

Resolution No. 14-1163

A RESOLUTION AUTHORIZING REVIEW OF DISCLOSURE ACTIVITIES AND PARTICIPATION IN THE MUNICIPALITIES CONTINUING DISCLOSURE COOPERATIVE INITIATIVE OF THE SECURITIES AND EXCHANGE COMMISSION

WHEREAS, the City of Windsor Heights (the "Issuer") is a political subdivision of the State of Iowa; and

WHEREAS, the Issuer has issued one or more series of bonds or notes ("Obligations") in the past five (5) years pursuant to one or more preliminary and final official statements; and

WHEREAS, in connection with the issuance of the Obligations, the Issuer agreed, pursuant to Rule 15c2-12 (the "Rule") of the Securities Exchange Act of 1934, to provide on an annual basis certain information to the former nationally recognized municipal securities information repositories, or to the Municipal Securities Rulemaking Council's Electronic Municipal Market Access system, including, but not limited to, audited financial statements, certain financial information and operating data, and notices of rating changes and other enumerated events; and

WHEREAS, the official statements for the Obligations included certain information with respect to the Issuer's undertakings pursuant to Section (b)(5) of the Rule (the "Undertakings"); and

WHEREAS, the Securities and Exchange Commission (the "SEC") has recently implemented its Municipalities Continuing Disclosure Cooperative Initiative (the "MCDC Initiative"), that encourages issuers and underwriters to self-report possible material misstatements or omissions made in offering documents relating to municipal securities in the past five (5) years; and

WHEREAS, under the MCDC Initiative, the Division will recommend the SEC accept settlements with eligible municipal bond issuers (but not public officials individually) which will include initiation of cease-and-desist proceedings by the SEC resulting in entry of a cease-and-desist order against the issuer, to which the issuer neither

admits nor denies the findings, includes no financial penalties for the issuer, and requires certain required actions by the issuer, as follows:

1. Within 180 days, establishment of appropriate policies and procedures regarding continuing disclosure and implementing training;
2. Compliance with the Undertakings, including updating any past delinquent filings within 180 days;
3. Cooperation with any subsequent SEC investigation regarding violations disclosed in the self-report;
4. Disclosure of the settlement terms in any final official statement for subsequent offerings in the five years following initiation of the SEC proceedings;
5. Within one year, providing the SEC with a compliance certificate regarding the required actions; and

WHEREAS, the Issuer may desire to participate in the MCDC Initiative with respect to certain Obligations; and

WHEREAS, the Mayor and the Interim City Administrator are authorized to consult with counsel to the Issuer, including bond counsel, and Issuer's financial advisor, to determine compliance with its Undertakings and the specific statements related thereto in official statements delivered in connection with the Obligations; and

WHEREAS, the Council authorizes the Mayor and the Interim City Administrator, after such review and consultation with counsel, to determine whether the Issuer should participate in the MCDC Initiative and to take all necessary actions in connection therewith; and

WHEREAS, the Issuer deadline established by the SEC for reporting under the MCDC Initiative is currently December 1, 2014;

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

SECTION 1. If the Mayor and the Interim City Administrator determine such filing is advisable for any of the Obligations, the Council hereby authorizes participation in the MCDC Initiative for the City, and the Mayor and the Interim City Administrator are hereby authorized to complete, execute and file with the SEC the Municipalities Continuing Disclosure Initiative Questionnaire (the "Questionnaire") on behalf of and in the name of the Issuer. The Questionnaire shall be in the required form, with information to be completed by the Mayor and the Interim City Administrator. The signature of the

Mayor or the Interim City Administrator upon the Questionnaire, or as may be otherwise required for or necessary, convenient or appropriate to effect the purposes of this resolution, is deemed to be conclusive evidence of the due exercise of the authority vested in such officer hereunder.

SECTION 2. The Mayor and the Interim City Administrator are further authorized to execute an agreement on behalf of the Issuer containing such standard settlement terms as may be required by the SEC, and to take any and all other action as may be necessary or desirable in order to carry out the provisions of this resolution.

Passed and Approved this 3rd day of November, 2014.

Diana Willits, Mayor

ATTEST:

Brett Klein, Interim City Administrator