

NOTICE OF PROPOSED ACTION TO INSTITUTE PROCEEDINGS TO
ENTER INTO A LOAN AGREEMENT AND TO BORROW MONEY
THEREUNDER IN A PRINCIPAL AMOUNT NOT TO EXCEED \$550,000

(GENERAL OBLIGATION)

The City Council of the City of Underwood, Iowa (the “City”), will meet on April 7, 2026, at Underwood City Hall, 241 Third Street, Underwood, Iowa, at 6 o’clock p.m., for the purpose of instituting proceedings and taking action on a proposal to enter into a loan agreement (the “Loan Agreement”) and to borrow money thereunder in a principal amount not to exceed \$550,000 for the purpose of paying the costs, to that extent of acquiring, renovating and equipping a facility for use as a municipal fire station.

The Loan Agreement is proposed to be entered into pursuant to authority contained in Section 384.24A of the Code of Iowa and will constitute a general obligation of the City.

The maximum rate of interest which may be payable under the Loan Agreement is 7% per annum.

It is estimated the annual increase in property taxes on a residential property with an actual valuation of one hundred thousand dollars resulting from the City entering into the Loan Agreement will be \$53.34, however the City Council may determine for any fiscal year while the Loan Agreement is outstanding to budget other available revenues to the payment of some or all of the debt service coming due thereunder.

At any time before the date fixed for taking action to enter into the Loan Agreement, a petition may be filed with the City Clerk of the City asking that the question of entering into the Loan Agreement be submitted to the registered voters of the City, pursuant to the provisions of Section 384.26 of the Code of Iowa. If no such petition is filed, at the aforementioned time and place, oral or written objections may be filed or made to the proposal to enter into the Loan Agreement. After receiving objections, the City may determine to enter into the Loan 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 Underwood, Iowa.

Cindy Sorlien
City Administrator/Clerk

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The Loan Agreement is proposed to be entered into pursuant to authority contained in Section 384.24A of the Code of Iowa and will constitute a general obligation of the City.

The maximum rate of interest which may be payable under the Loan Agreement is 7% per annum.

It is estimated the annual increase in property taxes on a residential property with an actual valuation of one hundred thousand dollars resulting from the City entering into the Loan Agreement will be \$53.34, however the City Council may determine for any fiscal year while the Loan Agreement is outstanding to budget other available revenues to the payment of some or all of the debt service coming due thereunder.

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