

MINUTES FOR HEARING ON A LOAN
AGREEMENT AND AUTHORIZE
LETTER OF CREDIT REIMBURSEMENT
AGREEMENT

439235-9

West Branch, Iowa

March 21, 2016

The City Council of the City of West Branch, Iowa, met on March 21, 2016, at 7:00 p.m., at the City Council Chamber, 110 N. Poplar Street, West Branch, Iowa. The Mayor presided and the roll was called showing the following members of the City Council present and absent:

Present: Jordan Ellyson, Colton Miller, Brian Pierce, Mary Beth Stevenson, and Tim Shields.

Absent: None

This being the time and place specified for taking action on the proposal to enter into a General Obligation Loan Agreement in a principal amount not to exceed \$750,000, the City Clerk announced that no written objections had been placed on file. Whereupon, the Mayor called for any written or oral objections, and there being none, the Mayor closed the public hearing.

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

Ayes: Tim Shields, Mary Beth Stevenson, Colton Miller, Jordan Ellyson, and Brian Pierce.

Nays: None.

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

RESOLUTION NO. 1436

Resolution taking additional action with respect to a General Obligation Loan Agreement and authorizing a Letter of Credit Reimbursement Agreement

WHEREAS, the City of West Branch (the “City”), in Cedar and Johnson Counties, State of Iowa, pursuant to the provisions of Section 384.24A of the Code of Iowa, proposes to vest itself with authority to enter into a Loan Agreement (the “Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$750,000 for the purpose of settling the judgment (the “Judgment”) lodged against the City in the *Acciona Windpower North America, LLC v. City of West Branch* litigation, and pursuant to law and duly published notice of the proposed action has held a hearing thereon on March 21, 2016; and

WHEREAS, the City will initially use its vested authority to secure a letter of credit arrangement in connection with the legal appeal of the Judgment; and

WHEREAS, Community State Bank, West Branch, Iowa (the “Bank”) has agreed to issue an Irrevocable Standby Letter of Credit (the “Letter of Credit”) in favor of the City; and

WHEREAS, a Letter of Credit Reimbursement Agreement (the “Reimbursement Agreement”) has been prepared to set forth the mutual understanding between the City and the Bank with respect to the Letter of Credit and it is now necessary for the City Council to take additional action with respect to the Loan Agreement and to give approval to the Reimbursement Agreement; and

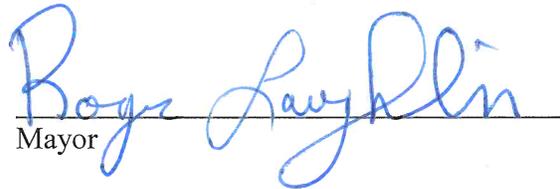
NOW, THEREFORE, Be It Resolved by the City Council of the City of West Branch, Iowa, as follows:

Section 1. The City Council hereby determines to enter into the Loan Agreement in the future. The City Council further declares that this resolution constitutes the “additional action” required by Section 384.24A of the Code of Iowa. The City hereby covenants that it shall treat any and all obligations to reimburse the Bank that may arise under the Reimbursement Agreement as “general obligations” of the City. The City further covenants to use its authority to enter into the Loan Agreement and borrow funds for the prompt and full satisfaction of any such reimbursement obligations to the Bank as may arise.

Section 2. The Reimbursement Agreement in substantially the form as has been presented to and considered by this City Council and containing substantially the same terms and provisions set forth therein, is hereby approved, and the Mayor and City Clerk are hereby authorized and directed to make such changes thereto as they, with the advice of bond counsel, deem necessary and to execute and deliver the Reimbursement Agreement and to execute any and all other documents and do any and all things deemed necessary in order to accomplish the purposes of this resolution. All resolutions or parts of resolutions in conflict herewith are hereby repealed to the extent of such conflict.

Section 3. This resolution shall be in full force and effect immediately upon its adoption and approval, as provided by law.

Passed and approved March 21, 2016.



Mayor

Attest:



City Clerk

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



Mayor

Attest:



City Clerk

March 17, 2016

Matt Muckler
City Administrator/City Hall
West Branch, Iowa
Via Email

Re: Letter of Credit
Our File No. 439235-9

Dear Matt:

We have prepared and attach proceedings to be used at the March 21st City Council meeting reflecting the public hearing on a General Obligation Loan Agreement and providing for the adoption of the resolution authorizing a Letter of Credit and Reimbursement Agreement.

The proceedings attached include the following items:

1. Minutes of the meeting covering the public hearing, followed by the resolution taking additional action in connection with the Loan Agreement. This resolution sets forth the City Council's determination to enter into the Loan Agreement in the future, and its adoption constitutes the "additional action" required by the Iowa Code. In addition, the Resolution authorizes the City to enter into a Letter of Credit Reimbursement Agreement with Community State Bank.

2. Attestation Certificate attesting to the validity of the transcript.

On March 21st the City Council should meet as scheduled, hold the hearing on its intention to enter into the Loan Agreement and adopt the attached resolution. The minutes as drafted assume that no objections will be filed or made.

As soon as these proceedings are completed, please return one fully executed copy of all of the completed pages in these proceedings.

If you have any questions, please contact Rebecca Donaldson or me.

Best regards,

John P. Danos

Attachments

cc: Maggie Burger
Bill Miller
Kevin Olson