Vertical separation of sewers crossing under any water main should be at least 18 inches when measured from the top of the sewer to the bottom of the water main. If physical conditions prohibit the separation, the sewer may be placed not closer than 6 inches below a water main or 18 inches above a water main. Where the sewer crosses over or less than 18 inches below a water main one full length of sewer pipe of water main material shall be located so both joints are as far as possible from the water main. Horizontal separation between sewers and water mains shall be at least 10 feet unless there is at least 3 feet of separation and the top of the sewer is at least 18 inches below the bottom of the water main and the sewer is in a separate trench or in the same trench on a bench of undisturbed material. When it is impossible to obtain the required horizontal clearance of 3 feet and a vertical clearance of 18 inches between sewers and water mains, the sewers must be constructed of water main materials meeting both a minimum pressure rating of 150 psi and the requirements of Sections 8.2 and 8.4 of the "Iowa Standards for Water Supply Distribution Systems."

The Department has determined that the criteria discussed above have been met to grant this waiver for the “Water System Improvements - Phase 1” project in Prairie City. The requested waiver is deemed to be necessary and appropriate pursuant to the Iowa Code section 455B.181. Therefore, the request is approved.

The facts presented for the project present unique circumstances and the waiver is therefore justified to provide the narrowest exception possible to the provisions of the rule in accordance with Rule 561 IAC 10.5. Since the project planning and construction may last more than one year, the waiver is considered to be of a permanent nature. The validity of this waiver approval shall last for a period of one year from the date of the construction permit in accordance with Rule 561 IAC 10.5.

This decision is based on our review of justification presented to support the request. The Department found that the resulting project will provide substantially equivalent effectiveness as would be provided by technical compliance with the design standard on this issue.

This waiver approval is subject to the following conditions and requirements:

Construct the storm sewer of high density polyethylene (HDPE) with ASTM D3212 gaskets where the water main is less than 10 feet horizontally from the storm sewer.

or

Construct the storm sewer of high density polyethylene (HDPE) with ASTM D3212 gaskets where the storm sewer crosses at least 18 inches above the water main for a minimum of 10 feet horizontal distance from each side of the critical crossing.

or

Place the water main within a sealed casing pipe where the water main crosses at least 18 inches below a storm sewer, for a minimum of 10 feet horizontal distance from each side of the critical crossing.

During review of this waiver, the Iowa DNR has determined that instead of constructing the storm sewers of water main material, equivalent protection to the water main will be provided by constructing the storm sewers of HDPE with ASTM D3212 gaskets since the HDPE storm sewers are water tight at the pressures anticipated in this application. The DNR has also determined that instead of constructing the storm sewers of water main material, a sealed casing pipe provides equivalent protection via secondary containment which prevents contamination from a sewer from reaching the water main.

The Department’s professional judgement is that this waiver provides equivalent protection to the requirements of 12.5.8.5, however, should the Department receive information or data that this waiver to the 12.5.8.5 standard is not resulting in satisfactory results, this approval may be rescinded.

If you have any questions, please contact Matt Phoenix, PE via e-mail at [matt.phoenix@dnr.iowa.gov](mailto:matt.phoenix@dnr.iowa.gov) or by telephone at (515) 725-0298.

Sincerely,

Lori L. McDaniel

Digitally signed by Lori L. McDaniel  
Date: 2021.06.25 14:07:42 -05'00'

Lori McDaniel, Chief  
Water Quality Bureau

cc: ☐ MSA Professional Services, Inc; Attn: Andrew Inhelder; 1555 SE Delaware Ave, Suite F, Ankeny, IA 50021  
☐ Iowa Finance Authority; Attn: Tracy Scebold and Tony Toigo; 1963 Bell Ave, Suite 200, Des Moines, IA 50315  
☐ Field Office No. 5 - Des Moines  
☐ Files: PWSID No. IA5064055 (green folder)  
☐ File: SRF No. FS-50-20-DWSRF-034

STATE OF IOWA  
DEPARTMENT OF NATURAL RESOURCES  
WATER SUPPLY ENGINEERING SECTION  
502 E 9<sup>TH</sup> STREET  
DES MOINES, IOWA 50319

WATER SUPPLY  
CONSTRUCTION PERMIT

PRAIRIE CITY WATER WORKS  
ATTN: JOE BARTELLO  
PO BOX 607, 203 E JEFFERSON ST  
PRAIRIE CITY, IA 50228

Permit No.: 2021-0443W  
Project No.: W2020-0075  
PWSID No.: IA5064055  
SRF Project No.: FS-50-20-DWSRF-034

In accordance with the provisions of Sections 455B.173(9) and 455B.174(4) of the Iowa Code and 567—43.3(455B) of the Iowa Administrative Code, the Director of the Department of Natural Resources does hereby issue a permit for the construction of:

**17 feet of 10-inch diameter, 5,945 feet of 8-inch diameter and 188 feet of 4-inch diameter AWWA C900 DR 18 polyvinyl chloride (PVC) water main extension; including all associated appurtenances; in accordance with the plans and specifications for the *Water System Improvements - Phase 1* project in Prairie City, Iowa.**

**Note: Department standards require any water main installed in areas of groundwater contaminated by organic compounds must be constructed of materials which do not allow permeation of these compounds into the drinking water supply.**

NOTICE: The issuance of this construction permit is based SOLELY on the engineer's certification that all aspects of design included in the project meet the requirements of all applicable state and federal laws and regulations. An advisory review of the plans and specifications may be made at a later date.

Construction of the project shall be initiated within one year of permit issuance or this permit is no longer valid, unless an extension is granted. A request for a permit extension must be requested within one year of permit issuance. Within thirty days after completion of construction, the permit holder shall submit a certification by a Professional Engineer licensed in Iowa that the project was completed in accordance with the approved project documents.

Pursuant to Section 455B.174.4, Code of Iowa, you have the right to appeal any condition of this permit by filing with the Director of the Department of Natural Resources a notice of appeal and request for administrative hearing within thirty days of receipt of this permit.

If you have any questions, please contact Matt Phoenix, PE via e-mail at [matt.phoenix@dnr.iowa.gov](mailto:matt.phoenix@dnr.iowa.gov) or by telephone at (515) 725-0298.

FOR THE DEPARTMENT OF NATURAL RESOURCES

KAYLA LYON, DIRECTOR

By: Matthew R. Phoenix  
Digitally signed by Matthew R. Phoenix  
Date: 2021.07.07 14:18:30 -05'00'

Environmental Services Division

Date: July 08, 2021

- cc: ☐ MSA Professional Services Inc; Attn: Andrew Inhelder; 1555 SE Delaware Ave, Suite F, Ankeny, IA 50021  
☐ Iowa Finance Authority; Attn: Tracy Scebold and Tony Toigo; 1963 Bell Ave, Suite 200, Des Moines, IA 50315  
☐ Field Office No. 5 - Des Moines  
☐ Files: PWSID No. IA5064055 (green folder)  
☐ File: SRF No. FS-50-20-DWSRF-034



Iowa Department of Natural Resources  
Water Supply Engineering Section  
**NOTIFICATION OF COMPLETION OF CONSTRUCTION**

Notice is hereby given that construction of the project authorized by the Iowa Department of Natural Resources was completed in accordance with approved plans and specifications.

<b>Permit #</b> 2021-0443W	<b>Project #</b> W2020-0075
<b>PWSID #</b> IA5064055	<b>FO#</b> 5 - Des Moines
<b>Reviewer</b> Matt Phoenix, PE	<b>Date Issued</b> July 08, 2021

☒ Water Mains

Further Action Required:

- ☐ Final FO Inspection  
☐ Environmental Specialist

<b>Date of Project Completion</b>	<b>Signature of Applicant or Authorized Agent</b>

**Return the signed notification of completion in *one* of the following ways:**

1. Email this sheet to matt.phoenix@dnr.iowa.gov, or
2. Fax to (515) 725-8202, or
3. Mail to:

Attn: Matt Phoenix, PE  
Iowa DNR Water Supply Engineering  
502 E 9<sup>th</sup> St  
Des Moines IA 50319-0034



**SRF**  
STATE  
REVOLVING FUND

PARTNERSHIP WITH THE IOWA FINANCE AUTHORITY  
AND THE IOWA DEPARTMENT OF NATURAL RESOURCES

## SRF Construction Loan Application

Applicant Information			
Applicant:		City of Prairie City	
Tax ID Number:		42-6005132	
Contact Person and Title:		Jodie Wyman	
Street Address:	203 E Jefferson St	State:	Iowa
City:	Prairie City	Zip Code:	50228
Telephone Number:	515-994-2649	County:	Jasper
E-Mail:	jodie.wyman@prairiecityiowa.us		

Project Information
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☐ Clean Water SRF      NPDES Number:   
☒ Drinking Water SRF      PWSID Number:

Please write a brief description of the proposed project:

Looping water main in areas that have dead ends and install water main where smaller diameter mains have experienced multiple breaks within the last few years.

Have construction contracts been awarded? ☒ Yes ☐ No

If Yes, provide the actual contract dates. If No, provide the expected dates:

Construction Start Date:	July 12, 2021
Substantial Completion Date:	May 16, 2022
Final Completion Date:	June 15, 2022

Funding Information
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Does this project have CDBG? ☐ Yes ☒ No

If yes, who is grant administrator?

Are you interested in an extended term loan (up to 30 years)? ☐ Yes ☒ No

If yes, has the extended term worksheet been submitted to DNR? ☐ Yes ☒ No

Date submitted or expected date of submission:

Type of debt requested (check one): ☒ Revenue ☐ G.O. ☐ Combination





### Project Cost Breakdown

Administrative, Financial & Legal expenses	\$ 21,500
Planning & Design expenses	\$106,000
Engineering construction expenses	\$102,200
Construction	\$1,035,816
Equipment	\$
Other-	\$
Other-	\$
Other-	\$
Other-	\$
Contingency	\$103,600
<b>Total Project Cost</b>	<b>\$ 1,369,116</b>
<b>Minus Funds from other sources</b>	<b>\$ (126,000)</b>
SRF Loan Subtotal	\$ 1,243,116
1/2% loan origination fee (.005 x SRF amount)	\$ 6,250
<b>Total SRF Loan (round to nearest \$1,000)</b>	<b>\$ 1,250,000</b>

### Sources of Funds

<b>Total SRF Loan (from above)</b>	<b>\$ 1,250,000</b>
Federal grant or loan- Specify-	\$
Applicant's share	\$ 6,000
Other- Specify -	\$ 120,000 (American Rescue Plan)
<b>Total Source of Funds</b>	<b>\$ 1,375,400</b>

The application must include the following documentation with the completed application.

☒ A pro-forma prepared by a registered Municipal Advisor showing detail of the revenues, expenses, outstanding debt and debt coverage ratios for the system. At a minimum, the pro-forma should show financial information based on actuals for the past two-years, the current year and projections for the next two years.

The undersigned is duly authorized to request this loan on behalf of the Borrower. The Borrower declares under penalty of law that all facts given, and information attached are true and correct. The Borrower authorizes IFA to verify all information.

Authorized Signature \_\_\_\_\_ Date Interim City Administrator

Typed Name and Title Interim City Administrator/City Clerk

Submit Completed Application and Pro-Forma to SRF Program Staff at:  
[waterquality@iowafinance.com](mailto:waterquality@iowafinance.com)  
 515 452-0400

City of Prairie City, Iowa  
Water Enterprise Fund

EXHIBIT 1a

Growth Assumptions	
Water Usage	1.00%
Operating Expenses	2.00%
Interest Rate	0.25%

Water Rate Adjustments					
1-Jul-17	3.00%	1-Jul-21	2.00%	1-Jul-25	1.00%
1-Jul-18	2.00%	1-Jul-22	2.00%	1-Jul-26	1.00%
1-Jul-19	0.00%	1-Jul-23	2.00%		
1-Jul-20	2.00%	1-Jul-24	1.00%		

	Unaudited	Unaudited	Unaudited	Unaudited	Budget	Projected	Projected	Projected	Projected	Projected	
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26	FY 2026-27
Effective				8/1/2019							
Service Fee (Includes 1,500 Gallons)	1	\$15.31	\$15.77	\$16.09	\$16.09	\$16.41	\$16.74	\$17.07	\$17.59	\$17.77	\$17.94
Next 8,500 gallons	2	\$8.99	\$9.26	\$9.45	\$9.45	\$9.64	\$9.83	\$10.03	\$10.33	\$10.43	\$10.54
Next 30,000 gallons	3	\$7.43	\$7.65	\$7.80	\$7.80	\$7.96	\$8.12	\$8.28	\$8.53	\$8.62	\$8.70
Over 40,000 gallons	4	\$6.87	\$7.08	\$7.22	\$3.22	\$3.28	\$3.35	\$3.42	\$3.52	\$3.56	\$3.59
Ave. Rate per 1,000 Gallons	5	\$9.90	\$10.03	\$10.33	\$8.94	\$9.12	\$9.30	\$9.49	\$9.77	\$9.87	\$9.97
Average Monthly Bill (5,000 gal)	6	\$46.78	\$48.18	\$49.17	\$49.17	\$50.15	\$51.15	\$52.17	\$53.21	\$54.28	\$54.82
Change in Avg Monthly Bill	7	\$0.00	\$1.40	\$0.98	\$0.00	\$0.99	\$0.99	\$1.02	\$1.04	\$0.54	\$0.54
Total Water Usage & Customers	8	(3.1%) 28,220	(0.0%) 28,210	(1.0%) 27,750	15.8% 32,144	10.0% 35,358	1.0% 35,712	1.0% 36,069	1.0% 36,429	1.0% 37,162	1.0% 37,533
Avg. Number of Customers	6	656	654	653	652	661	666	671	676	681	681
Operating Revenue	7	(2.4%) \$158,903	3.2% \$159,095	0.1% \$160,511	(0.9%) \$161,422	12.3% \$192,258	1.2% \$198,373	2.7% \$204,704	2.7% \$211,244	1.8% \$215,861	1.8% \$221,652
Usage Fees	8	0	0	0	0	2,884	2,965	3,047	3,131	3,174	3,262
Large User Fees	9	120,490	123,763	126,081	125,888	130,164	133,786	137,486	141,281	143,749	146,639
Monthly Fees	10	3,945	4,151	4,100	3,305	4,120	4,120	4,120	4,120	4,120	4,120
Penalties	11	4,953	6,140	6,659	5,100	10,000	5,000	5,000	5,000	5,000	5,000
Connection Charges	12	18,924	19,319	16,945	17,751	14,904	14,444	13,998	13,564	13,274	12,591
Sales Tax Collected	13	4,558	9,194	7,562	5,478	4,000	4,000	4,000	4,000	4,000	4,000
Miscellaneous Revenue	14	\$311,773	\$321,662	\$321,859	\$318,944	\$358,330	\$362,688	\$372,355	\$382,340	\$389,179	\$403,185
Total Operating Revenue		(4.5%) \$101,551	(4.9%) \$90,323	25.8% \$98,796	5.7% 92,327.10	(0.5%) \$116,143	2.2% \$125,546	2.0% \$128,057	2.0% \$130,618	2.0% \$133,231	2.0% \$135,895
Operating Expense	15	15,107	16,095	9,056	5,776	9,000	14,000	14,280	14,566	15,154	15,457
Personal Services	16	40,467	43,963	48,833	34,696	27,500	32,000	32,640	33,293	34,638	35,331
Repairs & Maintenance	17	10,020	5,365	18,888	10,504	16,500	23,500	23,970	24,449	24,938	25,946
Supplies	18	2,057	2,050	4,481	1,512	3,800	4,000	4,080	4,162	4,245	4,416
Equipment	19	21,163	27,981	31,507	27,908	33,200	32,600	33,252	33,917	34,595	35,287
Vehicle Expense	20	3,905	3,913	5,200	5,994	5,460	5,460	5,569	5,681	5,794	5,993
Utilities	21	1,916	883	5,907	2,820	13,900	3,950	4,029	4,110	4,192	4,361
Insurance	22	1,803	10,945	44,461	77,491	14,000	6,000	6,120	6,242	6,367	6,624
Professional Fees	23	18,986	6,066	(7,437)	12,870	25,000	25,000	25,500	26,010	26,530	27,061
Contracted Services	24	10,879	9,134	12,918	16,231	22,300	21,000	21,420	21,848	22,285	22,731
Sales Tax	25	\$227,853	\$216,718	\$272,611	\$288,129	\$286,803	\$293,056	\$298,917	\$304,896	\$310,994	\$317,213
Miscellaneous	26										
Total Operating Expense											
Net Operating Income	27	\$83,921	\$104,944	\$49,248	\$30,815	\$71,526	\$69,632	\$73,438	\$78,185	\$78,890	\$79,627
Interest on Reserves	28	14	36	784	86	514	644	490	431	401	371
Revenue for Debt Service		\$83,934	\$104,979	\$50,032	\$30,901	\$72,040	\$70,276	\$73,928	\$78,616	\$79,291	\$79,998

City of Prairie City, Iowa  
Water Enterprise Fund

EXHIBIT 1a

Growth Assumptions	
Water Usage	1.00%
Operating Expenses	2.00%
Interest Rate	0.25%

Water Rate Adjustments	
1-Jul-17	3.00%
1-Jul-18	2.00%
1-Jul-19	0.00%
1-Jul-20	2.00%
1-Jul-21	2.00%
1-Jul-22	2.00%
1-Jul-23	2.00%
1-Jul-24	1.00%
1-Jul-25	1.00%
1-Jul-26	1.00%

	Unaudited	Unaudited	Unaudited	Unaudited	Budget	Projected	Projected	Projected	Projected	Projected
	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24	FY 2024-25	FY 2025-26

Revenue for Debt Service	29	\$83,934	\$104,979	\$50,032	\$30,901	\$72,040	\$70,276	\$73,928	\$77,904	\$78,616	\$79,291	\$79,998
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Water Debt Service	30	\$33,988	\$34,430	\$34,854	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2001 SRF Loan	31	\$0	\$0	\$0	\$0	\$63,519	\$66,180	\$69,340	\$70,420	\$71,460	\$71,460	\$72,460
Proposed 2021 SRF	32	\$33,988	\$34,430	\$34,854	\$0	\$0	\$63,519	\$66,180	\$69,340	\$70,420	\$71,460	\$72,460
Total Revenue Debt												

Debt Service Coverage	33	2.47	3.05	1.44	N/A	N/A	1.11	1.12	1.12	1.12	1.11	1.10
Net Revenue / Revenue Debt												

Cashflow After Debt	34	\$49,946	\$70,549	\$13,178	\$30,901	\$72,040	\$6,757	\$7,748	\$8,564	\$8,196	\$7,831	\$7,538
Capital Outlays	35	(\$6,030)	\$0	(\$6,200)	(65,000)	(235,000)	(\$1,392,616)	\$0	\$0	\$0	\$0	\$0
Other Sources / (Uses)	36	(2,583)	5,685	(75,399)	(81,923)	235,000	120,000	0	0	0	0	0
Bond Proceeds	37	0	0	0	0	0	1,224,240	0	0	0	0	0
Trans. (To) / From Other	40	0	(44,150)	0	0	0	0	0	0	0	0	0
Trans. (To) / From Equip. Rev.	38	0	0	0	74,430	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)	(20,000)
Trans. (To) / From Restricted	39	0	22,235	82,143	(86,856)	(17,522)	0	0	0	0	0	0
Annual Surplus / (Deficit)	41	\$41,333	\$54,320	\$15,722	(\$128,448)	\$34,518	(\$61,619)	(\$12,252)	(\$11,436)	(\$11,804)	(\$12,169)	(\$12,462)

Beginning Cash Balance	42	\$240,155	\$281,488	\$335,807	\$351,529	\$223,081	\$257,599	\$195,981	\$183,729	\$172,293	\$160,489	\$148,321
Annual Surplus / (Deficit)	43	41,333	54,320	15,722	(128,448)	34,518	(61,619)	(12,252)	(11,436)	(11,804)	(12,169)	(12,462)
Ending Cash Balance	44	\$281,488	\$335,807	\$351,529	\$223,081	\$257,599	\$195,981	\$183,729	\$172,293	\$160,489	\$148,321	\$135,858
Cash % of O&M	45	124%	155%	129%	77%	90%	67%	61%	57%	52%	47%	42%

Restricted & Designated	46	\$0	\$6,510	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Water Meter Fund	47	0	(28,745)	(104,378)	(17,522)	0	0	0	0	0	0	0
Sinking Fund	48	\$0	(\$22,235)	(\$104,378)	(\$17,522)	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Restricted & Designated												
Total Cash	49	\$281,488	\$313,572	\$247,151	\$205,559	\$257,599	\$195,981	\$183,729	\$172,293	\$160,489	\$148,321	\$135,858

Capital Improvements:  
Dewey Street to East, along 5th  
Bid Package #2 (North St & Park)  
Bid Package #3 (8th)  
Madison Street, McMurray Street - Phase 3  
2nd Street, Marshall Street, State Street - Phase 4  
Total Capital Projects

MSA Water Distribution Improvements (July 2, 2019)

	Design followed by Construction - Phased Approach	Year 1	Year 2	Year 3	Year 4	Year 5
Dewey Street to East, along 5th; North Street; 8th Street - Phase 1		\$106,725	\$1,195,320	\$0	\$0	\$0
Park, 9th, Orchard and Claire Street Loop; Jefferson Street - Phase 2		0	102,600	1,149,120	0	0
Madison Street; McMurray Street - Phase 3		0	0	84,170	942,704	0
2nd Street; Marshall Street, State Street - Phase 4		0	0	0	64,600	723,520
Total Capital Projects		\$106,725	\$1,297,920	\$1,233,290	\$1,007,304	\$723,520

**City of Prairie City, Iowa**  
Proposed Water Revenue Bonds, Series 2021

**EXHIBIT 2**

SOURCES & USES	
<b>SOURCES</b>	
Par Amount of Bonds	1,252,000.00
Accrued Interest	
Other Monies	
Total Sources	1,252,000.00
<b>USES</b>	
Deposit to Construction Account	1,224,240.00
Deposit to Reserve Account	
Capitalized Interest Account	0.00
Municipal Bond Insurance	
Underwriters' Discount (\$5.00 per bond)	6,260.00
Costs of Issuance	21,500.00
Accrued Interest	
Rounding Amount	
Total Uses	1,252,000.00
<b>ASSUMPTIONS</b>	
Dated Date	8/6/2021
Delivery Date	8/6/2021
First Interest Date	12/1/2021
First Principal Date	6/1/2022
Last Principal Date	6/1/2041

Arbitrage Yield 2.00011%  
TIC 2.04883%  
Average Life 11.95 Years

Final Bids	1,035,816
Total Loan Proceeds	1,035,816
P&D Loan	106,000
Engineering & Contingency	205,800
Total Project	1,347,616
American Rescue Plan Cash	(120,000)
Cash on Hand	(3,376)
Bond Proceeds	1,224,240

DEBT SERVICE SCHEDULE					
Date	Principal	Coupon	Interest	Debt Service	Annual Debt Service
12/1/2021			7,999	7,999	
1 6/1/2022	43,000	2.000%	12,520	55,520	63,519
12/1/2022			12,090	12,090	
2 6/1/2023	42,000	2.000%	12,090	54,090	66,180
12/1/2023			11,670	11,670	
3 6/1/2024	46,000	2.000%	11,670	57,670	69,340
12/1/2024			11,210	11,210	
4 6/1/2025	48,000	2.000%	11,210	59,210	70,420
12/1/2025			10,730	10,730	
5 6/1/2026	50,000	2.000%	10,730	60,730	71,460
12/1/2026			10,230	10,230	
6 6/1/2027	52,000	2.000%	10,230	62,230	72,460
12/1/2027			9,710	9,710	
7 6/1/2028	53,000	2.000%	9,710	62,710	72,420
12/1/2028			9,180	9,180	
8 6/1/2029	54,000	2.000%	9,180	63,180	72,360
12/1/2029			8,640	8,640	
9 6/1/2030	55,000	2.000%	8,640	63,640	72,280
12/1/2030			8,090	8,090	
10 6/1/2031	57,000	2.000%	8,090	65,090	73,180
12/1/2031			7,520	7,520	
11 6/1/2032	58,000	2.000%	7,520	65,520	73,040
12/1/2032			6,940	6,940	
12 6/1/2033	59,000	2.000%	6,940	65,940	72,880
12/1/2033			6,350	6,350	
13 6/1/2034	60,000	2.000%	6,350	66,350	72,700
12/1/2034			5,750	5,750	
14 6/1/2035	61,000	2.000%	5,750	66,750	72,500
12/1/2035			5,140	5,140	
15 6/1/2036	62,000	2.000%	5,140	67,140	72,280
12/1/2036			4,520	4,520	
16 6/1/2037	64,000	2.000%	4,520	68,520	73,040
12/1/2037			3,880	3,880	
17 6/1/2038	65,000	2.000%	3,880	68,880	72,760
12/1/2038			3,230	3,230	
18 6/1/2039	66,000	2.000%	3,230	69,230	72,460
12/1/2039			2,570	2,570	
19 6/1/2040	68,000	2.000%	2,570	70,570	73,140
12/1/2040			1,890	1,890	
20 6/1/2041	189,000	2.000%	1,890	190,890	192,780
			1,252,000	299,199	1,551,199
Scale : 20 year SRF Loan at 2.00%					

(Hearing/Issuance - Revenue)

420201-21

Prairie City, Iowa

July 14, 2021

The City Council of the City of Prairie City, Iowa, met on July 14, 2021, at 6:00 p.m., at the City Hall Council Chambers, in the City.

Due to federal and state government recommendations in response to COVID-19 pandemic conditions, alternative access to the meeting was provided electronically via Zoom, which was accessible at the following:

<https://us02web.zoom.us/j/82821831241?pwd=RjRvdzNrWlZldkhHVlhJK2hUT05UZz09>

Electronic access information was included in the published notice and posted agenda of this public meeting.

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

Present: \_\_\_\_\_

Absent: \_\_\_\_\_.

This being the time and place specified for holding the public hearing and taking action on the proposal to enter into a Water Revenue Loan and Disbursement Agreement, 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 declared the public hearing closed.

After due consideration and discussion, Council Member \_\_\_\_\_ introduced the following resolution and moved its adoption, seconded by Council Member \_\_\_\_\_. The Mayor put the question upon the adoption of said resolution, and the roll being called, the following Council Members voted:

Ayes: \_\_\_\_\_

Nays: \_\_\_\_\_.

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

RESOLUTION NO. 7-14-21-5

Resolution authorizing and approving a Loan and Disbursement Agreement and providing for the issuance and securing the payment of \$1,250,000 Water Revenue Bonds, Series 2021

WHEREAS, the City of Prairie City (the “City”), in Jasper County, State of Iowa, did heretofore establish a Municipal Waterworks Utility System (the “Utility”) in and for the City which has continuously supplied water 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 has heretofore proposed to contract indebtedness and enter into a certain Water Revenue Loan and Disbursement Agreement (the “Agreement”) and to borrow money thereunder in a principal amount not to exceed \$1,300,000, pursuant to the provisions of Section 384.24A of the Code of Iowa, for the purpose of paying the cost, to that extent, of planning, designing and constructing improvements and extensions (the “Project”) to the Utility, and pursuant to law and a notice duly posted, the City Council has held a public hearing on such proposal on July 14, 2021; and

WHEREAS, it is necessary at this time for the City Council to approve the Agreement with the Iowa Finance Authority, an agency and public instrumentality of the State of Iowa, as lender (the “Lender”) and to issue Water Revenue Bonds, Series 2021 (the “Bonds”) in evidence thereof in the principal amount of \$1,250,000 to pay the costs of the Project;

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

Section 1. It is hereby determined that the City shall enter into the Agreement with the Lender. The Agreement shall be in substantially the form as has been placed on file with the City and shall provide for a loan (the “Loan”) to the City in the amount of \$1,250,000, for the purpose as set forth in the preamble hereof.

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

Section 2. The Bonds are hereby authorized to be issued in evidence of the obligation of the City under the Agreement, in the aggregate principal amount of \$1,250,000, to be dated the date of delivery to or upon the direction of the Lender, and bearing interest from the date of each advancement made at the rate of 1.75% per annum pursuant to the Agreement, until payment thereof, as set forth in Exhibit A attached to the Agreement.

The Bonds may be in the denomination of \$1,000 each or any integral multiple thereof and, at the request of the Lender, shall be initially issued as a single bond in the denomination of \$1,250,000 and numbered R-1.

The City Clerk 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.”

Payment of the principal of and interest on the Bonds and premium, if any, shall be payable at the office of the Paying Agent to the registered owners thereof appearing on the registration books of the City. All such payments, except full redemption, shall be made to the registered owners appearing on the registration books at the close of business on the fifteenth day of the month next preceding the payment date. Final payment of principal shall only be made upon surrender of the Bond or Bonds to the Paying Agent.

In addition to the payment of principal of and interest on the Bonds, the City also agrees to pay the Initiation Fee and the Servicing Fee (defined in the Agreement) in accordance with the terms of the Agreement.

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 fully registered bonds without interest coupons. The issuance of the Bonds and the amount of the Loan advanced thereunder shall be recorded in the office of the City Treasurer, and the certificate on the back of each Bond 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 such Bonds, such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

The Bonds shall be fully registered as to principal and interest in the names of the owners on the registration books of the City kept by the Registrar. Each Bond shall be transferable without cost to the registered owner thereof 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 the owners of the Bonds shall be kept confidential as provided by Section 22.7 of the Code of Iowa.

The Bonds are subject to optional redemption by the City at a price of par plus accrued interest (i) on any date with the prior written consent of the Lender, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any optional redemption of the Bonds by the City may be made from any funds regardless of source, in whole or from time to time in part, in inverse order of maturity upon not less than thirty (30) days' notice of redemption by facsimile, e-mail, certified or registered mail to the Lender (or any other registered owner of the Bonds). The Bonds are also subject to mandatory redemption as set forth in Section 5 of the Agreement.

All of the Bonds and the interest thereon, together with any additional obligations as may be hereafter issued and outstanding from time to time ranking on a parity therewith under the conditions set forth herein (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 payment of the Bonds. The

Bonds shall be a valid claim of the owners thereof only against said Net Revenues and Sinking Fund. None of the Bonds shall be a general obligation of the City, nor payable in any manner by taxation, and under no circumstances shall the City or the Utility 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.

Section 3. The Bonds shall be executed as herein provided as soon after the adoption of this resolution as may be possible and thereupon they shall be delivered to the Registrar for registration and delivery to the Lender, upon receipt of the loan proceeds (the "Loan Proceeds"), and all action heretofore taken in connection with the Agreement is hereby ratified and confirmed in all respects.

Section 4. The Bonds shall be in substantially the following form:



(Form of Bond)

UNITED STATES OF AMERICA  
STATE OF IOWA  
JASPER COUNTY  
CITY OF PRAIRIE CITY

WATER REVENUE BOND, SERIES 2021

No. R-1

\$1,250,000

RATE	MATURITY DATE	BOND DATE
1.75%	June 1, 2041	August 6, 2021

The City of Prairie City (the “City”), in Jasper County, State of Iowa, for value received, promises to pay from the source and as hereinafter provided, on the maturity date of this Bond to

IOWA FINANCE AUTHORITY

or registered assigns, the principal sum of

ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS

Interest at the rate specified above shall be payable semiannually on June 1 and December 1 of each year, commencing December 1, 2021, and principal shall be due and payable in installments in the amounts shown on the Principal Payment Schedule, attached hereto as Exhibit A, on June 1, 2022, and annually thereafter on June 1 in each year until the principal and interest are fully paid, except that the final installments of the entire balance of principal and interest, if not sooner paid, shall become due and payable on June 1, 2041. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The City Clerk shall act as Registrar and Paying Agent and may be hereinafter referred to as the “Registrar” or the “Paying Agent.”

Payment of the principal of and interest on this Bond and premium, if any, shall be payable at the office of the Paying Agent to the registered owners thereof appearing on the registration books of the City at the addresses shown on such registration books. All such payments, except full redemption, shall be made to the registered owners appearing on the registration books at the close of business on the fifteenth day of the month next preceding the payment date. Final payment of principal shall only be made upon surrender of this Bond to the Paying Agent.

This Bond is one of a series of bonds (the “Bonds”) issued by the City to evidence its obligation under a certain Loan and Disbursement Agreement, dated the date hereof (the “Agreement”) entered into by the City for the purpose of providing funds to pay a portion of the

cost of planning, designing and constructing improvements and extensions (the “Project”) to the Municipal Waterworks Utility System of the City (the “Utility”).

The Bonds are issued pursuant to and in strict compliance with the provisions of Sections 384.24A and 384.83 of the Code of Iowa, 2021, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the City Council authorizing and approving the Agreement and providing for the issuance and securing the payment of the Bonds (the “Resolution”), and reference is hereby made to the Resolution and the Agreement for a more complete statement as to the source of payment of the Bonds and the rights of the owners of the Bonds.

The Bonds shall be subject to optional redemption by the City at a price of par plus accrued interest (i) on any date with the prior written consent of the Iowa Finance Authority, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any optional redemption of the Bonds by the City may be made from any funds regardless of source, in whole or from time to time in part, in inverse order of maturity upon not less than thirty (30) days’ notice of redemption by e-mail, facsimile, certified or registered mail to the Iowa Finance Authority (or any other registered owner of the Bonds). The Bonds are also subject to mandatory redemption as set forth in Section 5 of the Agreement.

The Bonds are not general obligations 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 under the conditions set forth in the Resolution, are payable solely and only out of the future Net Revenues (as defined in the Resolution) of the Utility of the City, a sufficient portion of which has been ordered set aside and pledged for that purpose. This Bond is not 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 said Net Revenues to be sufficient for the payment of this Bond and the interest thereon.

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.

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 the Bonds have existed, have happened and have been performed in due time, form and manner, as required by law, and that the issuance of the Bonds does not exceed or violate any constitutional or statutory limitation or provision.

IN TESTIMONY WHEREOF, the City of Prairie City, Iowa, has caused this Bond to be executed by its Mayor and attested by its City Clerk, all as of the Bond Date.

CITY OF PRAIRIE CITY, IOWA

By (Do Not Sign)  
Mayor

Attest:

(Do Not Sign)  
City Clerk

**(On the back of each Bond the following certificate shall be executed with the duly authorized signature of the City Treasurer)**

STATE OF IOWA  
JASPER COUNTY  
CITY OF PRAIRIE CITY

SS: CITY TREASURER'S CERTIFICATE

The original issuance of the Bonds, of which this Bond is a part, 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	(Custodian)
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common	As Custodian for _____ (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.

EXHIBIT A  
PRINCIPAL PAYMENT SCHEDULE

<u>Due</u> <u>June 1</u>	<u>Amount</u>	<u>Due</u> <u>June 1</u>	<u>Amount</u>
2022	\$43,000	2032	\$58,000
2023	\$42,000	2033	\$59,000
2024	\$46,000	2034	\$60,000
2025	\$48,000	2035	\$61,000
2026	\$50,000	2036	\$62,000
2027	\$52,000	2037	\$64,000
2028	\$53,000	2038	\$65,000
2029	\$54,000	2039	\$66,000
2030	\$55,000	2040	\$68,000
2031	\$57,000	2041	\$187,000

Section 5. The Loan Proceeds shall be held by the Lender and disbursed for costs of the Project, as referred to in the preamble hereof. The City will keep a detailed, segregated accounting of the expenditure of the Loan Proceeds.

Section 6. 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.

Section 7. 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 Water Revenue Fund (“Water Revenue Fund”). The Water 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 8. There shall be and is hereby created and there shall be maintained a “Water 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 September 1, 2021, and continuing to and including November 1, 2021, an amount equal to 1/3rd of the installment of interest coming due on December 1, 2021, and thereafter, commencing on December 1, 2021, 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 September 1, 2021 and continuing to and including May 1, 2022, an amount equal to 1/9th of the installment of principal coming due on June 1, 2022, and thereafter, commencing on June 1, 2022, 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 9. There shall be and is hereby created 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. 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.

As long as the Sinking Fund has 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 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 10. All money held in any fund or account 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 Water Revenue Fund and used solely and only for the purposes specified herein for such funds.

Section 11. The City hereby covenants and agrees with the owner or owners of the Bonds and any Parity Obligations, or any of them, that from time to time may be outstanding, that it will faithfully and punctually perform all duties with reference to the Utility required and provided by the Constitution and laws of the State of Iowa, that it will segregate the Gross Revenues of the Utility and make application thereof in accordance with the provisions of this resolution and that it will not sell, lease or in any manner dispose of the Utility or any part thereof, including any and all extensions and additions that may be made thereto, until all of the Bonds and

any Parity Obligations shall have been paid in full, both principal and interest, or unless and until provisions shall have been made for the payment of the Bonds and any Parity Obligations and interest thereon in full; provided, however, that the City may dispose of any property which in the judgment of the Council, or such duly constituted body as may then be charged with the operation of the Utility, is no longer useful or profitable in the operation of the Utility nor essential to the continued operation thereof and when the sale thereof will not operate to reduce the revenues to be derived from the operation of the Utility.

Section 12. 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 13. 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 of such Bonds or Parity Obligations, it being the intention of the City 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 reserves the right and privilege of issuing Parity Obligations.

Section 14. 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 proceeds of any insurance, except public liability insurance, shall be used to repair or replace the part or parts of the Utility damaged or destroyed. 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 of the City relating thereto.

Section 15. The provisions of this resolution shall constitute a contract between the City and the owners of the Bonds and any Parity Obligations as may from time to time be outstanding, 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 or any Parity Obligations until all of the Bonds and any Parity Obligations 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 any Parity Obligations at any time outstanding (not including in any case any obligations which may then be 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 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 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 Parity Obligations.
- (b) Make any change in the rate of interest borne by any of the Bonds or 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 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 or Parity Obligations then outstanding.
- (f) Reduce the percentage of the principal amount of the Bonds or 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 (1) filed with the Lender and (2) mailed by certified mail to each registered owner of any Bond or Parity Obligation as shown by the records of the Registrar. 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 City Clerk.

Whenever at any time within one year from the date of the mailing of said notice, there shall be filed with the City Clerk an instrument or instruments executed by 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 specifically consenting to the adoption thereof as herein provided, no owner of any Bonds or Parity Obligations 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 such officer the execution thereof, or may be proved by an affidavit of a witness to such execution sworn to before such officer.

Section 16. 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 17. 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 18. 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 19. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved July 14, 2021.

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Mayor

Attest:

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City Clerk

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On motion and vote, the meeting adjourned.

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Mayor

Attest:

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City Clerk

**ATTESTATION CERTIFICATE:**

STATE OF IOWA

COUNTY OF JASPER

CITY OF PRAIRIE CITY

SS:

I, the undersigned, City Clerk of the City of Prairie City, do hereby certify that I have in my possession or have access to the complete corporate records of the aforesaid 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 the authorization and approval of a certain Water Revenue Loan and Disbursement Agreement (the "Agreement") and the issuance of \$1,250,000 Water Revenue Bonds, Series 2021 (the "Bonds") of said City evidencing the City's obligation under such Agreement 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 objections were filed in my office and no objections of any kind were made to the matter of entering into such Agreement or issuing such Bonds at the time and place set for hearing thereon, and that no petition of protest or objections of any kind have been filed or made, nor has any appeal been taken to the District Court from the decision of the City Council to enter into the Agreement or to issue the Bonds.

WITNESS MY HAND this \_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
City Clerk

**ESTABLISHMENT CERTIFICATE:**

STATE OF IOWA

COUNTY OF JASPER

SS:

CITY OF PRAIRIE CITY

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 my examination of such records, I have determined that the City did heretofore establish a Municipal Waterworks Utility System (the "Utility") prior to January 1, 1961, 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 City's current issue of \$1,250,000 Water Revenue Bonds, Series 2021.

WITNESS MY HAND this \_\_\_\_\_ day of \_\_\_\_\_, 2021.

\_\_\_\_\_  
City Clerk

LOAN AND DISBURSEMENT AGREEMENT  
\$1,250,000 WATER REVENUE BONDS

This Loan and Disbursement Agreement (the "Agreement") is made and entered into as of August 6, 2021, by and between the City of Prairie City, Iowa (the "Participant") and the Iowa Finance Authority, an agency and public instrumentality of the State of Iowa (the "Issuer").

WHEREAS, the Issuer, in cooperation with the Iowa Department of Natural Resources (the "Department"), is authorized to undertake the creation, administration and financing of the Iowa Drinking Water Facilities Financing Program (the "Program") established in the Code of Iowa, Sections 16.131 through 16.135 and Sections 455B.291 through 455B.299, including, among other things, the making of loans to Water Systems for purposes of the Program; and

WHEREAS, the Participant desires to participate in the Program as a means of financing all or part of the construction of certain drinking water treatment facilities serving the Participant and its residents; and

WHEREAS, to assist in financing the Project (defined herein), the Issuer desires to make a loan to the Participant in the amount set forth in Section 2 hereof;

NOW, THEREFORE, the parties agree as follows:

Section 1. Definitions. In addition to other definitions set forth herein, the following terms as used in this Agreement shall, unless the context clearly requires otherwise, have the following meanings:

(a) "Bonds" shall mean any State Revolving Fund Revenue Bonds that were or in the future are issued by the Issuer for the purpose of providing moneys to finance the Loan to the Participant.

(b) "Code" shall mean the Internal Revenue Code of 1986, as amended, and all lawfully promulgated regulations thereunder.

(c) "Project" shall mean the particular construction activities approved by the Department and being undertaken by the Participant with respect to the operation or infrastructure of the Water System for the purpose of providing safe drinking water to the customers thereof, as described in the Resolution.

(d) "Regulations" shall mean the administrative rules of the Department relating to the Program, set forth in Title 567, Chapter 44 of the Iowa Administrative Code, and the administrative rules of the Issuer relating to the Program set forth in Title 265, Chapter 26 of the Iowa Administrative Code.

(e) "Resolution" shall mean the resolution of the City Council of the Participant providing for the authorization and issuance of the Revenue Bond, attached hereto as Exhibit B, adopted on July 14, 2021, approving and authorizing the execution of this Agreement and the issuance of the Revenue Bond (as defined herein).

(f) "Water System" shall mean the drinking water system of the Participant, all facilities being used in conjunction therewith and all appurtenances and extensions thereto, including but not limited to the water facilities which the Participant is financing under this Agreement.

Section 2. Loan; Purchase of Revenue Bond. The Issuer agrees to purchase a duly authorized and issued water revenue bond or capital loan note of the Participant (the "Revenue Bond") in order to make a loan to the Participant, and will disburse proceeds as set forth herein. The Participant agrees to borrow and accept from the Issuer, a loan in the principal amount of \$1,250,000 (the "Loan").

The Participant shall use the proceeds of the Loan strictly (a) to finance a portion of the costs of construction of the Project and (b), where applicable, to reimburse the Participant for a portion of the costs of the Project, which portion was paid or incurred in anticipation of reimbursement through the Program and which is eligible for such reimbursement under and pursuant to the Regulations and the Code.

Section 3. Disbursements. Proceeds of the Loan shall be made available to the Participant in the form of one or more periodic disbursements as provided in this Section. The Issuer thereafter shall make disbursements of a portion of the Loan for payment of costs of the Project upon receipt of the following:

- (a) a completed payment request on a form acceptable to and available from the Issuer;
  - (b) current construction payment estimates;
  - (c) engineering service statements;
  - (d) purchase orders or invoices for items not included within other contracts;
- and
- (e) evidence that the costs for which the disbursement is requested have been incurred.

Solely with respect to the request for the final disbursement of proceeds of the Loan, the Participant shall submit to the Issuer (via the Department), in addition to items (a) through (e) above, a certification of completion and acceptance of the Project by the Participant or evidence of an acceptable settlement if the Project is subject to a dispute between the Participant and any contractor.

Disbursements shall be made in a timely fashion following the receipt of the information as set forth above. Unless otherwise agreed to in writing by the Issuer, funds shall be payable to the Participant via automated clearinghouse system transfer to the account specified by the Participant.

Section 4. Completion of Project. The Participant covenants and agrees (i) to exercise its best efforts in accordance with prudent water treatment utility practices to complete

the Project; and (ii) to provide from its own fiscal resources all monies, in excess of the total amount of Loan proceeds it receives under the Agreement, required to complete the Project.

Section 5. Repayment of Loan; Issuance of Revenue Bonds. The Participant's obligation to repay the Loan and interest thereon shall be evidenced by the Revenue Bond in the principal amount of the Loan, complying in all material respects with the Regulations and being in substantially the form set forth in the Resolution, which Resolution is attached hereto as Exhibit B. The Revenue Bond shall be delivered to the Issuer as the original purchaser and registered holder thereof at the closing of the Loan. The Revenue Bond shall be accompanied by a legal opinion of bond counsel, in form satisfactory to the Issuer, to evidence the legality, security position and tax-exempt status of interest on the Revenue Bond. The parties agree that a payment of principal of or interest on the Revenue Bond shall be deemed to be a payment of the same on the Loan and a payment of principal of or interest on the Loan shall be deemed to be a payment of the same on the Revenue Bond. Unless otherwise agreed to in writing by the Issuer, all payments of principal and interest due under the Loan shall be made via automated clearinghouse transfer, from an account specified by the Participant.

The Revenue Bond shall be dated the date of delivery to the Issuer, with interest and the Servicing Fee (together, the "Interest Rate" as set forth in Section 6 hereof) payable semiannually on June 1 and December 1 of each year (unless the resolution authorizing a previous series of outstanding bonds on a parity with the Revenue Bond requires interest to be paid on other interest payment dates, in which case such other dates shall apply) from the date of each disbursement of a part of the Loan from the Issuer to the Participant (which are initially expected to be on approximately the dates set forth on Exhibit A attached hereto and incorporated herein). The first repayment of principal of the Loan shall be due and payable not later than one year after substantial completion of the Project and payments of principal, interest and the Servicing Fee shall continue thereafter until the Loan is paid in full. Following the final disbursement of Loan proceeds to the Participant, Exhibit A shall be adjusted by the Issuer, with the approval of the Participant, based upon actual disbursements to the Participant under the Agreement. Such revised Exhibit A thereafter shall be deemed to be incorporated herein by reference and made a part hereof and shall supersede and replace that initially attached hereto and to the Revenue Bond.

The Revenue Bond shall be subject to optional redemption by the Participant at a price of par plus accrued interest (i) on any date upon receipt of written consent by the Issuer, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any such optional redemption of the Revenue Bond by the Participant may be made from any funds regardless of source, in whole or from time to time in part, upon not less than thirty (30) days' notice of redemption by e-mail, facsimile, certified or registered mail to the Issuer (or any other registered owner of the Revenue Bond). The Revenue Bond is also subject to mandatory redemption in the event the costs of the Project are less than initially projected, in which case the amount of the Loan shall be reduced to an amount equal to the actual Project costs disbursed. The Participant and the Issuer agree that following such adjustment, the principal amount due under the Revenue Bond shall be automatically reduced to equal the principal amount of the adjusted Loan.

The Revenue Bond and the interest thereon and any additional obligations as may be hereafter issued and outstanding from time to time under the conditions set forth in the



Resolution shall be payable solely and only from the Net Revenues (as defined in the Resolution) of the Water System of the Participant, a sufficient portion of which has been and shall be ordered set aside and pledged for such purpose under the provisions of the Resolution. Neither this Agreement nor the Revenue Bond is a general obligation of the Participant, and under no circumstance shall the Participant be in any manner liable by reason of the failure of the aforesaid Net Revenues to be sufficient to pay the Revenue Bond and the interest thereon or to otherwise discharge the Participant's obligation hereunder.

Section 6. Interest Rate, Initiation Fee and Servicing Fees. (a) The Participant agrees to pay to the Issuer, as additional consideration for the Loan, a loan initiation fee (the "Initiation Fee") equal to one-half of one percent (0.50%) of the amount of the Loan (but not to exceed \$100,000.00) (\$6,250), which shall be due and payable on the date of this Agreement. Unless the Issuer shall be otherwise notified by the Participant that the Participant intends to pay such Initiation Fee from other funds, and has received such other funds from the Participant on the date hereof, the Issuer shall be authorized to deduct the full amount of the Initiation Fee from the proceeds of the Loan being made hereunder, and such deduction by the Issuer shall be deemed to be an expenditure by the Participant of the Loan proceeds.

(b) The Participant agrees to pay a Loan servicing fee (the "Servicing Fee") to the Issuer in an amount equal to 0.25% per annum of the principal amount of the Loan outstanding. The Servicing Fee shall be paid as described in Section 5 and Section 6(c) hereof.

(c) The Loan shall bear interest at 1.75% per annum (the "Rate"). As described in Section 5, payments hereunder shall be calculated based on the Rate plus the Servicing Fee (such 2.00%, the "Interest Rate").

Section 7. Compliance with Applicable Laws, Performance Under Loan Agreement; Rates. The Participant covenants and agrees (i) to comply with all applicable State of Iowa and federal laws, rules and regulations (including but not limited to the Regulations), judicial decisions, and executive orders in the performance of the Agreement and in the financing, construction, operation, maintenance and use of the Project and the Water System; (ii) to maintain its Water System in good repair, working order and operating condition; (iii) to cooperate with the Issuer in the observance and performance of its respective duties, covenants, obligations and agreements under the Agreement; (iv) to comply with all terms and conditions of the Resolution; and (v) to establish, levy and collect rents, rates and other charges for the products and services provided by its Water System, which rents, rates and other charges shall be at least sufficient (A) to meet the operation and maintenance expenses of such Water System, (B) to produce and maintain Net Revenues at a level not less than 110% of the amount of principal and interest on the Revenue Bond and any other obligations secured by a pledge of the Net Revenues falling due in the same year, (C) to comply with all covenants pertaining thereto contained in, and all other provisions of, any bond resolution, trust indenture or other security agreement, if any, relating to any bonds or other evidences of indebtedness issued or to be issued by the Participant, (D) to pay the debt service requirements on any bonds, notes or other evidences of indebtedness, whether now outstanding or incurred in the future, secured by such revenues or other receipts and issued to finance improvements to the Water System and to make any other payments required by the laws of the State of Iowa, (E) to generate funds sufficient to fulfill the terms of all other contracts and agreements made by the Participant, including, without

limitation, the Agreement and the Revenue Bond and (F) to pay all other amounts payable from or constituting a lien or charge on the operating revenues of its Water System.

Section 8. Exclusion of Interest from Gross Income. Unless otherwise agreed to by the Issuer in writing, the Participant covenants and agrees as follows:

(a) The Participant shall not take any action or omit to take any action which would result in a loss of the exclusion of the interest on the Bonds from gross income for federal income taxation as that status is governed by Section 103(a) of the Code.

(b) The Participant shall not take any action or omit to take any action, which action or omission would cause its Revenue Bond or the Bonds (assuming solely for this purpose that the proceeds of the Bonds loaned to the Participant represent all of the proceeds of the Bonds) to be "private activity bonds" within the meaning of Section 141(a) of the Code. Accordingly, unless the Participant receives the prior written approval of the Issuer, the Participant shall not (A) permit any of the proceeds of the Bonds loaned to the Participant or the Project financed with such proceeds to be used, either directly or indirectly, in any manner that would constitute "private business use" within the meaning of Section 141(b)(6) of the Code, taking into account for this purpose all such use by persons other than governmental units on an aggregate basis, (B) use, either directly or indirectly, any of the proceeds of the Bonds loaned to the Participant to make or finance loans to persons other than governmental units (as such term is used in Section 141(c) of the Code) or (C) use, either directly or indirectly, any of the proceeds of the Bonds loaned to the Participant to acquire any "non-governmental output property" within the meaning of Section 141(d)(2) of the Code.

(c) The Participant shall not directly or indirectly use or permit the use of any proceeds of the Bonds (or amounts replaced with such proceeds) or any other funds or take any action or omit to take any action, which use or action or omission would (assuming solely for this purpose that the proceeds of the Bonds loaned to the Participant represent all of the proceeds of the Bonds) cause the Bonds to be "arbitrage bonds" within the meaning of Section 148(a) of the Code.

(d) The Participant shall not directly or indirectly use or permit the use of any proceeds of the Bonds to pay the principal of or interest on any issue of State or local governmental obligations ("refinancing of indebtedness") unless the Participant shall establish to the satisfaction of the Issuer that such refinancing of indebtedness will not adversely affect the exclusion from gross income of interest on the Bonds for federal income tax purposes and the Participant delivers an opinion to such effect of bond counsel acceptable to the Issuer.

(e) The Participant shall not directly or indirectly use or permit the use of any proceeds of the Bonds to reimburse the Participant for any portion of the cost of the Project unless such cost was paid or incurred by the Participant in anticipation of reimbursement from the proceeds of the Bonds or other State or local governmental borrowing in accordance with the Code, published rulings of the Internal Revenue Service and the Regulations.

(f) The Participant shall not use the proceeds of the Bonds (assuming solely for this purpose that the proceeds of the Bonds loaned to the Participant represent all of the proceeds of the Bonds) in any manner which would cause the Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code or “hedge bonds” within the meaning of Section 149(g) of the Code.

(g) The Participant shall comply with all provisions of the Code relating to the rebate of any profits from arbitrage attributable to the Participant, and shall indemnify and hold the Issuer harmless therefrom.

Section 9. Insurance; Audits; Disposal of Property. The Participant covenants and agrees (a) to maintain insurance on, or to self-insure, the insurable portions of the Water System of a kind and in an amount which normally would be carried by private companies engaged in a similar type of business, (b) to keep proper books and accounts adapted to the Water System, showing the complete and correct entry of all transactions relating thereto, and to cause said books and accounts to be audited or examined by an independent auditor or the State Auditor (i) at such times and for such periods as may be required by the federal Single Audit Act of 1984, OMB Circular A-133 or State law, and (ii) at such other times and for such other periods as may be requested at any time and from time to time by the Issuer (which requests may require an audit to be performed for a period that would not otherwise be required to be audited under State law), and (c) unless the Participant has received a waiver and consent from the Issuer, it shall not sell, lease or in any manner dispose of the Water System, or any capital part thereof, including any and all extensions and additions which may be made thereto, until the Revenue Bond shall have been paid in full or otherwise discharged as provided in the Resolution; provided, however, that the Participant may dispose of any property which in the judgment of its governing body is no longer useful or profitable to use in connection with the operation of the Water System or essential to the continued operation thereof.

Section 10. Maintenance of Documents; Access. The Participant agrees to maintain its project accounts in accordance with generally accepted accounting principles (“GAAP”) as issued by the Governmental Accounting Standards Board, including GAAP requirements relating to the reporting of infrastructure assets.

The Participant agrees to permit the Issuer or its duly authorized representative access to all files and documents relating to the Project for purposes of conducting audits and reviews in accordance with any of the Regulations.

Section 11. Continuing Disclosure. As a means of enabling the Issuer to comply with the “continuing disclosure” requirements set forth in Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission, the Participant agrees, during the term of the Loan, but only upon written notification from the Issuer to the Participant that this Section 11 applies to such Participant for a particular fiscal year, to provide the Issuer with (i) the comprehensive audit report of the Participant, prepared and certified by an independent auditor or the State Auditor, or unaudited financial information if the audit is not available, not later than 180 days after the end of each fiscal year for which this section applies and (ii) such other information and operating data as the Issuer may reasonably request from time to time with respect to the Water System, the Project or the Participant.

The Participant hereby consents to the inclusion of all or any portion of the foregoing information and materials in a public filing made by the Issuer under the Rule. The Participant agrees to indemnify and hold harmless the Issuer, and its officers, directors, employees and agents from and against any and all claims, damages, losses, liabilities, reasonable costs and expenses whatsoever (including attorney fees) which such indemnified party may incur by reason of or in connection with the disclosure of information permitted under this Section; provided that no such indemnification shall be required for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the willful misconduct or gross negligence of the Issuer in the disclosure of such information.

Section 12. Events of Default. If any one or more of the following events occur, it is hereby defined as and declared to constitute an "Event of Default" under this Agreement:

(a) Failure by the Participant to pay, or cause to be paid, any Loan repayment (including the Servicing Fee) required to be paid under this Agreement when due, which failure shall continue for a period of fifteen (15) days.

(b) Failure by the Participant to make, or cause to be made, any required payments of principal, redemption premium, if any, and interest on any bonds, notes or other obligations of the Participant (other than the Loan and the Revenue Bond), the payment of which are secured by operating revenues of the Water System.

(c) Failure by the Participant to observe and perform any duty, covenant, obligation or agreement on its part to be observed or performed under the Agreement or the Resolution, other than the obligation to make Loan repayments, which failure shall continue for a period of thirty (30) days after written notice, specifying such failure and requesting that it be remedied, is given to the Participant by the Issuer, unless the Issuer shall agree in writing to an extension of such time prior to its expiration or the failure stated in such notice is correctable but cannot be corrected in the applicable period, in which case the Issuer may not unreasonably withhold its consent to an extension of such time up to one hundred twenty (120) days from the delivery of the written notice referred to above if corrective action is commenced by the Participant within the applicable period and diligently pursued until the Event of Default is corrected.

Section 13. Remedies on Default. Whenever an Event of Default shall have occurred and be continuing, the Issuer shall have the right to take any action authorized under the Regulations, the Revenue Bond or this Agreement and to take whatever other action at law or equity may appear necessary or desirable to collect the amounts then due and thereafter to become due under the Agreement or to enforce the performance and observance of any duty, covenant, obligation or agreement of the Participant under the Agreement or the Resolution.

Section 14. Amendments. This Agreement may not be amended, supplemented or modified except by a writing executed by all of the parties hereto.

Section 15. Termination. The Participant understands and agrees that the Loan may be terminated at the option of the Issuer if construction of the Project has not commenced within one year of the date of execution of this Agreement, all as set forth in the Regulations.

Section 16. Rule of Construction. This 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 that statute.

In the event of any inconsistency or conflict between the terms and conditions of the Revenue Bond and this Agreement or the Regulations, the parties acknowledge and agree that the terms of this Agreement or the Regulations, as the case may be, shall take precedence over any such terms of the Revenue Bond and shall be controlling, and that the payment of principal and interest on the Loan shall at all times conform to the schedule set forth on Exhibit A, as adjusted, and the Regulations.

Section 17. Federal Requirements. The Participant agrees to comply with all applicable federal requirements including, but not limited to, Davis-Bacon wage requirements and the requirements relating to the use of American iron and steel products.

Section 18. Application of Uniform Electronic Transactions Act.

The Issuer and the Participant agree this Agreement and all documents related thereto and referenced herein may be entered into and provided for pursuant to and in accordance with Chapter 554D of the Code of Iowa.

Section 19. Repayment of Planning and Design Loan. The Participant entered into an Interim Loan and Disbursement Agreement with the Issuer to provide funds to pay the costs of planning and designing the Project. The Participant agrees to repay the Interim Loan and Disbursement Agreement on the date of this Agreement. Unless the Participant notifies the Issuer that the Participant intends to repay the Interim Loan and Disbursement Agreement from other funds, and the Issuer has received such other funds from the Participant on the date hereof, the Issuer shall be authorized to deduct the full amount due under the Interim Loan and Disbursement Agreement from the proceeds of the Loan being made hereunder, and such deduction by the Issuer shall be deemed to be an expenditure by the Participant of the Loan proceeds.

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

CITY OF PRAIRIE CITY, IOWA

By: \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

IN WITNESS WHEREOF, I have hereunto affixed my signature all as of the date first above written.

IOWA FINANCE AUTHORITY

By: \_\_\_\_\_  
Its:

**EXHIBIT A**

**ESTIMATED DISBURSEMENTS AND  
DEBT SERVICE REPAYMENT SCHEDULE**



**EXHIBIT B**

**AUTHORIZATION/ISSUANCE RESOLUTION OF PARTICIPANT**

UNITED STATES OF AMERICA  
STATE OF IOWA  
JASPER COUNTY  
CITY OF PRAIRIE CITY

WATER REVENUE BOND, SERIES 2021

No. R-1

\$1,250,000

RATE	MATURITY DATE	BOND DATE
1.75%	June 1, 2041	August 6, 2021

The City of Prairie City (the "City"), in Jasper County, State of Iowa, for value received, promises to pay from the source and as hereinafter provided, on the maturity date of this Bond to

IOWA FINANCE AUTHORITY

or registered assigns, the principal sum of

ONE MILLION TWO HUNDRED FIFTY THOUSAND DOLLARS

Interest at the rate specified above shall be payable semiannually on June 1 and December 1 of each year, commencing December 1, 2021, and principal shall be due and payable in installments in the amounts shown on the Principal Payment Schedule, attached hereto as Exhibit A, on June 1, 2022, and annually thereafter on June 1 in each year until the principal and interest are fully paid, except that the final installments of the entire balance of principal and interest, if not sooner paid, shall become due and payable on June 1, 2041. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

The City Clerk shall act as Registrar and Paying Agent and may be hereinafter referred to as the "Registrar" or the "Paying Agent."

Payment of the principal of and interest on this Bond and premium, if any, shall be payable at the office of the Paying Agent to the registered owners thereof appearing on the registration books of the City at the addresses shown on such registration books. All such payments, except full redemption, shall be made to the registered owners appearing on the registration books at the close of business on the fifteenth day of the month next preceding the payment date. Final payment of principal shall only be made upon surrender of this Bond to the Paying Agent.

This Bond is one of a series of bonds (the "Bonds") issued by the City to evidence its obligation under a certain Loan and Disbursement Agreement, dated the date hereof (the "Agreement") entered into by the City for the purpose of providing funds to pay a portion of the cost of planning, designing and constructing improvements and extensions (the "Project") to the Municipal Waterworks Utility System of the City (the "Utility").

The Bonds are issued pursuant to and in strict compliance with the provisions of Sections 384.24A and 384.83 of the Code of Iowa, 2021, and all other laws amendatory thereof and supplemental thereto, and in conformity with a resolution of the City Council authorizing and approving the Agreement and providing for the issuance and securing the payment of the Bonds (the "Resolution"), and reference is hereby made to the Resolution and the Agreement for a more complete statement as to the source of payment of the Bonds and the rights of the owners of the Bonds.

The Bonds shall be subject to optional redemption by the City at a price of par plus accrued interest (i) on any date with the prior written consent of the Iowa Finance Authority, or (ii) in the event that all or substantially all of the Project is damaged or destroyed. Any optional redemption of the Bonds by the City may be made from any funds regardless of source, in whole or from time to time in part, in inverse order of maturity upon not less than thirty (30) days' notice of redemption by e-mail, facsimile, certified or registered mail to the Iowa Finance Authority (or any other registered owner of the Bonds). The Bonds are also subject to mandatory redemption as set forth in Section 5 of the Agreement.

The Bonds are not general obligations 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 under the conditions set forth in the Resolution, are payable solely and only out of the future Net Revenues (as defined in the Resolution) of the Utility of the City, a sufficient portion of which has been ordered set aside and pledged for that purpose. This Bond is not 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 said Net Revenues to be sufficient for the payment of this Bond and the interest thereon.

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.

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 the Bonds have existed, have happened and have been performed in due time, form and manner, as required by law, and that the issuance of the Bonds does not exceed or violate any constitutional or statutory limitation or provision.

IN TESTIMONY WHEREOF, the City of Prairie City, Iowa, has caused this Bond to be executed by its Mayor and attested by its City Clerk, all as of the Bond Date.

CITY OF PRAIRIE CITY, IOWA

By \_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk

STATE OF IOWA  
JASPER COUNTY  
CITY OF PRAIRIE CITY

SS: CITY TREASURER'S CERTIFICATE

The original issuance of the Bonds, of which this Bond is a part, was duly and properly recorded in my office as of the Bond Date.

\_\_\_\_\_  
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		(Custodian)
JT TEN	-	as joint tenants with right of survivorship and not as tenants in common	As Custodian for	_____
				(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.

EXHIBIT A  
PRINCIPAL PAYMENT SCHEDULE

<u>Due</u> <u>June 1</u>	<u>Amount</u>	<u>Due</u> <u>June 1</u>	<u>Amount</u>
2022	\$43,000	2032	\$58,000
2023	\$42,000	2033	\$59,000
2024	\$46,000	2034	\$60,000
2025	\$48,000	2035	\$61,000
2026	\$50,000	2036	\$62,000
2027	\$52,000	2037	\$64,000
2028	\$53,000	2038	\$65,000
2029	\$54,000	2039	\$66,000
2030	\$55,000	2040	\$68,000
2031	\$57,000	2041	\$187,000

## CLOSING CERTIFICATE

We, the undersigned, Mayor and City Clerk of the City of Prairie City, Iowa (the "City"), do hereby certify as of August 6, 2021 (the "Dated Date"), that we are now and were at the time of the execution of the City's \$1,250,000 Water Revenue Bond, Series 2021, dated the date hereof (the "Series 2021 Bond"), the officers respectively above indicated of the City; that in pursuance of Chapter 384 of the Code of Iowa, a resolution adopted by the City Council on July 14, 2021 (the "Resolution"), and a certain Loan and Disbursement Agreement (the "Agreement"), by and between the City and the Iowa Finance Authority, Des Moines, Iowa, as lender (the "Lender"), the Series 2021 Bond has been heretofore lawfully authorized and this day by us lawfully issued and delivered to the Lender and pursuant to the Agreement, the Lender shall loan to the City the maximum sum of \$1,250,000. Terms not otherwise defined herein shall have the meaning given such terms in the Resolution and the Agreement.

The Series 2021 Bond has been executed by the aforesaid officers; the certificate on the back of the Series 2021 Bond has been executed by the City Treasurer; and the Series 2021 Bond has been fully registered as to principal and interest in the name of the Lender on the registration books of the City.

We further certify that the Series 2021 Bond is being issued to evidence the City's obligation under the Agreement entered into by the City for the purpose of providing funds to pay a portion of the cost of planning, designing and constructing improvements and extensions (the "Project") to the Municipal Waterworks Utility System of the City (the "Utility").

We further certify that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the titles of the aforesaid officers to their respective positions or the proceedings incident to the authorization of the Series 2021 Bond or in any way concerning the validity of the Series 2021 Bond or the power and duty of the City to appropriate and apply the Net Revenues (as defined in the Resolution) from the operation of the Utility to the full and prompt payment of the principal of and interest on the Series 2021 Bond, and that none of the proceedings incident to the authorization and issuance of the Series 2021 Bond have been repealed or rescinded.

We further certify that no appeal of the decision of the City Council to enter into the Agreement and to issue the Series 2021 Bond has been taken to the district court.

We further certify that the City has no other bonds or obligations of any kind now outstanding secured by or payable from the revenues to be derived from the operation of the Utility.

We further certify that no board of trustees has been created for the management and control of the Utility and such management and control are vested in the Council of the City.

We further certify that all meetings held in connection with the Series 2021 Bond were open to the public at a place reasonably accessible to the public and that notice was given at least 24 hours prior to the commencement of all meetings by advising the news media who requested notice of the time, date, place and the tentative agenda and by posting such notice and agenda at the City Hall or principal office of the City on a bulletin board or other prominent place which is

easily accessible to the public and is the place designated for the purpose of posting notices of meetings.

We further certify as follows:

1. The total costs of the Project (the "Total Project Costs"), including engineering fees, are currently estimated to be at least \$1,375,400.

2. The net sales proceeds of the Series 2021 Bond are \$1,250,000 (the "Net Sales Proceeds"), the same being the Issue Price thereof.

3. The Net Sales Proceeds, including investment earnings thereon, will be invested by the City without restriction as to yield for a period not to exceed three years from the date hereof (the "Three Year Temporary Period"), the following three tests being reasonably expected to be satisfied by the City:

a. Time Test: The City has entered into or, within six months of the date hereof, will enter into binding contracts for the Project with third parties (e.g. engineers or contractors);

(i) which are not subject to contingencies directly or indirectly within the City's control;

(ii) which provide for the payment by the City to such third parties of an amount equal to at least 5% of the Net Sales Proceeds;

b. Expenditure Test: At least 85% of Net Sales Proceeds will be applied to the payment of Total Project Costs within the Three Year Temporary Period; and

c. Due Diligence Test: Acquisition and construction of the Project to completion and application of the Net Sales Proceeds to the payment of Total Project Costs will proceed with due diligence.

4. The Series 2021 Bond is payable from Net Revenues of the Utility which will be collected in a Sinking Fund and applied to the payment of interest on the Series 2021 Bond on each June 1 and December 1 and principal of the Series 2021 Bond on each June 1 (the 12-month period ending on each June 1 being herein referred to as a "Bond Year"); the Sinking Fund is used primarily to achieve a proper matching of revenues with principal and interest payments within each Bond Year; the Sinking Fund will be depleted at least once each Bond Year except for a reasonable carryover amount not to exceed the greater of (i) the earnings on the fund for the immediately preceding Bond Year; or (ii) 1/12 of the principal and interest payments on the Series 2021 Bond for the immediately preceding Bond Year; amounts on deposit in the Sinking Fund will be invested by the City without restriction as to yield for a period of 13 months after their date of deposit.

5. The City Council adopted a resolution on June 9, 2021, declaring its official intent to acquire and construct the Project and finance the same with bonds or other obligations (the "Intent Resolution").

The City certifies that none of the costs of the Project to be paid for from the Net Sales Proceeds are for expenditures made more than 60 days prior to the date of adoption of the Intent Resolution, except for (i) costs of issuance of the Series 2021 Bond; (ii) costs aggregating an amount not in excess of the lesser of \$100,000 or 5% of the Net Sales Proceeds; (iii) costs for preliminary expenditures (including architectural, engineering, surveying, soil testing, and similar costs incurred prior to commencement of acquisition or construction of the Project, other than land acquisition, site preparation and similar costs) not in excess of 20% of the Net Sales Proceeds of the Series 2021 Bond; the City will allocate Net Sales Proceeds to reimbursement of such expenditures no later than 3 years after the later of (i) the date any such expenditure was originally paid or (ii) the date the Project is placed in service (or abandoned); and such allocations will be made by the City in writing.

The City will not seek reimbursement of prior expenditures already paid by the City from the proceeds of the Series 2021 Bond.

6. Not more than 50% of the Net Sales Proceeds will be invested in nonpurpose investments [as defined in Section 148(f)(6)(A) of the Internal Revenue Code of 1986, as amended (the "Code")] having a substantially guaranteed yield for four years or more (e.g., a four-year guaranteed investment contract or a Treasury Obligation that does not mature for four years).

7. The weighted average maturity of the Series 2021 Bond does not exceed the reasonably expected economic life of the Project.

8. To our best knowledge and belief, there are no facts, estimates or circumstances which would materially change the foregoing conclusions.

9. On the basis of the foregoing, it is not expected that the Net Sales Proceeds will be used in a manner that would cause the Series 2021 Bond to be an "arbitrage bond" under Section 148 of the Code and the regulations prescribed under that section. The City has not been notified of any listing or proposed listing of it by the Internal Revenue Service as a bond issuer whose arbitrage certifications may not be relied upon.

10. We further certify that the City does not currently have outstanding tax exempt obligations issued during the current calendar year, including the Series 2021 Bond, equal to or in excess of \$5,000,000, nor will the City issue additional tax exempt obligations during the current calendar year which, when added to the City's current tax exempt obligations issued during the current calendar year, including the Series 2021 Bond, would be equal to or in excess of \$5,000,000.

IN WITNESS WHEREOF, we have hereunto affixed our hands on the Dated Date.

CITY OF PRAIRIE CITY, IOWA

\_\_\_\_\_  
Mayor

Attest:

\_\_\_\_\_  
City Clerk



# Estimated Amortization Schedule

City of Prairie City  
Water Revenue Bond  
FS-50-20-DWSRF-034



## Loan summary

Loan Closing Date	Aug 6, 2021
Final Disbursement Date	Aug 5, 2022
Final Maturity Date	Jun 1, 2041
Loan Period in Years	20
Total Loaned Amount	\$ 1,250,000.00
0.5% Initiation Fee	6,250.00
Net Proceeds to Borrower	\$ 1,243,750.00
Annual Interest Rate	1.75%
Total Interest	\$ 252,461.11
Servicing Fee Rate	0.25%
Total Servicing Fees	\$ 36,065.87
Total Loan Costs	\$ 294,776.98

## Estimated Draw Schedule

Initiation Fee -	Aug 6, 2021	6,250.00
P & D Payoff -	Aug 6, 2021	106,000.00
Estimated Draw #1-	Aug 6, 2021	113,275.00
Estimated Draw #2-	Sep 10, 2021	113,275.00
Estimated Draw #3-	Oct 15, 2021	113,275.00
Estimated Draw #4-	Nov 19, 2021	113,275.00
Estimated Draw #5-	Dec 24, 2021	113,275.00
Estimated Draw #6-	Jan 28, 2022	113,275.00
Estimated Draw #7-	Mar 4, 2022	113,275.00
Estimated Draw #8-	Apr 8, 2022	113,275.00
Estimated Draw #9-	May 13, 2022	113,275.00
Estimated Draw #10-	Jun 17, 2022	113,275.00
Held for Final Docs -	Aug 5, 2022	5,000.00
Total Loaned Amount		1,250,000.00

Payment Date	Beginning Balance	Principal	Interest	Servicing Fee	Total Loan Payment	Total Annual Debt Service	Ending Balance
Dec 1, 2021	452,075.00		1,960.06	280.01	2,240.07		452,075.00
Jun 1, 2022	1,018,450.00	43,000.00	7,325.59	1,046.51	51,372.10	53,612.17	975,450.00
Dec 1, 2022	1,207,000.00		10,556.71	1,508.10	12,064.81		1,207,000.00
Jun 1, 2023	1,207,000.00	42,000.00	10,561.25	1,508.75	54,070.00	66,134.81	1,165,000.00
Dec 1, 2023	1,165,000.00		10,193.75	1,456.25	11,650.00		1,165,000.00
Jun 1, 2024	1,165,000.00	46,000.00	10,193.75	1,456.25	57,650.00	69,300.00	1,119,000.00
Dec 1, 2024	1,119,000.00		9,791.25	1,398.75	11,190.00		1,119,000.00
Jun 1, 2025	1,119,000.00	48,000.00	9,791.25	1,398.75	59,190.00	70,380.00	1,071,000.00
Dec 1, 2025	1,071,000.00		9,371.25	1,338.75	10,710.00		1,071,000.00
Jun 1, 2026	1,071,000.00	50,000.00	9,371.25	1,338.75	60,710.00	71,420.00	1,021,000.00
Dec 1, 2026	1,021,000.00		8,933.75	1,276.25	10,210.00		1,021,000.00
Jun 1, 2027	1,021,000.00	52,000.00	8,933.75	1,276.25	62,210.00	72,420.00	969,000.00
Dec 1, 2027	969,000.00		8,478.75	1,211.25	9,690.00		969,000.00
Jun 1, 2028	969,000.00	53,000.00	8,478.75	1,211.25	62,690.00	72,380.00	916,000.00
Dec 1, 2028	916,000.00		8,015.00	1,145.00	9,160.00		916,000.00
Jun 1, 2029	916,000.00	54,000.00	8,015.00	1,145.00	63,160.00	72,320.00	862,000.00
Dec 1, 2029	862,000.00		7,542.50	1,077.50	8,620.00		862,000.00
Jun 1, 2030	862,000.00	55,000.00	7,542.50	1,077.50	63,620.00	72,240.00	807,000.00
Dec 1, 2030	807,000.00		7,061.25	1,008.75	8,070.00		807,000.00
Jun 1, 2031	807,000.00	57,000.00	7,061.25	1,008.75	65,070.00	73,140.00	750,000.00
Dec 1, 2031	750,000.00		6,562.50	937.50	7,500.00		750,000.00
Jun 1, 2032	750,000.00	58,000.00	6,562.50	937.50	65,500.00	73,000.00	692,000.00
Dec 1, 2032	692,000.00		6,055.00	865.00	6,920.00		692,000.00
Jun 1, 2033	692,000.00	59,000.00	6,055.00	865.00	65,920.00	72,840.00	633,000.00
Dec 1, 2033	633,000.00		5,538.75	791.25	6,330.00		633,000.00
Jun 1, 2034	633,000.00	60,000.00	5,538.75	791.25	66,330.00	72,660.00	573,000.00
Dec 1, 2034	573,000.00		5,013.75	716.25	5,730.00		573,000.00
Jun 1, 2035	573,000.00	61,000.00	5,013.75	716.25	66,730.00	72,460.00	512,000.00
Dec 1, 2035	512,000.00		4,480.00	640.00	5,120.00		512,000.00
Jun 1, 2036	512,000.00	62,000.00	4,480.00	640.00	67,120.00	72,240.00	450,000.00
Dec 1, 2036	450,000.00		3,937.50	562.50	4,500.00		450,000.00
Jun 1, 2037	450,000.00	64,000.00	3,937.50	562.50	68,500.00	73,000.00	386,000.00
Dec 1, 2037	386,000.00		3,377.50	482.50	3,860.00		386,000.00
Jun 1, 2038	386,000.00	65,000.00	3,377.50	482.50	68,860.00	72,720.00	321,000.00
Dec 1, 2038	321,000.00		2,808.75	401.25	3,210.00		321,000.00
Jun 1, 2039	321,000.00	66,000.00	2,808.75	401.25	69,210.00	72,420.00	255,000.00
Dec 1, 2039	255,000.00		2,231.25	318.75	2,550.00		255,000.00
Jun 1, 2040	255,000.00	68,000.00	2,231.25	318.75	70,550.00	73,100.00	187,000.00
Dec 1, 2040	187,000.00		1,636.25	233.75	1,870.00		187,000.00
Jun 1, 2041	187,000.00	187,000.00	1,636.25	233.75	188,870.00	190,740.00	0.00