

RESOLUTION NO. 40 - 98

RESOLUTION AUTHORIZING THE ISSUANCE AND SALE OF PRIVATE SCHOOL FACILITY REVENUE BONDS (ASSUMPTION HIGH SCHOOL PROJECT) SERIES 1998 IN THE PRINCIPAL AMOUNT OF \$1,295,000 AND AUTHORIZING THE EXECUTION OF DOCUMENTS RELATING THERETO

WHEREAS, the City of Buffalo, Iowa (the "Issuer") is a municipal corporation organized and existing under the Constitution and laws of the State of Iowa, and is authorized and empowered by Chapter 419 of the Code of Iowa (the "Act"), to issue revenue bonds and loan the proceeds from the sale of said bonds to one or more parties to be used to defray all or a portion of the cost of acquiring, constructing, improving and equipping a "project", as that term is defined in the Act, including land, buildings and improvements suitable for use as a facility for an organization described in Section 501(c)(3) of the Internal Revenue Code which is exempt from federal income tax under Section 501(a) of the Internal Revenue Code (a "Tax Exempt Organization") and to retire any existing indebtedness on a facility for a Tax Exempt Organization; and

WHEREAS, the Issuer has been requested by Assumption High School, an Iowa nonprofit corporation (the "Borrower"), to authorize and issue its Private School Facility Revenue Bonds pursuant to the provisions of the Act for the purpose of defraying all or a portion of the cost of (i) roof and window replacement, heating and cooling system upgrades and other energy improvements at the existing high school facility located at 1020 W. Central Park Avenue in Davenport, Iowa (the "Project"), (ii) refinancing existing loans, the proceeds of which were used for roof and systems upgrades at the existing high school and (iii) paying related costs, including costs of issuance of the Bonds; and

WHEREAS, the proceeds from the sale of the Bonds are to be loaned by the Issuer to the Borrower pursuant to the provisions of a Loan Agreement (the "Agreement") between the Issuer and the Borrower; and

WHEREAS, a notice of hearing on the proposal to issue not to exceed \$1,300,000 aggregate principal amount of Private School Facility Revenue Bonds (Assumption High School Project) Series 1998, of the Issuer has been published as required by law; and

WHEREAS, a public hearing has been held at the time and place as specified in said notice of hearing and any and all objections or other comments relating to such Bonds have been heard and it is deemed to be in the best interests of the Issuer that said Bonds be issued as proposed; and

WHEREAS, the Issuer proposes to sell the Bonds to Piper Jaffray Inc. (the "Underwriter").

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

Section 1. That, in order to provide for the financing of the Project, the Bonds be and the same are hereby authorized and ordered to be issued pursuant to the Indenture of Trust to be dated as of December 1, 1998 (the "Indenture") by and between the Issuer and Quad City Bank and Trust Company (the "Trustee"), in substantially the form as has been presented to and considered by this Board and containing substantially the terms and provisions set forth therein, with such changes therein as shall be approved by the officers of the Issuer executing the Bonds, and the forms, terms and provisions of the Bonds and the Indenture are hereby approved, and the Mayor and the City Clerk are hereby authorized and directed to execute, attest, seal and deliver the Indenture, and the Mayor and the City Clerk are further authorized and directed to execute, attest, seal and deliver the Bonds as provided in the Indenture, including the use of facsimile signatures as therein provided; the Bonds shall be in an aggregate principal amount not to exceed \$1,295,000 and shall bear interest at a net interest cost not to exceed 5.50% per annum, shall be sold at such prices, shall mature on the dates and in the amounts and shall be subject to redemption on such dates and in such amounts as provided in the Indenture. The execution and delivery by the Mayor and City Clerk of the Indenture on behalf of the Issuer shall constitute approval by the Issuer of such interest rates, aggregate principal amount, and provisions thereof.

Section 2. That the Issuer loan the proceeds of the Bonds to the Borrower to provide for the financing of the Project, such loan of the proceeds of the Bonds to be pursuant to the Loan Agreement to be dated as of December 1, 1998 (the "Agreement"), by and between the Issuer and the Borrower, in substantially the form as has been presented to and considered by this Board and containing substantially the terms and provisions set forth therein, and the form, terms and provisions of the Agreement are hereby approved, and the Mayor and the City Clerk are hereby authorized and directed to execute, attest, seal and deliver the Agreement.

Section 3. That the sale of the Bonds to the Underwriter pursuant to the Bond Purchase Agreement (the "Bond Purchase Agreement"), by and among the Issuer, the Borrower and the Underwriter, within the parameters set forth in Section 1 hereof and in substantially the form as has been presented to this Council and containing substantially the terms and provisions set forth therein, but with such changes therein as shall be approved by the officers executing the Bond Purchase Agreement on behalf of the Issuer, is hereby authorized and approved and the form, terms and provisions of the Bond Purchase Agreement are hereby approved, and the execution and delivery of the Bond Purchase Agreement by the Mayor is hereby authorized and approved.

Section 4. That it is hereby found, determined and declared that the Bonds and interest and premium, if any, thereon shall never constitute the debt or indebtedness of the Issuer within the meaning of any constitutional or statutory provision or limitation and shall not constitute nor give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers, but the Bonds and interest and premium, if any, thereon shall be payable solely and only from the revenues derived from the Agreement and the debt obligations of the Borrower thereunder; and no part of the cost of financing the Project will be payable out of the general funds or other contributions of the Issuer except the proceeds of the Bonds and any subsequent issues of bonds permitted under the Agreement and the Indenture.

Section 5. That the Issuer hereby determines that based upon data provided by the Underwriter, the amount necessary in each year to pay the principal of, premium, if any, and interest on the Bonds proposed to be issued is set forth in the Agreement and the debt obligations of the Borrower thereunder insures that the Borrower is obligated to pay amounts sufficient to pay the principal of, premium, if any, and interest on the Bonds and the payment of such amounts by the Borrower to the Trustee pursuant to the Agreement is hereby authorized, approved and confirmed.

Section 6. That the Mayor and the City Clerk are hereby authorized and directed to execute, attest, seal and deliver any and all documents and do any and all things deemed necessary to effect the issuance and sale of the Bonds and the execution and delivery of the Agreement, the Indenture and the Bond Purchase Agreement, and to carry out the intent and purposes of this Resolution, including the preamble hereto; and the execution by the Mayor and, if required, the City Clerk, of the Bonds, the Indenture, the Agreement and the Bond Purchase Agreement shall constitute conclusive evidence of their approval and this City Council's approval thereof and of any and all changes, modifications, additions or deletions therein from the respective forms thereof now before this meeting.

Section 7. In order to qualify the Bonds as a "qualified tax exempt obligation" within the meaning of Section 265(b)(3) of the Code, the Issuer hereby makes the following factual statements and representations:

(A) The Issuer hereby designates the Bonds as a "qualified tax-exempt obligation" for purposes of Section 265(b)(3) of the Code;

(B) The reasonably anticipated amount of tax-exempt obligations (other than obligations described in clause (ii) of Section 265(b)(3)(c) of the Code) which will be issued by the Issuer (and all entities whose obligations will be aggregated with those of the Issuer) during this calendar year 1998 will not exceed \$10,000,000; and

(C) Not more than \$10,000,000 of obligations issued by the Issuer during this calendar year 1998 have been designated for purposes of Section 265(b)(3) of the Code.

The Issuer shall use its best efforts to comply with any federal procedural requirements which may apply in order to effectuate the designation made by this paragraph.

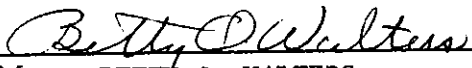
Section 8. The Mayor, City Clerk and other officers of the Issuer are authorized to furnish to the Underwriter, the Borrower and bond counsel certified copies of all proceedings and records of the Issuer relating to the Bonds, and such other affidavits and certificates as may be required to show the facts relating to the legality and marketability of the Bonds as such facts appear from the books and records in the officer's custody and control or as otherwise known to them; and all such certified copies, certificates and affidavits, including any heretofore furnished, shall constitute representations of the Issuer as to the truth of all statements contained therein.

Section 9. All Resolutions and Orders or parts thereof, in conflict herewith are, to the extent of such conflict, hereby repealed and this Resolution shall be in full force and effect immediately upon its adoption.

Adopted and approved December 7, 1998.

City of Buffalo, Iowa

(Seal)


Mayor BETTY O. WALTERS

Attest:


City Clerk CAROL A. BERNAUER

CERTIFICATE

I, the undersigned, being first duly sworn do hereby depose and certify that I am the duly appointed, qualified, and acting City Clerk of the City of Buffalo, Iowa; that as such I have in my possession, or have access to, the complete corporate records of said City and of its City Council and officers; that I have carefully compared the transcript hereto attached with the aforesaid corporate records; and that said transcript hereto attached is a true, correct and complete copy of all the corporate records showing the action taken by the City Council of said City at a meeting open to the public on December 7, 1998, holding a public hearing and approving the issuance of not to exceed \$1,295,000 aggregate principal amount of Private School Facility Revenue Bonds (Assumption High School Project) Series 1998, of the City of Buffalo, Iowa; that said proceedings remain in full force and effect and have not been amended or rescinded in any way; that said meeting and all action thereat was duly and publicly held, with members of the public in attendance, in accordance with a notice of meeting and tentative agenda, a copy of which was timely served on each member of the City Council and posted on a bulletin board or other prominent place easily accessible to the public and clearly designated for that purpose at the principal office of the City Council (a copy of the face sheet of said agenda being attached hereto) pursuant to the local rules of the City Council and the provisions of Chapter 21, Iowa Code, and upon reasonable advance notice to the public and media at least 24 hours prior to the commencement of the meeting as required by said law.

Witness my hand and the Corporate Seal of said City hereto affixed this 07 day of December, 1998.

(Seal)

Carol Bernauer
Carol Bernauer, City Clerk