

Agenda Report

May 5, 2014 City Council Meeting

May 5, 2014
Item No. 10 & 11

ISSUE: Approving a resolution purchasing building at 1145 66th Street and final authorization to issue debt for purchase

BACKGROUND:

The time has come to authorize the final purchase of the building located at 1145 S 66th Street (Unit 1). If the resolution is approved authorizing the purchase a tentative closing will be held on May 6th at 10:00am. The first two issues to resolve once the unit is transferred to the City include running fiber from City Hall to the new location and replacing the HVAC unit. Both projects were included in the most recent budget amendment.

The other resolution for your consideration is the actual authorization of the issuance of the general obligation capital loan notes. Bankers Trust came back with an even lower rate of 2.5% compared to the original low of 3.5%. This will save the City approximately \$15,000-\$20,000 over the life of the loan. The additional \$100,000 will be used for remodeling purposes and any funds not used will be used to cover the first annual debt service payment.

Staff anticipates a move in date sometime in September or October, depending on any remodeling issues. Again the facility has passed all inspections and no major issues have arisen.

RECOMMENDATION:

Staff recommends the council approve the resolutions to approve the purchase of the property and the issuance of the capital loan notes.

STAFF CONTACTS:

Jeffrey A. Fiegenschuh, City Administrator

CITY OF WINDSOR HEIGHTS, IOWA

RESOLUTION NUMBER 14-0425

A RESOLUTION AUTHORIZING THE PURCHASE OF REAL PROPERTY
LOCALLY KNOWN AS 1145 – 66th STREET UNIT 1, WINDSOR HEIGHTS, IOWA

WHEREAS, the City of Windsor Heights desires to acquire property locally known as 1145 – 66th Street, Unit 1, Windsor Heights, Iowa (the “Property”) that will enable the City to provide for future expansion of the City facilities for service to its citizens; and

WHEREAS, on February 21, 2014, the City Council approved Resolution Number 14-0204 authorizing the City Administrator to enter into a purchase agreement for the acquisition of the Property for a purchase price up to \$225,000.00; and

WHEREAS, the City Administrator did negotiate and enter into a purchase agreement to acquire the Property for the amount of \$225,000.00, subject to a clean inspection and review of the Property’s abstract to ensure clear title; and

WHEREAS, the aforementioned contingencies have been satisfied; and

WHEREAS, the City Council of the City of Windsor Heights believes \$225,000.00 is fair market value for the Property, and believes the purchase of the Property to be in the best interest of the City.

NOW THEREFORE BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WINDSOR HEIGHTS:

1. Purchase of the Property for the purchase price of \$225,000.00 is hereby approved.
2. The City Attorney is hereby directed and instructed to prepare any necessary documents needed to transfer the Property to the City of Windsor Heights, Iowa, and/or close the transaction; and
3. The City Administrator and/or Mayor are hereby authorized to execute any documents necessary to transfer the Property to the City of Windsor Heights, Iowa, and/or close the transaction, and to record such documents as needed.

PASSED AND APPROVED THIS 5TH DAY OF MAY 2014.

Diana Willits, Mayor

ATTEST:

Jeff Fiegenschuh, City Administrator/Clerk

(This Notice to be posted)

NOTICE AND CALL OF PUBLIC MEETING

Governmental Body: The City Council of the City of Windsor Heights, State of Iowa.
Date of Meeting: May 5, 2014.
Time of Meeting: 6:00 o'clock P.M.
Place of Meeting: Council Chambers, City Hall, 1133 - 66th Street, Windsor Heights, Iowa.

PUBLIC NOTICE IS HEREBY GIVEN that the above mentioned governmental body will meet at the date, time and place above set out. The tentative agenda for the meeting is as follows:

\$325,000 General Obligation Capital Loan Notes, Series 2014.

- Approval of Tax Exemption Certificate.
- Resolution approving and authorizing a form of Loan Agreement and authorizing and providing for the issuance of Capital Loan Notes and levying a tax to pay the Notes.

Such additional matters as are set forth on the additional 18 page(s) attached hereto.
(number)

This notice is given at the direction of the Mayor pursuant to Chapter 21, Code of Iowa, and the local rules of the governmental body.

City Clerk, City of Windsor Heights, State of Iowa

May 5, 2014

The City Council of the City of Windsor Heights, State of Iowa, met in _____ session, in the Council Chambers, City Hall, 1133 - 66th Street, Windsor Heights, Iowa, at _____ o'clock _____.M., on the above date. There were present Mayor _____, in the chair, and the following named Council Members:

Absent: _____

* * * * *

Council Member _____ moved that the form of Tax Exemption Certificate be placed on file and approved. Council Member _____ seconded the motion. The roll was called and the vote was,

AYES: _____

NAYS: _____

Council Member _____ introduced the following Resolution entitled "RESOLUTION APPROVING AND AUTHORIZING A FORM OF LOAN AGREEMENT AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF \$325,000 GENERAL OBLIGATION CAPITAL LOAN NOTES, SERIES 2014, AND LEVYING A TAX TO PAY THE NOTES" and moved that it be adopted. Council Member _____ seconded the motion to adopt, and the roll being called thereon, the vote was as follows:

AYES: _____

NAYS: _____

Whereupon, the Mayor declared said Resolution duly adopted as follows:

RESOLUTION 14-0525 APPROVING AND AUTHORIZING A FORM OF LOAN AGREEMENT AND AUTHORIZING AND PROVIDING FOR THE ISSUANCE OF \$325,000 GENERAL OBLIGATION CAPITAL LOAN NOTES, SERIES 2014, AND LEVYING A TAX TO PAY THE NOTES

WHEREAS, the Issuer is duly incorporated, organized and exists under and by virtue of the laws and Constitution of the State of Iowa; and

WHEREAS, the Issuer is in need of funds to pay costs of the acquisition of real property and the construction, reconstruction, enlargement, improvement and equipping of said real

property to be used as an annex to City Hall, and for other municipal purposes, which constitutes real property, and it is deemed necessary and advisable that a form of Loan Agreement be approved and authorized and General Obligation Capital Loan Notes, Series 2014, to the amount of not to exceed \$325,000 be authorized for said purpose; and

WHEREAS, it is now being advisable to proceed with the issuance of \$325,000 General Obligation Capital Loan Notes; and

WHEREAS, the Loan Agreement will be payable from the General Fund and will not result in the total of scheduled annual payments of principal or interest or both principal and interest of the City due from the General Fund of the City in any future year with respect to all loan agreements in force on the date of authorization to exceed ten percent (10%) of the last certified general fund budget amount; and

WHEREAS, pursuant to notice published as required by Sections 384.24, 384.24A and 384.25 of said Code, this Council has held a public meeting and hearing upon the proposal to institute proceedings for the issuance of said Notes, and the Council is therefore now authorized to proceed with the issuance of \$325,000 Capital Loan Notes:

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF WINDSOR HEIGHTS, STATE OF IOWA:

Section 1. Definitions. The following terms shall have the following meanings in this Resolution unless the text expressly or by necessary implication requires otherwise:

- "General Fund" shall mean the fund established to receive all moneys from taxes and other sources for City government purposes as provided in Section 384.3, City Code of Iowa.
- "Issuer" and "City" shall mean the City of Windsor Heights, State of Iowa.
- "Loan Agreement" shall mean a Loan Agreement between the Issuer and a lender or lenders in substantially the form attached to and approved by this Resolution.
- "Note Fund" shall mean the fund created in Section 4 of this Resolution.
- "Notes" shall mean a single General Obligation Capital Loan Note, Series 2014, in the principal amount of \$325,000, authorized to be issued by this Resolution.
- "Paying Agent" shall mean the City Clerk, or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein as Issuer's agent to provide for the payment of principal of and interest on the Notes as the same shall become due.

- "Project" shall mean costs of the acquisition of real property and the construction, reconstruction, enlargement, improvement and equipping of said real property to be used as an annex to City Hall, and for other municipal purposes.
- "Project Fund" shall mean the fund required to be established by this Resolution for the deposit of the proceeds of the Notes.
- "Rebate Fund" shall mean the fund so defined in and established pursuant to the Tax Exemption Certificate.
- "Registrar" shall mean the City Clerk of Windsor Heights, Iowa, or such successor as may be approved by Issuer as provided herein and who shall carry out the duties prescribed herein with respect to maintaining a register of the owners of the Notes. Unless otherwise specified, the Registrar shall also act as Transfer Agent for the Notes.
- "Resolution" shall mean this resolution authorizing the Notes.
- "Tax Exemption Certificate" shall mean the Tax Exemption Certificate executed by the Treasurer and delivered at the time of issuance and delivery of the Notes.
- "Treasurer" shall mean the Chief Financial Officer or such other officer as shall succeed to the same duties and responsibilities with respect to the recording and payment of the Notes issued hereunder.

Section 2. The form of Loan Agreement in substantially the form attached to this Resolution is hereby approved and is authorized to be executed and issued on behalf of the Issuer by the Mayor and attested by the City Clerk.

Section 3. Levy and Certification of Annual Tax; Other Funds to be Used.

(a) Levy of Annual Tax. That for the purpose of providing funds to pay the principal and interest of the Notes hereinafter authorized to be issued, there shall be levied in the General Fund for each future year the following direct annual tax on all of the taxable property in the City of Windsor Heights, State of Iowa, to-wit:

AMOUNT	FISCAL YEAR (JULY 1 TO JUNE 30) YEAR OF COLLECTION
\$5,101(cash)	2014/2015
\$62,437	2015/2016
\$66,000	2016/2017
\$69,438	2017/2018
\$72,938	2018/2019
\$75,937	2019/2020

(NOTE: For example the levy to be made and certified against the taxable valuations of January 1, 2014, will be collected during the fiscal year commencing July 1, 2015).

(b) Resolution to be Filed With County Auditor. A certified copy of this Resolution shall be filed with the Auditor of Polk County, Iowa and the Auditor is hereby instructed in and for each of the years as provided, to levy and assess the tax hereby authorized in Section 3 of this Resolution, in like manner as other taxes are levied and assessed, and such taxes so levied in and for each of the years aforesaid be collected in like manner as other taxes of the City are collected, and when collected be used for the purpose of paying principal and interest on said Notes issued in anticipation of the tax, and for no other purpose whatsoever.

(c) Additional City Funds Available. Principal and interest coming due at any time when the proceeds of said tax on hand shall be insufficient to pay the same shall be promptly paid when due from current funds of the City available for that purpose and reimbursement shall be made from such special fund in the amounts thus advanced.

Section 4. Note Fund. Said tax shall be assessed and collected each year at the same time and in the same manner as, and in addition to, all other taxes in and for the City, and when collected they shall be converted into a special fund within the General Fund to be known as the "GENERAL FUND CAPITAL LOAN NOTE FUND NO. 1" (the "Note Fund"), which is hereby pledged for and shall be used only for the payment of the principal of and interest on the Notes hereinafter authorized to be issued.

Section 5. Application of Note Proceeds. Proceeds of the Notes other than accrued interest except as may be provided below shall be credited to the Project Fund and expended therefrom for the purposes of the Project. Any amounts on hand in the Project Fund shall be available for the payment of the principal of or interest on the Notes at any time that other funds shall be insufficient to the purpose, in which event such funds shall be repaid to the Project Fund at the earliest opportunity. Any balance on hand in the Project Fund and not immediately required for its purposes may be invested not inconsistent with limitations provided by law or this Resolution. Accrued interest, if any, shall be deposited in the Note Fund.

Section 6. Investments of Note Fund Proceeds. All moneys held in the Note Fund and the Project Fund, shall be invested in investments permitted by Chapter 12B, Code of Iowa, 2013, as amended, or deposited in financial institutions which are members of the Federal Deposit Insurance Corporation and the deposits in which are insured thereby and all such deposits exceeding the maximum amount insured from time to time by FDIC or its equivalent successor in any one financial institution shall be continuously secured in compliance with Chapter 12C of the Code of Iowa, 2013, as amended, or otherwise by a valid pledge of direct obligations of the United States Government having an equivalent market value. All such interim investments shall mature before the date on which the moneys are required for payment of principal of or interest on the Notes as herein provided.

Section 7. Note Details, Execution and Redemption.

(a) Note Details. General Obligation Capital Loan Notes, Series 2014, of the City in the total amount of \$325,000, shall be issued to evidence the obligations of the Issuer under the Loan Agreement pursuant to the provisions of Sections 384.24, 384.24A, and 384.25 of the City Code of Iowa, as amended, for the aforesaid purpose. The Notes shall be issued in one or more series and shall be on a parity and secured equally and ratably from the sources provided in Section 3 of this Resolution. The Notes shall be designated "GENERAL OBLIGATION CAPITAL LOAN NOTES, SERIES 2014", be dated May 15, 2014, and bear interest from the date thereof, until payment thereof, at the office of the Paying Agent, said interest payable on January 1, 2015, and semiannually thereafter on the 1st day of July and January in each year until maturity at the rates hereinafter provided.

The Notes shall be executed by the manual or facsimile signature of the Mayor and attested by the manual or facsimile signature of the City Clerk, and impressed or printed with the seal of the City and shall be fully registered as to both principal and interest as provided in this Resolution; principal, interest and premium, if any, shall be payable at the office of the Paying Agent by mailing of a check to the registered owner of the Note. The Notes shall be in the denomination of \$5,000 or multiples thereof and shall mature and bear interest as follows:

<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Maturity July 1st</u>
\$55,000	2.50%	2015
\$60,000	2.50%	2016
\$65,000	2.50%	2017
\$70,000	2.50%	2018
\$75,000	2.50%	2019

(b) Redemption. Notes maturing may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Thirty days' written notice of redemption shall be given to the registered owner of the Note. Failure to give such notice by mail to any registered owner of the Notes or any defect therein shall not affect the validity of any proceedings for the redemption of the Notes. All Notes or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment.

If selection by lot within a maturity is required, the Registrar shall designate the Notes to be redeemed by random selection of the names of the registered owners of the entire annual maturity until the total amount of Notes to be called has been reached.

Section 8. Registration of Notes; Appointment of Registrar; Transfer; Ownership; Delivery; and Cancellation.

(a) Registration. The ownership of Notes may be transferred only by the making of an entry upon the books kept for the registration and transfer of ownership of the Notes, and in no other way. The City Clerk is hereby appointed as Registrar under the terms of this Resolution. Registrar shall maintain the books of the Issuer for the registration of ownership of the Notes for the payment of principal of and interest on the Notes as provided in this Resolution. All Notes shall be negotiable as provided in Article 8 of the Uniform Commercial Code subject to the provisions for registration and transfer contained in the Notes and in this Resolution.

(b) Transfer. The ownership of any Note may be transferred only upon the Registration Books kept for the registration and transfer of Notes and only upon surrender thereof at the office of the Registrar together with an assignment duly executed by the holder or his duly authorized attorney in fact in such form as shall be satisfactory to the Registrar, along with the address and social security number or federal employer identification number of such transferee (or, if registration is to be made in the name of multiple individuals, of all such transferees). In the event that the address of the registered owner of a Note (other than a registered owner which is the nominee of the broker or dealer in question) is that of a broker or dealer, there must be disclosed on the Registration Books the information pertaining to the registered owner required above. Upon the transfer of any such Note, a new fully registered Note, of any denomination or denominations permitted by this Resolution in aggregate principal amount equal to the unmatured and unredeemed principal amount of such transferred fully registered Note, and bearing interest at the same rate and maturing on the same date or dates shall be delivered by the Registrar.

(c) Registration of Transferred Notes. In all cases of the transfer of the Notes, the Registrar shall register, at the earliest practicable time, on the Registration Books, the Notes, in accordance with the provisions of this Resolution.

(d) Ownership. As to any Note, the person in whose name the ownership of the same shall be registered on the Registration Books of the Registrar shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Notes and the premium, if any, and interest thereon shall be made only to or upon the order of the registered owner thereof or his legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Note, including the interest thereon, to the extent of the sum or sums so paid.

(e) Cancellation. All Notes which have been redeemed shall not be reissued but shall be cancelled by the Registrar. All Notes which are cancelled by the Registrar shall be destroyed and a certificate of the destruction thereof shall be furnished promptly to the Issuer; provided that if the Issuer shall so direct, the Registrar shall forward the cancelled Notes to the Issuer.

(f) Non-Presentation of Notes. In the event any payment check representing payment of principal of or interest on the Notes is returned to the Paying Agent or if any Note is not presented for payment of principal at the maturity or redemption date, if funds sufficient to pay such principal of or interest on Notes shall have been made available to the Paying Agent for the benefit of the owner thereof, all liability of the Issuer to the owner thereof for such interest or payment of such Notes shall forthwith cease, terminate and be completely discharged, and thereupon it shall be the duty of the Paying Agent to hold such funds, without liability for interest thereon, for the benefit of the owner of such Notes who shall thereafter be restricted exclusively to such funds for any claim of whatever nature on his part under this Resolution or on, or with respect to, such interest or Notes. The Paying Agent's obligation to hold such funds shall continue for a period equal to two years and six months following the date on which such interest or principal became due, whether at maturity, or at the date fixed for redemption thereof, or otherwise, at which time the Paying Agent, shall surrender any remaining funds so held to the Issuer, whereupon any claim under this Resolution by the Owners of such interest or Notes of whatever nature shall be made upon the Issuer.

(g) Registration and Transfer Fees. The Registrar may furnish to each owner, at the Issuer's expense, one Note for each annual maturity. The Registrar shall furnish additional Notes in lesser denominations (but not less than the minimum denomination) to an owner who so requests.

Section 9. Reissuance of Mutilated, Destroyed, Stolen or Lost Notes. In case any outstanding Note shall become mutilated or be destroyed, stolen or lost, the Issuer shall at the request of Registrar authenticate and deliver a new Note of like tenor and amount as the Note so mutilated, destroyed, stolen or lost, in exchange and substitution for such mutilated Note to Registrar, upon surrender of such mutilated Note, or in lieu of and substitution for the Note destroyed, stolen or lost, upon filing with the Registrar evidence satisfactory to the Registrar and Issuer that such Note has been destroyed, stolen or lost and proof of ownership thereof, and upon furnishing the Registrar and Issuer with satisfactory indemnity and complying with such other reasonable regulations as the Issuer or its agent may prescribe and paying such expenses as the Issuer may incur in connection therewith.

Section 10. Record Date. Payments of principal and interest, otherwise than upon full redemption, made in respect of any Note, shall be made to the registered holder thereof or to their designated Agent as the same appear on the books of the Registrar on the 15th day of the month preceding the payment date. All such payments shall fully discharge the obligations of the Issuer in respect of such Notes to the extent of the payments so made. Payment of principal shall only be made upon surrender of the Note to the Paying Agent.

Section 11. Execution, Authentication and Delivery of the Notes. The Mayor and Clerk shall execute and deliver the Notes to the Registrar, who shall authenticate the Notes and deliver the same to or upon order of the Purchaser. No Note shall be valid or obligatory for any purpose or shall be entitled to any right or benefit hereunder unless the Registrar shall duly endorse and execute on such Note a Certificate of Authentication substantially in the form of the Certificate herein set forth. Such Certificate upon any Note executed on behalf of the Issuer shall be conclusive evidence that the Note so authenticated has been duly issued under this Resolution and that the holder thereof is entitled to the benefits of this Resolution.

Section 12. Right to Name Substitute Paying Agent or Registrar. Issuer reserves the right to name a substitute, successor Registrar or Paying Agent upon giving prompt written notice to each registered noteholder.

Section 13. Form of Note. Notes shall be printed in substantial compliance with standards proposed by the American Standards Institute substantially in the form as follows:

(6)

(6)

(7)

(8)

(1)

(2)

(3)

(4)

(5)

(9)

(9a)

(10)
(Continued on the back of this Note)

(11)(12)(13)

(14)

(15)

FIGURE 1
(Front)

<p>(10) (Continued)</p>		<p>(16)</p>
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FIGURE 2
(Back)

The text of the Notes to be located thereon at the item numbers shown shall be as follows:

Item 1, figure 1= "STATE OF IOWA"
"COUNTY OF POLK"
"CITY OF WINDSOR HEIGHTS"
"GENERAL OBLIGATION CAPITAL LOAN NOTE"
"SERIES 2014"
"ESSENTIAL CORPORATE PURPOSE"

Item 2, figure 1= Rate: 2.50%
Item 3, figure 1= Maturity: July 1, 2019
Item 4, figure 1= Note Date: May 15, 2014
Item 6, figure 1= "Registered"
Item 7, figure 1= Certificate No. 1
Item 8, figure 1= Principal Amount: \$325,000

Item 9, figure 1= The City of Windsor Heights, State of Iowa, a municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of Iowa (the "Issuer"), for value received, promises to pay from the source and as hereinafter provided, on the maturity date indicated above, to

Item 9A, figure 1 = (Registration panel to be completed by Registrar or Printer with name of Registered Owner).

Item 10, figure 1 = or registered assigns, the principal sum of (principal amount written out) THOUSAND DOLLARS in lawful money of the United States of America, on the maturity date shown above, only upon presentation and surrender hereof at the office of the City Clerk, Paying Agent of this issue, or its successor, with interest on said sum from the date hereof until paid at the rate per annum specified above, payable on January 1, 2015, and semiannually thereafter on the 1st day of July and January in each year.

Interest and principal shall be paid to the registered holder of the Note as shown on the records of ownership maintained by the Registrar as of the 15th day of the month preceding such interest payment date. Interest shall be computed on the basis of a 360-day year of twelve 30-day months.

This Note is issued pursuant to the provisions of Sections 384.24, 384.24A, and 384.25 of the City Code of Iowa, for the purpose of paying costs of the acquisition of real property and the construction, reconstruction, enlargement, improvement and equipping of said real property to be used as an annex to City Hall, and for other municipal purposes, and in order to evidence the obligations of the Issuer under a certain Loan Agreement dated May 15, 2014, in conformity to a Resolution of the Council of the Issuer duly passed and approved. For a complete statement of the revenues and funds from which and the conditions under which this Note is payable, a statement of the conditions under which additional Notes of equal standing may be issued, and

the general covenants and provisions pursuant to which this Note is issued, reference is made to the above described Loan Agreement and Resolution.

Notes maturing at any time, may be called for redemption by the Issuer and paid before maturity on said date or any date thereafter, from any funds regardless of source, in whole or from time to time in part, in any order of maturity and within an annual maturity by lot. The terms of redemption shall be par, plus accrued interest to date of call.

Thirty days' written notice of redemption shall be given to the registered owner of the Note. Failure to give such notice by mail to any registered owner of the Notes or any defect therein shall not affect the validity of any proceedings for the redemption of the Notes. All notes or portions thereof called for redemption will cease to bear interest after the specified redemption date, provided funds for their redemption are on deposit at the place of payment.

If selection by lot within a maturity is required, the Registrar shall designate the notes to be redeemed by random selection of the names of the registered owners of the entire annual maturity until the total amount of notes to be called has been reached.

Ownership of this Note may be transferred only by transfer upon the books kept for such purpose by City Clerk, the Registrar. Such transfer on the books shall occur only upon presentation and surrender of this Note at the office of the Registrar as designated below, together with an assignment duly executed by the owner hereof or his duly authorized attorney in the form as shall be satisfactory to the Registrar. Issuer reserves the right to substitute the Registrar and Paying Agent but shall, however, promptly give notice to registered noteholders of such change. All Notes shall be negotiable as provided in Article 8 of the Uniform Commercial Code and subject to the provisions for registration and transfer contained in the Note Resolution.

And it is hereby represented and certified that all acts, conditions and things requisite, according to the laws and Constitution of the State of Iowa, to exist, to be had, to be done, or to be performed precedent to the lawful issue of this Note, have been existent, had, done and performed as required by law; that provision has been made for the levy of a sufficient continuing annual tax on all the taxable property within the territory of the Issuer for the payment of the principal and interest of this Note as the same will respectively become due; that the faith, credit, revenues and resources and all the real and personal property of the Issuer are irrevocably pledged for the prompt payment hereof, both principal and interest, and the total indebtedness of the Issuer including this Note, does not exceed the constitutional or statutory limitations.

This Note is a "qualified tax-exempt obligation" designated by the City for purposes of Section 265(b)(3)(B) of the Internal Revenue Code of 1986.

IN TESTIMONY WHEREOF, the Issuer by its Council, has caused this Note to be signed by the manual signature of its Mayor and attested by the manual signature of its City Clerk, with the seal of said City printed or impressed hereon, and to be authenticated by the manual signature of an authorized representative of the Registrar, City Clerk, Windsor Heights, Iowa.

- Item 11, figure 1 = Date of authentication:
- Item 12, figure 1 = This is one of the Notes described in the within mentioned Resolution, as registered by the City Clerk

CITY CLERK, Registrar

By: _____
Authorized Signature

- Item 13, figure 1 = Registrar and Transfer Agent: City Clerk
- Paying Agent: City Clerk

SEE REVERSE FOR CERTAIN DEFINITIONS

- Item 14, figure 1 = (Seal)
- Item 15, figure 1 = (Signature Block)

CITY OF WINDSOR HEIGHTS, STATE OF IOWA

By: _____ (manual signature)
Mayor

ATTEST:

By: _____ (manual signature)
City Clerk

- Item 16, figure 1 = (Assignment Block)
(Information Required for Registration)

ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto _____ (Social Security or Tax Identification No. _____) this Note and does hereby irrevocably constitute and appoint _____ attorney in fact to transfer this Note on the books kept for registration of the within Note, with full power of substitution in the premises.

Dated this _____ day of _____, 2014.

(Person(s) executing this Assignment sign(s) here)

SIGNATURE)
GUARANTEED)

IMPORTANT - READ CAREFULLY

The signature(s) to this Power must correspond with the name(s) as written upon the face of the certificate(s) or Note(s) in every particular without alteration or enlargement or any change whatever. Signature guarantee must be provided in accordance with the prevailing standards and procedures of the Registrar and Transfer Agent. Such standards and procedures may require signature to be guaranteed by certain eligible guarantor institutions that participate in a recognized signature guarantee program.

INFORMATION REQUIRED FOR REGISTRATION OF TRANSFER

Name of Transferee(s) _____
Address of Transferee(s) _____
Social Security or Tax Identification _____
Number of Transferee(s) _____
Transferee is a(n):
Individual* _____ Corporation _____
Partnership _____ Trust _____

*If the Note is to be registered in the names of multiple individual owners, the names of all such owners and one address and social security number must be provided.

The following abbreviations, when used in the inscription on the face of this Note, shall be construed as though written out in full according to applicable laws or regulations:

supporting documents as may be required and in a timely manner; and (f) if deemed necessary or advisable by its officers, to employ and pay fiscal agents, financial advisors, attorneys and other persons to assist the Issuer in such compliance.

Section 18. Amendment of Resolution to Maintain Tax Exemption. This Resolution may be amended without the consent of any owner of the Notes if, in the opinion of bond counsel, such amendment is necessary to maintain tax exemption with respect to the Notes under applicable Federal law or regulations.

Section 19. Qualified Tax-Exempt Obligations. For the sole purpose of qualifying the Notes as "Qualified Tax Exempt Obligations" pursuant to the Internal Revenue Code of the United States, the Issuer designates the Notes as qualified tax-exempt obligations and represents that the reasonably anticipated amount of tax exempt governmental obligations which will be issued during the current calendar year will not exceed Ten (10) Million Dollars.

Section 20. Repeal of Conflicting Resolutions or Ordinances. All ordinances and resolutions and parts of ordinances and resolutions in conflict herewith are hereby repealed.

PASSED AND APPROVED this 5th day of May, 2014.

Mayor

ATTEST:

City Clerk

CERTIFICATE

STATE OF IOWA)
) SS
COUNTY OF POLK)

I, the undersigned City Clerk of the City of Windsor Heights, State of Iowa, do hereby certify that attached is a true and complete copy of the portion of the corporate records of the City showing proceedings of the City Council, and the same is a true and complete copy of the action taken by the Council with respect to the matter at the meeting held on the date indicated in the attachment, which proceedings remain in full force and effect, and have not been amended or rescinded in any way; that meeting and all action thereat was duly and publicly held in accordance with a notice of public hearing and tentative agenda, a copy of which was timely served on each member of the 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 Council (a copy of the face sheet of the agenda being attached hereto) pursuant to the local rules of the Council and the provisions of Chapter 21, Code of Iowa, upon reasonable advance notice to the public and media at least twenty-four hours prior to the commencement of the meeting as required by law and with members of the public present in attendance; I further certify that the individuals named therein were on the date thereof duly and lawfully possessed of their respective City offices as indicated therein, that no Council vacancy existed except as may be stated in the proceedings, and that no controversy or litigation is pending, prayed or threatened involving the incorporation, organization, existence or boundaries of the City or the right of the individuals named therein as officers to their respective positions.

WITNESS my hand and the seal of the City hereto affixed this _____ day of _____, 2014.

City Clerk, City of Windsor Heights, State of Iowa

(SEAL)