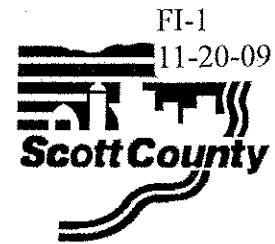


OFFICE OF THE COUNTY ADMINISTRATOR

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November 3, 2009

TO: Board of Supervisors
FROM: Dee F. Bruemmer, County Administrator
SUBJECT: Carver AERO Project

As directed, staff has worked with Piper Jaffray & Co. and Dorsey & Whitney LLP in the issuance of Midwest Disaster Relief Bonds Series 2009 to fund the terminal building at the Davenport Airport. The resolution on the agenda authorizes the agreement and sets the Public Hearing for the bond issuance on December 8, 2009.

Memorandum of Agreement and Setting
Date for Hearing

Davenport, Iowa

November 12, 2009

The Board of Supervisors of Scott County, Iowa, met in regular session on the 12th day of November, 2009 at 5:30 o'clock, p.m., at the Scott County Administrative Center in Davenport, Iowa. The meeting was called to order and there were present the Chairperson and the following named Board Members:

Present: _____

Absent: _____

Matters were discussed relative to a financing for Carver Aero, Inc., Davenport, Iowa, pursuant to Chapter 419 of the Code of Iowa, 2009, as amended. Whereupon, Board Member _____ introduced the following resolution and moved its adoption, seconded by Board Member _____; and after due consideration thereof by the Board, the Chairperson put the question upon the motion and the roll being called, the following named members of the Board voted:

Ayes: _____

Nays: _____

Whereupon, the Chairperson declared the said motion duly carried and the resolution adopted as follows:

RESOLUTION NO. _____

A Resolution authorizing the execution of a Memorandum of Agreement with Carver Aero, Inc. of Davenport, Iowa and fixing a date for a hearing on the proposed issuance of Midwest Disaster Relief Bonds (CARVER AERO Project), Series 2009.

WHEREAS, Scott County, Iowa (the "Issuer"), is a County authorized and empowered by the provisions of Chapter 419 of the Code of Iowa, 2009, as amended (the "Act"), to issue revenue bonds for purposes that are eligible for financing from midwestern disaster area bonds authorized under the federal Emergency Economic Stabilization Act of 2008; and

WHEREAS, Carver Aero, Inc. (the "Borrower") has requested the Issuer to issue its Midwest Disaster Relief Bonds (CARVER AERO Project), Series 2009, in one or more series (the "Bonds") in an aggregate principal amount not to exceed \$3,000,000, pursuant to the Act for the purpose of financing some or all of the costs relating to a flight-based operation and government occupied air transit facility, together with all necessary related costs, to be located at 9230 Harrison Street in Davenport, Iowa 52806 (the "Project") and paying for costs of issuance and certain other costs associated with the issuance of the Bonds; and

WHEREAS, it is proposed to finance the foregoing through the issuance of the Bonds and to loan the proceeds from the sale of the Bonds to the Borrower under a Loan Agreement between the Issuer and the Borrower, the obligations of which will be sufficient to pay the principal of, premium, if any, and interest on the Bonds as and when the same shall be due and payable; and

WHEREAS, the Bonds, if issued, shall be limited obligations of the Issuer, and shall not constitute nor give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers, and the principal of, interest and premium, if any, on the Bonds shall be payable solely out of the revenues derived from the Loan Agreement; and

WHEREAS, before the Bonds may be issued, it is necessary to conduct a public hearing on the proposal to issue the Bonds, all as required and provided for by Section 419.9 of the Act and Section 147(f) of the Internal Revenue Code; and

WHEREAS, a Memorandum of Agreement in the form and with the contents set forth in Exhibit A attached hereto, has been presented to the Issuer which sets forth certain mutual undertakings and agreements between the Issuer and the Borrower, relating to the further processing of said Bonds; and

WHEREAS, the Issuer desires to comply with requirements of the Act with respect to the Project and the Bonds;

NOW, THEREFORE, IT IS RESOLVED by the Board of Supervisors of the Issuer, as follows:

Section 1. The Memorandum of Agreement in the form and with the contents set forth in Exhibit A attached hereto is hereby approved, and the Chairperson is hereby authorized to execute said Memorandum of Agreement and the County Auditor is hereby authorized to attest the same and to affix the seal of the Issuer thereto; said Memorandum of Agreement, which constitutes and is hereby made a part of this Resolution, to be in substantially the form, text and containing the provisions set forth in Exhibit A attached hereto.

Section 2. Officials of the Issuer are hereby authorized to take such further action as may be necessary to carry out the intent and purpose of the Memorandum of Agreement.

Section 3. This Board shall meet on the 8th day of December, 2009, at the Scott County Administrative Center, 600 West Fourth Street, Davenport, Iowa 52801-1030 at _____ o'clock __.m., at which time and place any resident or property owner of the Issuer may present oral or written objections on the proposal to issue the Bonds referred to in the preamble hereof.

Section 4. The County Auditor is hereby directed to give notice of intention to issue the Bonds, setting forth the amount and purpose thereof, the time when and place where the hearing will be held, by publication at least once not less than fifteen (15) days prior to the date fixed for the hearing, in a newspaper published and having a general circulation within the Issuer. The notice shall be in substantially the following form:

NOTICE OF INTENTION TO ISSUE MIDWEST DISASTER
RELIEF BONDS (CARVER AERO PROJECT), SERIES 2009

The Board of Supervisors of Scott County, Iowa, (the "Issuer") will meet on the 8th day of December, 2009, at ~~5:30~~ o'clock p.m., at the Scott County Administrative Center, 600 West Fourth Street, Davenport, Iowa 52801-1030 for the purpose of conducting a public hearing on the proposal to issue Midwest Disaster Relief Bonds (CARVER AERO Project), Series 2009, in one or more series, in an aggregate principal amount not to exceed \$3,000,000 (the "Bonds"), and to loan said amount to Carver Aero, Inc. (the "Borrower"), for the purpose of financing some or all of the costs relating to a flight-based operation and government occupied air transit facility, together with all necessary related costs, to be located at 9230 Harrison Street in Davenport, Iowa 52806 (the "Project") and paying the costs of issuance and certain other costs associated with the issuance of the Bonds.

The Bonds, when issued, will be limited obligations and will not constitute general obligations of the Issuer nor will they be payable in any manner by taxation, but the Bonds will be payable solely and only from amounts received by the Issuer under a Loan Agreement between the Issuer and the Borrower, the obligations of which will be sufficient to pay the principal of and interest and redemption premium, if any, on the Bonds as and when the same shall become due.

At the time and place fixed for the hearing, individuals who appear will be given an opportunity to express their views for or against the proposal to issue the Bonds for the purpose of financing the Project, and all written comments previously filed at the Scott County Auditor's Office, Scott County Courthouse, 400 West 4th Street, Davenport, Iowa 52801 will be considered.

By order of the Board of Supervisors of Scott County, Iowa.
Roxanna Moritz, Auditor

Section 5. All resolutions and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Passed and approved November 12, 2009.

Chairperson, Board of Supervisors

Attest:

County Auditor

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On motion and vote, the meeting adjourned.

Chairperson, Board of Supervisors

Attest:

County Auditor

EXHIBIT A
MEMORANDUM OF AGREEMENT

THIS MEMORANDUM OF AGREEMENT is between Scott County, Iowa, (the "Issuer") and Carver Aero, Inc. (the "Borrower").

1. Preliminary Statement. Among the matters of mutual inducement which have resulted in the execution of this Agreement are the following:

(a) The Issuer is authorized by Chapter 419 of the Code of Iowa, 2009, as amended (the "Act") to issue revenue bonds for purposes that are eligible for financing from midwestern disaster area bonds authorized under the federal Emergency Economic Stabilization Act of 2008; and

(b) The Borrower wishes to obtain approvals from the Issuer that the Issuer will hold a hearing and may take steps to issue Midwest Disaster Relief Bonds (CARVER AERO Project), Series 2009 (the "Bonds") to finance some or all of the costs relating to a flight-based operation and government occupied air transit facility, together with all necessary related costs, to be located at 9230 Harrison Street in Davenport, Iowa 52806 (the "Project") and to pay for costs of issuance and certain other costs associated with the issuance of the Bonds.

2. Undertakings on the Part of the Issuer.

(a) The Issuer, when appropriate, will adopt the proceedings necessary to authorize the issuance of such Bonds, in an aggregate principal amount not to exceed \$3,000,000.

(b) Subject to due compliance with all requirements of law and the terms of this Agreement, including the provisions of and the public hearing required by the Act, it will cooperate with the Borrower in the issuance and sale of such Bonds, and the proceeds from the issuance of such Bonds shall be loaned to the Borrower upon terms sufficient to pay the principal of and interest and redemption premium, if any, on such Bonds, as and when the same shall become due.

(c) The Issuer shall determine when, in what amount, and if the Bonds may be issued without causing the Issuer to lose its qualification as a "qualified small issuer" within the meaning of Section 265(b)(3)(C) of the Code.

3. Undertakings on the Part of the Borrower.

(a) It will use all reasonable efforts to cooperate with the Issuer and comply with the Act and all other provisions of law relating to financing of the Project and the issuance and sale of such Bonds.

(b) It will enter into a Loan Agreement with the Issuer under the terms of which the Borrower will obligate itself to pay to the Issuer sums sufficient to pay the principal of and

interest and redemption premium, if any, on such Bonds as and when the same shall become due and payable.

4. General Provisions.

(a) The Borrower agrees (i) to pay all applicable deposits and review fees required by the Issuer at the times and in the amounts requested and (ii) to reimburse the Issuer for all reasonable and necessary direct out-of-pocket expenses which the Issuer may incur, including but not limited to, legal fees, administrative costs, printing and publication costs and filing fees arising from the execution of this Agreement and the performance by the Issuer, or preparation to perform of its obligations hereunder, or done at the request of the Borrower.

(c) All commitments of the Issuer hereunder are further subject to the conditions that the Issuer shall in no event incur any liability for any act or omission hereunder, and that such Bonds described herein shall not constitute an indebtedness of the Issuer within the meaning of any constitutional or statutory provision and shall not constitute nor give rise to a pecuniary liability of the Issuer or a charge against its general credit or taxing powers.

The execution of this Memorandum of Agreement by the Issuer is not intended to nor does it create a binding commitment on the part of the Issuer to proceed with the issuance of the Bonds. It is further understood that the issuance of the Bonds is subject to further review by the Board of Supervisors of the Issuer and compliance with all provisions of the Act and the Internal Revenue Code, including the holding of a public hearing with respect thereto.

(d) The Borrower represents that the information relating to it and the Project contained in the resolution of the Issuer approving this Memorandum of Agreement has been provided to the Issuer by the Borrower and is true and correct.

(e) Preparation of all resolutions, agreements, instruments, certificates or other documents in final form for adoption and execution shall be the sole responsibility of Bond Counsel.

(f) All commitments of the Issuer hereunder are further subject to the condition that the Bonds may only be issued if the Issuer determines, as described in Section 2(c), that such issuance will not cause the Issuer to lose its qualification as a "qualified small issuer" in any year.

Dated this _____ day of _____, 2009.

SCOTT COUNTY, IOWA

By _____
Chairperson, Board of Supervisors

Attest:

County Auditor

(Seal)

CARVER AERO, INC.

By _____

