

April 27, 2020

VIA EMAIL

Amy Miller
City Clerk/Finance Director
Oskaloosa City Hall
220 South Market Street
Oskaloosa, IA 52577

Re: Oskaloosa, Iowa - \$10,605,000 General Obligation Local Option Sales Tax
Bonds, Series 2020

Dear Amy:

Enclosed are documents to complete Council action in connection with the authorization for the issuance of the above Bonds.

1. The Council procedure consists of the following:
 - (a) Resolution Appointing Registrar and Paying Agent. This resolution appoints UMB Bank, N.A. to serve as Registrar and Paying Agent.
 - (b) Resolution authorizing the issuance of the Bonds.

The resolution also incorporates by reference the form of the Tax Exemption Certificate.

There are blank spaces appearing in the form of Bond set out in the resolution. These need not be completed but may be left blank as a guide since different amounts, dates and percents will be inserted within the blank spaces.

The resolution must be adopted by an affirmative vote equal to a majority of the full Council membership.

- (c) Tax Exemption Certificate. The Tax Exemption Certificate sets out in detail a number of facts, promises and obligations which must be met and agreed to by the City in order to maintain these Bonds as tax exempt. This certificate should be **SIGNED BUT NOT DATED**. Please execute and return all copies to us. An executed copy will be provided to you after closing.

2. Closing Certificates and Documents:

(a) Delivery Certificate. This certificate also should be signed, BUT NOT DATED. Please complete and confirm the financial data on page 2, execute and return all copies to us. An executed copy will be provided to you after closing.

(b) Transcript Certificate. This certificate is to be executed and sealed in the manner indicated on the second page and may be dated at the time of completion. A notary attestation for all official signatures is required. Please execute and return all copies to us. An executed copy will be provided to you after closing.

(c) Authentication Order. Please execute and return all copies to us. An executed copy will be provided to you after closing.

(d) County Auditor's Certificate. A true copy of the authorizing resolution as adopted is to be certified and filed with the Auditor of Mahaska County. The Auditor is asked to certify to such filing on the certificate. Please file one copy with the Auditor and return the other two copies to my attention prior to closing.

(e) Form 8038-G -- Information Return for Tax Exempt Governmental Obligations. Please review, and if correct, sign, BUT DO NOT DATE, and return the form to us prior to closing. We will file this with the IRS and provide a copy after closing.

(f) Paying Agent; Note Registrar and Transfer Agent Agreement. Please execute and return all copies to us. We will obtain signatures from UMB Bank, N.A. and an executed copy will be provided to you after closing.

(g) Purchase Agreement. Please execute and return all copies to us. We will obtain signatures from Sterling National Bank and provide you a fully executed copy.

Tax Exemption

The Tax Exemption Certificate is an important document and contains important information concerning the calculated yield on the Bonds and a number of covenants and obligations on the part of the City. This certificate should be retained along with all of your records regarding the use of proceeds, expenditure dates and investment information needed to comply with IRS guidelines. I will not attempt to summarize all of the matters which are included in this certificate but I do want to point out some important ones.

Tax exemption is based in part upon the fact that the use of the facilities to be acquired by the City with the proceeds will be for the benefit of the public and will not be used in the private trade or business of any business or non-tax-exempt entity. The properties acquired with the Bond proceeds must not be sold or diverted to any private or nonpublic use unless the significance of that action is reviewed by bond counsel.

The Tax Exemption Certificate sets forth the best knowledge and belief which you have as of today concerning the timely expenditure of the proceeds as the City reasonably expects expenditures to occur. If for any reason the City finds it will be prevented from expending the Bond proceeds fully within three years, that matter should be referred to us.

These Bonds are issued under the expectation that the City will be exempt from the requirement to rebate arbitrage earnings to the United States Government since you intend to spend the proceeds of the Bonds for construction purposes within two (2) years of issuance and meet the other requirements of the two-year expenditure exemption from the rebate provisions.

There are a number of other general promises and commitments by the City to take or refrain from action, which are necessary to maintain the tax exemption of these Bonds. You should recognize that these promises and commitments are required of the City on an ongoing basis and that the possibility of some additional future action does exist.

Closing Matters.

As you know, closing of this issue is scheduled to occur on or about May 20, 2020. At the time of closing, the "Purchaser's" copies of the above items will be delivered to the Purchaser of the Bonds in exchange for the agreed purchase price. Our legal opinion also will be delivered to the Purchaser at that time.

Should you have any questions, or if we can be of any assistance in completing the enclosed items, please don't hesitate to contact me.

Very truly yours,

Ahlers & Cooney, P.C.



Kristin Billingsley Cooper
FOR THE FIRM

KBC:seb

Enclosures

cc: Michael Schrock, City of Oskaloosa (via email w/encl.)

Susanne Gerlach, Public Financial Management, Inc. (via email w/encl.)