

Date of Sale: Tuesday, June 28, 2022 (*Alternative Bid Methods*)
 Series 2022A Between 10:00 and 10:30 A.M., C.D.T. (*Closed SpeerAuction*)
 Before 10:30 A.M., C.D.T. (*Sealed Bids*)
 Series 2022B Between 10:30 and 11:00 A.M., C.D.T. (*Closed SpeerAuction*)
 Before 11:00 A.M., C.D.T. (*Sealed Bids*)

Official Statement

In the opinion of Dorsey & Whitney LLP, Bond Counsel, according to present laws, rulings and decisions and assuming compliance with certain covenants, the interest on the Series 2022A Bonds will be excluded from gross income for federal income tax purposes. Interest on the Series 2022A Bonds is not an item of tax preference for purposes of the federal alternative minimum tax under the Internal Revenue Code of 1986 (the "Code"). In the opinion of Bond Counsel, the Series 2022A Bonds are "qualified tax-exempt obligations" within the meaning of Section 265(b)(3) of the Code. Interest on the 2022B Bonds is not excluded from the gross income of the owners thereof for purposes of federal income tax purposes. See "TAX EXEMPTION AND RELATED TAX MATTERS" herein.

CITY OF UNIVERSITY HEIGHTS
Johnson County, Iowa
\$825,000* General Obligation Corporate Purpose Bonds, Series 2022A
\$215,000* Taxable General Obligation Corporate Purpose Bonds, Series 2022B

Dated Date of Delivery Book-Entry Bank Qualified Tax-Exempt Bonds (Series 2022A) Due as Described Herein

The \$825,000* General Obligation Corporate Purpose Bonds, Series 2022A (the "Tax-Exempt Bonds" or the "Series 2022A Bonds") and the \$215,000* Taxable General Obligation Corporate Purpose Bonds, Series 2022B (the "Taxable Bonds" or the "Series 2022B Bonds", and collectively with the Series 2022A Bonds, the "Bonds") are being issued by the City of University Heights, Johnson County, Iowa (the "City"). Interest is payable semiannually on June 1 and December 1 of each year, commencing December 1, 2022. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers.

OPTIONAL REDEMPTION

The Tax-Exempt Bonds due June 1, 2024 – 2030 inclusive, are not subject to optional redemption. The Tax-Exempt Bonds due June 1, 2031 - 2037, inclusive, are callable in whole or in part on any date on or after June 1, 2030, at a price of par and accrued interest. If less than all the Tax-Exempt Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the City and within any maturity by lot. See "OPTIONAL REDEMPTION" herein.

The Taxable Bonds are **not** subject to optional redemption prior to maturity.

PURPOSE, LEGALITY AND SECURITY

The proceeds of the Bonds are expected to be used to pay the costs of: (i) constructing street, water system, storm water drainage, sanitary sewer system and sidewalk improvements, (ii) acquiring and installing street lighting, signage and signalization improvements, and (iii) issuing the Bonds.

In the opinion of Dorsey & Whitney LLP, Des Moines, Iowa, the Bonds are valid and binding general obligations of the City, and all taxable property within the boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount. The City will furnish the written approving opinion of Bond Counsel, Dorsey & Whitney LLP, Des Moines, Iowa, evidencing legality of the Bonds and that the interest thereon is exempt from federal income as and to the extent discussed under the heading "TAX EXEMPTION AND RELATED TAX MATTERS" herein.

The City intends to designate the Series 2022A Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986.

This Official Statement is dated June 15, 2022, and has been prepared under the authority of the City. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Official Statement Sales Calendar". Additional copies may be obtained from Mike Haverkamp, City Clerk, City of University Heights, 1302 Melrose Avenue, University Heights, Iowa, 52246, or from the Registered Municipal Advisors to the City.

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*Subject to principal adjustment in accordance with the Official Terms of Offering.

(1) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw Hill Financial Inc. The City is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Official Statement.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the City from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the City.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the City, shall constitute a “Final Official Statement” of the City with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled “Final Official Statement” rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesman or other person has been authorized by the City to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the City. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the City and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE CITY SINCE THE RESPECTIVE DATES THEREOF.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

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OFFICIAL BID FORMS

OFFICIAL TERMS OF OFFERING

 Exhibit A – Example Issue Price Certificate

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Terms of Offering and the Official Bid Forms, which are provided for the convenience of potential investors and should be reviewed in their entirety by potential investors. The following descriptions apply equally to both series of the Bonds. Other terms specific to each series are provided separately herein.

Issuer:	City of University Heights, Johnson County, Iowa.
Dated Date:	Date of delivery (expected to be on or about July 27, 2022).
Interest Due:	Each June 1 and December 1, commencing December 1, 2022.
Security:	The Bonds are valid and binding general obligations of the City, and all taxable property within the boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount.
No Investment Rating:	The City does not intend to apply for an investment rating on the Bonds.
Bond Registrar/Paying Agent:	UMB Bank, n.a., West Des Moines, Iowa (the “Registrar”).
Delivery:	The Bonds are expected to be delivered on or about July 27, 2022.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co. as nominee for The Depository Trust Company (“DTC”), New York, New York. DTC will act as securities depository of the Bonds. See APPENDIX B herein.
Denomination:	\$5,000 or integral multiples thereof.
Municipal Advisor:	Speer Financial, Inc., Waterloo, Iowa and Chicago, Illinois.

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\$825,000* GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2022A

AMOUNTS*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS

<u>Principal Amount*</u>	<u>Due June 1</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP Number(1)</u>	<u>Principal Amount*</u>	<u>Due June 1</u>	<u>Interest Rate</u>	<u>Price or Yield</u>	<u>CUSIP Number(1)</u>
\$20,000	2024	_____ %	_____ %	_____	\$70,000	2031	_____ %	_____ %	_____
20,000	2025	_____ %	_____ %	_____	70,000	2032	_____ %	_____ %	_____
20,000	2026	_____ %	_____ %	_____	75,000	2033	_____ %	_____ %	_____
35,000	2027	_____ %	_____ %	_____	75,000	2034	_____ %	_____ %	_____
65,000	2028	_____ %	_____ %	_____	80,000	2035	_____ %	_____ %	_____
65,000	2029	_____ %	_____ %	_____	80,000	2036	_____ %	_____ %	_____
70,000	2030	_____ %	_____ %	_____	80,000	2037	_____ %	_____ %	_____

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

- Issue:** \$825,000* General Obligation Corporate Purpose Bonds, Series 2022A.
- Principal Due:** Serially each June 1, commencing June 1, 2024 through 2037, as detailed above.
- Optional Redemption:** The Tax-Exempt Bonds maturing on or after June 1, 2031, are callable at the option of the City on any date on or after June 1, 2030, at a price of par plus accrued interest. See “**OPTIONAL REDEMPTION**” herein.
- Purpose:** The proceeds of the Tax-Exempt Bonds will be used to pay the costs of: (i) constructing street, water system, storm water drainage, sanitary sewer system and sidewalk improvements, (ii) acquiring and installing street lighting, signage and signalization improvements, and (iii) issuing the Tax-Exempt Bonds.
- Tax Exemption:** Dorsey & Whitney LLP, Des Moines, Iowa, will provide an opinion as to the tax exemption of the Tax-Exempt Bonds as discussed under “**TAX EXEMPTION AND RELATED**” in this Official Statement.

*Subject to principal adjustment in accordance with the Official Terms of Offering.

(1) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw Hill Financial Inc. The City is not responsible for the selection of CUSIP numbers and makes no representation

as to their correctness on the Tax-Exempt Bonds or as set forth above.

\$215,000* TAXABLE GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2022B

AMOUNTS*, MATURITIES, INTEREST RATES, PRICES OR YIELDS AND CUSIP NUMBERS

Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)	Principal Amount*	Due June 1	Interest Rate	Price or Yield	CUSIP Number(1)
\$50,000.....	2023	_____%	_____%	_____	\$45,000.....	2026	_____%	_____%	_____
45,000.....	2024	_____%	_____%	_____	30,000.....	2027	_____%	_____%	_____
45,000.....	2025	_____%	_____%	_____					

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

- Issue:** \$215,000* Taxable General Obligation Corporate Purpose, Series 2022B.
- Principal Due:** Serially each June 1, commencing June 1, 2023 through 2027, as detailed above.
- Optional Redemption:** The Taxable Bonds are **not** subject to optional redemption prior to maturity.
- Purpose:** The proceeds of the Taxable Bonds will be used to pay the costs of: (i) constructing street, water system, storm water drainage, sanitary sewer system and sidewalk improvements, (ii) acquiring and installing street lighting, signage and signalization improvements, and (iii) issuing the Tax-Exempt Bonds.
- Tax Matters:** The interest to be paid on the Taxable Bonds is subject to federal and Iowa state income taxes as discussed under “**TAX EXEMPTION AND RELATED**” in this Official Statement. See **APPENDIX C** for a draft form of legal opinion for the Taxable Bonds.

*Subject to principal adjustment in accordance with the Official Terms of Offering.

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**CITY OF UNIVERSITY HEIGHTS
Johnson County, Iowa**

Louise From
Mayor

Council Members

Stephenny Gahn

Liesa Moore

Tim Schroeder

Bobby Scott

Doug Swailes

Officials

Mike Haverkamp
City Clerk

Steven E. Ballard, Esq.
City Attorney

SECURITY AND SOURCE OF PAYMENT

Pursuant to the Resolution and the Act, the Bonds and the interest thereon are general obligations of the City, and all taxable, real property within the corporate boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Bonds without constitutional or statutory limitation as to rate or amount.

Section 76.2 of the Code of Iowa provides that when an Iowa political subdivision issues general obligation bonds, the governing authority of such political subdivision shall, by resolution adopted before issuing the bonds, provide for the assessment of an annual levy upon all the taxable real property in the political subdivision sufficient to pay the interest and principal of the bonds. A certified copy of this resolution shall be filed with the County Auditor in which the City is located, giving rise to a duty of the County Auditor to annually enter this levy for collection from the taxable real property within the boundaries of the City, until funds are realized to pay the Bonds in full.

For the purpose of providing for the levy and collection of a direct annual tax sufficient to pay the principal of and interest on the Bonds as the same become due, the Resolution provides for the levy of a tax sufficient for that purpose on all the taxable real property in the City in each of the years while the Bonds are outstanding. The City shall file a certified copy of the Resolution with the County Auditor, pursuant to which the County Auditor is instructed to enter for collection and assess the tax authorized. When annually entering such taxes for collection, the County Auditor shall include the same as a part of the tax levy for Debt Service Fund purposes of the City and when collected, the proceeds of the taxes shall be deposited into the Debt Service Fund of the City and set aside therein as a special account to be used solely and only for the payment of the principal of and interest on the Bonds and for no other purpose whatsoever.

Pursuant to the provisions of Section 76.4 of the Code of Iowa, each year while the Bonds remain outstanding and unpaid, any funds of the City which may lawfully be applied for such purpose, may be appropriated, budgeted and, if received, used for the payment of the principal of and interest on the Bonds as the same become due, and if so appropriated, the taxes for any given fiscal year as provided for in the Resolution, shall be reduced by the amount of such alternate funds as have been appropriated for said purpose and evidenced in the City's budget.

BONDHOLDERS' RISKS

An investment in the Bonds involves an element of risk. In order to identify risk factors and make an informed investment decision, potential investors should be thoroughly familiar with this entire Official Statement (including the appendices hereto) in order to make a judgement as to whether the Bonds are an appropriate investment.

COVID-19

The City is monitoring developments and directives of federal, state and local officials to determine what precautions and procedures the City may need to implement or revise in light of the spread of COVID-19. Some procedures and precautions resulting from the spread of COVID-19 with respect to operations, personnel and services may be mandated by federal and/or state entities. Because of the unprecedented nature of COVID-19, the behavior of businesses and people is being altered in a manner that cannot fully be determined or predicted but has had negative effects on economic activity, and therefore could adversely affect the financial condition of the City, either directly or indirectly. The continued spread of COVID-19 in the future may: (i) limit the ability of the City to conduct its operations in an historically normal manner, (ii) increase the cost of operations of the City, (iii) impact the ability of the City to provide personnel to carry out the services routinely provided by the City, (iv) impact certain revenues received by the City, as further described below, (v) affect the secondary market with respect to the Bonds, and (vi) affect liquidity sources of the City.

The City did not incur additional expenses in fiscal years 2020, 2021 or 2022 to date due to COVID-19-related financial impacts which were not covered by federal and state funding. It is too soon, however, to fully predict what COVID-19-related financial impacts the City may incur and whether any such financial impacts will be material. The City has received support from federal or state COVID-19 related programs. The Bonds are secured by an unlimited ad valorem property tax. See “**SECURITY AND SOURCE OF PAYMENT**” herein.

This information is based on current information available to the City that may be incomplete and unknown. This information is forward-looking and subject to change.

Changes in Property Taxation

From time to time the Iowa General Assembly has altered the method of property taxation and could do so again. Any alteration in property taxation structure could affect property tax revenues available to pay the Bonds.

Historically, the Iowa General Assembly has applied changes in property taxation structure on a prospective basis; however, there is no assurance that future changes in property taxation structure by the Iowa General Assembly will not be retroactive. It is impossible to predict the outcome of future property tax changes by the Iowa General Assembly or their potential impact on the Bonds and the security for the Bonds.

Matters Relating to Enforceability of Agreements

Bondholders shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa and of the United States of America for the enforcement of payment of the Bonds, including, but not limited to, the right to a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Resolution.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Resolution or the Loan Agreement. The remedies available to the Bondholders upon an event of default under the Resolution or the Loan Agreement, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, including specifically the federal bankruptcy code, certain of the remedies specified in the Loan Agreement or the Resolution may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in these documents. The legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No representation is made, and no assurance is given, that the enforcement of any remedies will result in sufficient funds to pay all amounts due under the Resolution or the Loan Agreement, including principal of and interest on the Bonds.

Secondary Market

There can be no guarantee that there will be a secondary market for the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history of economic prospects connected with a particular issue, secondary marketing practices in connection with a particular bond or note issue are suspended or terminated. Additionally, prices of bond or note issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price of the Bonds.

EACH PROSPECTIVE PURCHASER IS RESPONSIBLE FOR ASSESSING THE MERITS AND RISKS OF AN INVESTMENT IN THE BONDS AND MUST BE ABLE TO BEAR THE ECONOMIC RISK OF SUCH INVESTMENT. THE SECONDARY MARKET FOR THE BONDS, IF ANY, COULD BE LIMITED.

Redemption Prior to Maturity

In considering whether to make an investment in the Bonds, it should be noted the Bonds are subject to optional redemption, as outlined herein, without Bondholder discretion or consent. See “**OPTIONAL REDEMPTION**” herein.

Forward-Looking Statements

This Official Statement contains statements relating to future results that are “forward-looking statements” as defined in the Private Securities Litigation Reform Act of 1995. When used in this Official Statement, the words “estimate,” “forecast,” “intend,” “expect” and similar expressions identify forward-looking statements. Any forward-looking statement is subject to uncertainty. Accordingly, such statements are subject to risks that could cause actual results to differ, possibly materially, from those contemplated in such forward-looking statements. Inevitably, some assumptions used to develop forward-looking statements will not be realized or unanticipated events and circumstances may occur. Therefore, investors should be aware that there are likely to be differences between forward-looking statements and the actual results. These differences could be material and could impact the availability of funds of the City to pay debt service when due on the Bonds.

Tax Matters, Bank Qualification and Loss of Tax Exemption (Series 2022A)

As discussed under the heading “**TAX EXEMPTION AND RELATED TAX MATTERS**” herein, the interest on the Tax-Exempt Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of delivery of the Tax-Exempt Bonds, as a result of acts or omissions of the City in violation of its covenants in the Resolution. Should such an event of taxability occur, the Tax-Exempt Bonds would not be subject to a special prepayment and would remain outstanding until maturity or until prepaid under the prepayment provisions contained in the Tax-Exempt Bonds, and there is no provision for an adjustment of the interest rate on the Tax-Exempt Bonds.

The City intends to designate the Tax-Exempt Bonds as “qualified tax-exempt obligations” under the exception provided in Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (the “Code”). The City has further covenanted to comply with certain other requirements, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code. Actions, or inactions, by the City in violation of its covenants could affect the designation, which could also affect the pricing and marketability of the Tax-Exempt Bonds.

It is possible that legislation will be proposed or introduced that could result in changes in the way that tax exemption is calculated, or whether interest on certain securities are exempt from taxation at all. Prospective purchasers should consult with their own tax advisors regarding any pending or proposed federal income tax legislation. The likelihood of any pending or future legislation being enacted or whether the currently proposed terms of any pending legislation will be altered or removed during the legislative process cannot be reliably predicted.

It is also possible that actions of the City after the closing of the Tax-Exempt Bonds will alter the tax status of the Tax-Exempt Bonds, and, in the extreme, remove the tax exempt status from the Tax-Exempt Bonds. In that instance, the Tax-Exempt Bonds are not subject to mandatory prepayment, and the interest rate on the Tax-Exempt Bonds does not increase or otherwise reset. A determination of taxability on the Tax-Exempt Bonds, after closing of the Tax-Exempt Bonds, could materially adversely affect the value and marketability of the Tax-Exempt Bonds.

DTC-Beneficial Owners

Beneficial Owners of the Bonds may experience some delay in the receipt of distributions of principal of and interest on the Bonds since such distributions will be forwarded by the Paying Agent to DTC and DTC will credit such distributions to the accounts of the Participants which will thereafter credit them to the accounts of the Beneficial Owner either directly or indirectly through Indirect Participants. Neither the City nor the Paying Agent will have any responsibility or obligation to assure that any such notice or payment is forwarded by DTC to any Participants or by any Participant to any Beneficial Owner.

In addition, since transactions in the Bonds can be effected only through DTC Participants, Indirect Participants and certain banks, the ability of a Beneficial Owner to pledge the Bonds to persons or entities that do not participate in the DTC system, or otherwise to take actions in respect of such Bonds, may be limited due to lack of a physical certificate. Beneficial Owners will be permitted to exercise the rights of registered Owners only indirectly through DTC and the Participants. See **APPENDIX B – Describing Book-Entry Only Issuance.**

Pension and OPEB Benefits

The City participates in the Iowa Public Employee’s Retirement System (IPERS). Summary descriptions of the IPERS Plan follows.

In fiscal year 2021, pursuant to the IPERS’ required rate, the City’s Regular employees (members) contributed 6.29% of covered payroll and the City contributed 9.44% of covered payroll, for a total rate of 15.73%. Protection occupation members contributed 9.44% of covered payroll and the City contributed 9.61% for a total rate of 16.02%. The City’s share of the contributions, payable from the applicable funds of the City, is provided by a statutorily authorized annual levy of taxes without limit or restriction as to rate or amount. The City has always made its full required contributions to IPERS.

Bond Counsel, the Municipal Advisor, and the City undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from IPERS discussed above or included on the IPERS website, including, but not limited to, updates of such information on the State Auditor’s website or links to other Internet sites accessed through the IPERS website.

Continuing Disclosure

A failure by the City to comply with continuing disclosure obligations (see “**CONTINUING DISCLOSURE**” herein) will not constitute an event of default on the Bonds. Any such failure must be disclosed in accordance with Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and may adversely affect the transferability and liquidity of the Bonds and their market price.

The City will covenant in a Continuing Disclosure Certificate for the benefit of the Owners and Beneficial Owners of the Bonds to provide annually certain financial information and operating data relating to the City (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the City no later than June 30 each fiscal year, commencing with the fiscal year ending June 30, 2022, with the Municipal Securities Rulemaking Board, at its internet repository named “Electronic Municipal Market Access” (“EMMA”). The notices of events, if any, are also to be filed with EMMA. See “**APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE.**” The specific nature of the information to be contained in the Annual Report or the notices of events, and the manner in which such materials are to be filed, are summarized in “**APPENDIX D – FORM OF CONTINUING DISCLOSURE CERTIFICATE.**” These covenants have been made in order to assist the Underwriter in complying with SEC Rule 15c2-12(b)(5) (the “Rule”).

Cybersecurity

The City, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As such, it may face multiple cybersecurity threats including but not limited to, hacking, viruses, malware and other attacks on computer or other sensitive digital systems and networks. There can be no assurances that any security and operational control measures implemented by the City will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the City’s information systems could impact business operations and/or digital networks and systems and the costs of remedying any such damage could be significant. Along with significant liability claims or regulatory penalties, any security breach could have a material adverse impact on the City’s operations and financial condition. The City cannot predict whether its cyber liability policy will be sufficient in the event of a cyberattack. However, the Bonds are secured by an unlimited ad valorem property tax as described herein. See “**SECURITY AND SOURCE OF PAYMENT**” herein.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Bankruptcy and Insolvency

The rights and remedies provided in the Resolution may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors’ rights, to the exercise of judicial discretion in appropriate cases and to limitations in legal remedies against exercise of judicial discretion in appropriate cases and to limitations on legal remedies against municipal corporations in the State of Iowa. The various opinions of counsel to be delivered with respect to the Bonds and the Resolution, including the opinion of Bond Counsel, will be similarly qualified. If the City were to file a petition under Chapter Nine of the Federal Bankruptcy Code, the owners of the Bonds could be prohibited from taking any steps to enforce their rights under the Resolution. In the event the City fails to comply with its covenants under the Resolution or fails to make payments on the Bonds, there can be no assurance of the availability of remedies adequate to protect the interests of the holders of the Bonds.

Under sections 76.16 and 76.16A of the Code of Iowa, as amended, a city, county, or other political subdivision may become a debtor under Chapter Nine of the Federal Bankruptcy Code, if it is rendered insolvent, as defined in 11 U.S.C. §101(32)(c), as a result of a debt involuntarily incurred. As used therein, “debt” means an obligation to pay money, other than pursuant to a valid and binding collective bargaining agreement or previously authorized bond issue, as to which the governing body of the city, county, or other political subdivision has made a specific finding set forth in a duly adopted resolution of each of the following: (1) that all or a portion of such obligation will not be paid from available insurance proceeds and must be paid from an increase in general tax levy; (2) that such increase in the general tax levy will result in a severe, adverse impact on the ability of the city, county, or political subdivision to exercise the powers granted to it under applicable law, including without limitation providing necessary services and promoting economic development; (3) that as a result of such obligation, the city, county, or other political subdivision is unable to pay its debts as they become due; and (4) that the debt is not an obligation to pay money to a city, county, entity organized pursuant to Chapter 28E of the Code of Iowa, or other political subdivision.

Matters Relating to Enforceability of Agreements

There is no bond trustee or similar person to monitor or enforce the provisions of the Bond Resolution. The owners of the Bonds should, therefore, be prepared to enforce such provisions themselves if the need to do so arises. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the District and certain other public officials to perform the terms of the Bond Resolution) may have to be enforced from year to year.

Holders of the Bonds shall have and possess all the rights of action and remedies afforded by the common law, the Constitution and statutes of the State of Iowa and of the United States of America for the enforcement of payment of the Bonds, including, but not limited to, the right to a proceeding in law or in equity by suit, action or mandamus to enforce and compel performance of the duties required by Iowa law and the Resolution.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Resolution. The remedies available to the owners of the Bonds upon an event of default under the Resolution, in certain respects, may require judicial action, which is often subject to discretion and delay. Under existing law, including specifically the Federal Bankruptcy Code, certain of the remedies specified in the Resolution may not be readily available or may be limited. A court may decide not to order the specific performance of the covenants contained in these documents. The legal opinions to be delivered concurrently with the delivery of the Bonds will be qualified as to the enforceability of the various legal instruments by limitations imposed by general principles of equity and public policy and by bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No representation is made, and no assurance is given, that the enforcement of any remedies with respect to such assets will result in sufficient funds to pay all amounts due under the Resolution, including principal of and interest on the Bonds.

Legislation

From time to time, there are proposals pending in Congress and in the Iowa General Assembly that could, if enacted, alter or amend one or more of the matters described herein in certain respects or would adversely affect the market value of the Bonds, or otherwise prevent holders of the Bonds from realizing the full benefit of the tax exemption of interest on the Bonds. Further such proposals may impact the marketability or market value of the Bonds simply by being proposed. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. In addition regulatory actions are from time to time announced or proposed, and litigation threatened or commenced, which if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax status of the Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Bonds would be impacted thereby.

During the 2019 legislative session, the Iowa General Assembly passed Senate File 634 which was later signed into law by the Governor. This bill modifies the process for hearing and approval of the total maximum property tax dollars under certain levies in the City budget, including levies for the General Fund, the Emergency Fund, Trust and Agency Funds for pensions, insurance, transit, civic centers, certain bridges, sanitary disposal, and emergency management. The bill also includes a provision that requires the affirmative vote of 2/3 of the City Council when the maximum property tax dollars under these levies exceed an amount determined under a prescribed formula. The bill does not change the process for hearing and approval of the Debt Service Levy pledged for repayment of the Bonds.

Tax Levy Procedures

The Bonds are general obligations of the City, payable from and secured by a continuing ad valorem tax levied against all of the taxable real property within the corporate limits of the City. See **“PROPERTY ASSESSMENT AND TAX INFORMATION”** herein for more details. As part of the budgetary process each fiscal year, the City will have an obligation to request a debt service levy to be applied against all of the taxable real property within the corporate limits of the City. A failure on the part of the City to make a timely levy request or a levy request by the City that is inaccurate or is insufficient to make full payments of the debt service of the Bonds for a particular fiscal year may cause Bondholders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the Bond Resolution) may have to be enforced from year to year.

Federal Funds Orders and State Funds Legislation

Various federal executive orders, and Iowa Code Chapter 27A (collectively “ICE Enforcement Initiatives”), impose requirements intended to ensure compliance with the federal immigration detention processes. The ICE Enforcement Initiatives impose various penalties for non-compliance, including the loss of state and/or federal funding under certain circumstances. The loss of state and/or federal funds in any significant amount could negatively impact the City’s overall financial position and may affect its rating and could slow down completion of certain of the Projects. However, the Bonds are secured by an unlimited ad valorem property tax and are not secured by state or federal funds. See **“SECURITY AND SOURCE OF PAYMENT”** herein.

Other Factors

An investment in the Bonds involves an element of risk. The foregoing is intended only as a summary of certain risk factors attendant to an investment in the Bonds. In order for potential investors to identify risk factors and make an informed investment decision, potential investors should become thoroughly familiar with this entire Official Statement and the Appendices hereto.

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THE CITY

The City is located in Johnson County (the “County”) and is surrounded by the City of Iowa City, Iowa, located near the campus of the University of Iowa. The 2020 Census population was 1,228.

City Organization and Services

The City operates under the Mayor-Council form of government with the Mayor and Council Members elected on a non-partisan basis. The Mayor and Council are elected for two year terms. Policy is established by the Mayor and the City Council. The City provides numerous services to citizens including public safety, public works, health and social services, culture and recreation, community and economic development and general government services.

The City employs approximately five full-time and 10 part-time employees. The City contracts with the City of Iowa City for fire protection.

Community Life

The City is adjacent to the City of Iowa City which provides many recreational and leisure opportunities. The City of Iowa City was the first North American City to be awarded the City of Literature in North America by UNESCO in 2008, which has a goal of fostering cultural diversity. The Iowa City hosts a variety of cultural events, such as the Iowa Writers' Workshop, whose graduates include John Irving, Flannery O'Connor, T.C. Boyle; the International Writing Program; the Non-Fiction Writing Program; the Iowa Playwrights' Workshop; and the Iowa Summer Writing Festival.

A variety of events sponsored by the Iowa City include the Summer of the Arts program, a festival of the arts, a nationally renowned jazz festival, open-air summer movies and free concerts in the pedestrian mall. The Iowa City Book Festival, the Iowa Biennial Exhibition, and The Landlocked Film Festival are events hosted by Iowa City. The Hancher Auditorium hosts nationally touring theater, dance and musical shows, and has commissioned more than 100 works of music, theater and dance during the last 20 years.

Education

Public education to the City is provided by the Iowa City Community School District (the “District”), with certified enrollment of 14,395 for Fiscal Year 2021-22. There are approximately 2,578 full and part-time employees of the District. The District owns and operates 19 pre-school sites, 21 elementary schools, three junior high schools, three comprehensive high schools, one alternative high school and a Transition Services Center (a program for special education students ages 18-21). Four year college programs and vocational training are available throughout the area including the University of Iowa and Kirkwood Community College.

Transportation

The City is approximately 115 miles east of the City of Des Moines, 20 miles southeast of the City of Cedar Rapids and 55 miles northwest of the City of Davenport. The Eastern Iowa Airport is located 20 miles from the City and is served by a number of national and regional air carriers. A general aviation airport, Iowa City Municipal Airport is located on the south side of the Iowa City. Bus transportation is provided by Iowa City Transit, Coralville Transit, and the University of Iowa. There is also a system of paved bicycle paths in the City and Iowa City along the Iowa River and some main roads in Iowa City have paved bicycle shoulders.

SOCIOECONOMIC INFORMATION

The following demographic information is for the City. Additional comparisons are made with Johnson County (the “County”) and the State of Iowa (the “State”).

Population

The following table reflects population trends for the City, the County and the State.

Population Comparison(I)

Year	The City	Percent Change	The County	Percent Change	The State	Percent Change
1970	1,265	n/a	72,127	n/a	2,824,376	n/a
1980	1,069	(15.49%)	81,717	13.30%	2,913,808	3.17%
1990	1,042	(2.53%)	96,119	17.62%	2,776,755	(4.70%)
2000	987	(5.28%)	111,006	15.49%	2,926,324	5.39%
2010	1,051	6.48%	130,882	17.91%	3,046,355	4.10%
2020	1,228	16.84%	152,854	16.79%	3,190,369	4.73%

Note: (1) Source: U.S. Bureau of the Census.

Employment

Following are lists of large employers located in the surrounding area.

Major Area Employers(I)

Location	Name	Product/Service	Approximate Employment
Iowa City	University of Iowa	Education/Health Services	34,380
Iowa City	Iowa City Community School District	Education	2,580
Iowa City	Veterans Administration Medical Center	Health Services	2,010
Iowa City	Hy-Vee	Grocery	1,325
Iowa City	Proctor & Gamble	Health & Beauty	1,005
Iowa City	Mercy Hospital	Health Services	910
Iowa City	City of Iowa City	Government	840
Iowa City	NCS Pearson	Educational Testing Services	695
Iowa City	ACT, Inc.	Education Programs	570

Note: (1) Source: City of Iowa City and the 2022 Iowa Manufacturers Database.

The following tables show employment by industry and by occupation for the City, the County and the State as reported by the U.S. Census Bureau 2016 - 2020 American Community Survey 5-year estimated values.

Employment By Industry(I)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, forestry, fishing and hunting, and mining	0	0.0%	1,034	1.2%	60,443	3.8%
Construction	7	1.1%	3,489	4.2%	105,449	6.5%
Manufacturing	28	4.2%	7,189	8.6%	236,327	14.7%
Wholesale trade	4	0.6%	1,418	1.7%	45,624	2.8%
Retail trade	34	5.1%	8,939	10.7%	185,930	11.5%
Transportation and warehousing, and utilities	0	0.0%	2,694	3.2%	80,042	5.0%
Information	3	0.5%	1,219	1.5%	25,116	1.6%
Finance and insurance, and real estate and rental and leasing	29	4.4%	3,955	4.7%	124,973	7.7%
Professional, scientific, and management, and administrative and waste management services	57	8.6%	5,998	7.2%	119,391	7.4%
Educational services, and health care and social assistance	434	65.3%	34,546	41.4%	391,707	24.3%
Arts, entertainment, and recreation, and accommodation and food services	30	4.5%	8,338	10.0%	116,108	7.2%
Other services, except public administration	19	2.9%	2,842	3.4%	70,677	4.4%
Public administration	20	3.0%	1,816	2.2%	49,737	3.1%
Total	665	100.0%	83,477	100.0%	1,611,524	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2016 - 2020.

Employment By Occupation(1)

Classification	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Management, business, science, and arts occupations	499	75.0%	40,801	48.9%	598,690	37.1%
Service occupations	49	7.4%	14,374	17.2%	255,711	15.9%
Sales and office occupations	98	14.7%	14,926	17.9%	328,437	20.4%
Natural resources, construction, and maintenance occupations.....	14	2.1%	4,495	5.4%	154,293	9.6%
Production, transportation, and material moving occupations	5	0.8%	8,881	10.6%	274,393	17.0%
Total	665	100.0%	83,477	100.0%	1,611,524	100.0%

Note: (1) Source: U. S. Bureau of the Census, American Community Survey 5-Year Estimates from 2016 - 2020.

The annual average unemployment rates for the City are not available. Following shows the annual average unemployment rates for the County, the State and the United States.

Annual Average Unemployment Rates(1)(2)

Calendar Year	The County	The State	United States
2013	3.4%	4.7%	7.4%
2014	3.1%	4.2%	6.2%
2015	2.6%	3.7%	5.3%
2016	2.6%	3.6%	4.9%
2017	2.4%	3.1%	4.4%
2018	1.9%	2.5%	3.9%
2019	1.9%	2.6%	3.7%
2020(3).....	4.7%	5.1%	8.1%
2021(3).....	3.7%	4.2%	5.4%
2022(4).....	2.5%	3.3%	3.8%

- Notes: (1) Source: Iowa Workforce Development and U.S. Bureau of Labor Statistics.
 (2) Not seasonally adjusted.
 (3) The increase in unemployment rates may be attributable to the COVID-19 pandemic. See "BONDHOLDERS RISKS – COVID-19" herein.
 (4) Preliminary rates for the month of March 2022.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the City's owner-occupied homes was \$332,300. This compares to \$238,600 for the County and \$153,900 for the State. The following table represents the five year average market value of specified owner-occupied units for the City, the County and the State at the time of the 2016 - 2020 American Community Survey.

Home Values(1)

Value	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$50,000	0	0.0%	2,049	5.8%	76,339	8.4%
\$50,000 to \$99,999.....	9	3.0%	1,048	3.0%	177,648	19.6%
\$100,000 to \$149,999.....	12	4.0%	3,703	10.4%	184,881	20.4%
\$150,000 to \$199,999.....	9	3.0%	6,111	17.3%	155,560	17.1%
\$200,000 to \$299,999.....	98	32.9%	10,513	29.7%	175,416	19.3%
\$300,000 to \$499,999.....	116	38.9%	8,821	24.9%	105,115	11.6%
\$500,000 to \$999,999.....	52	17.5%	2,886	8.1%	26,956	3.0%
\$1,000,000 or more	2	0.7%	281	0.8%	5,052	0.6%
Total	298	100.0%	35,412	100.0%	906,967	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2016 - 2020.

Mortgage Status(1)

Mortgage Status	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Housing units with a mortgage.....	144	48.3%	23,224	65.6%	547,418	60.4%
Housing units without a mortgage.....	154	51.7%	12,188	34.4%	359,549	39.6%
Total.....	298	100.0%	35,412	100.0%	906,967	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2016 - 2020.

Income

The U.S. Census Bureau 5-year estimated values reported that the City had a median family income of \$123,571. This compares to \$97,891 for the County and \$79,186 for the State. The following table represents the distribution of family incomes for the City, the County and the State at the time of the 2016 - 2020 American Community Survey.

Family Income(1)

Income	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000.....	18	6.3%	1,128	3.4%	22,207	2.8%
\$10,000 to \$14,999.....	0	0.0%	411	1.3%	14,370	1.8%
\$15,000 to \$24,999.....	6	2.1%	1,423	4.3%	38,824	4.8%
\$25,000 to \$34,999.....	0	0.0%	1,685	5.1%	52,575	6.6%
\$35,000 to \$49,999.....	18	6.3%	2,634	8.1%	90,256	11.3%
\$50,000 to \$74,999.....	25	8.8%	5,010	15.3%	157,719	19.7%
\$75,000 to \$99,999.....	50	17.6%	4,793	14.7%	138,130	17.2%
\$100,000 to \$149,999.....	43	15.2%	7,801	23.9%	168,301	21.0%
\$150,000 to \$199,999.....	23	8.1%	3,586	11.0%	62,349	7.8%
\$200,000 or more.....	101	35.6%	4,229	12.9%	56,007	7.0%
Total.....	284	100.0%	32,700	100.0%	800,738	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2016 to 2020.

The U.S. Census Bureau 5-year estimated values reported that the City had a median household income of \$90,331. This compares to \$63,062 for the County and \$61,836 for the State. The following table represents the distribution of household incomes for the City, the County and the State at the time of the 2016 - 2020 American Community Survey.

Household Income(1)

Income	The City		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000.....	73	14.4%	5,652	9.4%	64,607	5.1%
\$10,000 to \$14,999.....	7	1.4%	2,134	3.5%	51,206	4.0%
\$15,000 to \$24,999.....	20	4.0%	5,407	8.9%	110,143	8.6%
\$25,000 to \$34,999.....	29	5.7%	4,998	8.3%	118,343	9.3%
\$35,000 to \$49,999.....	44	8.7%	6,812	11.3%	167,084	13.1%
\$50,000 to \$74,999.....	66	13.0%	9,505	15.7%	243,639	19.1%
\$75,000 to \$99,999.....	66	13.0%	7,121	11.8%	182,007	14.3%
\$100,000 to \$149,999.....	62	12.2%	9,821	16.3%	202,695	15.9%
\$150,000 to \$199,999.....	28	5.5%	4,185	6.9%	70,804	5.6%
\$200,000 or more.....	112	22.1%	4,795	7.9%	63,413	5.0%
Total.....	507	100.0%	60,430	100.0%	1,273,941	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2016 - 2020.

Agriculture

Shown below is information on the agricultural value of the County and the statewide average.

Average Value Per Acre(1)

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Average Value Per Acre:					
The County	\$8,769	\$8,676	\$9,041	\$8,864	\$11,118
State of Iowa.....	7,326	7,264	7,432	7,559	9,751

Note: (1) Source: Iowa State University Extension and Outreach.

Retail Sales

The Department of Revenue of the State of Iowa provides retail sales figures based on sales tax reports for years ending June 30. The Department of Revenue figures provide recent data to confirm trends in retail sales activity in the County.

Retail Taxable Sales(1)

<u>Fiscal Year</u> <u>Ending June 30</u>	<u>Taxable</u> <u>Sales</u>	<u>Annual Percent</u> <u>Change + (-)</u>
2012.....	\$1,659,266,775	n/a
2013.....	1,690,889,383	1.91%
2014.....	1,710,398,839	1.15%
2015.....	1,785,444,961	4.39%
2016.....	1,838,348,468	2.96%
2017.....	1,886,970,411	2.64%
2018.....	1,884,610,706	(0.13%)
2019.....	1,902,316,146	0.94%
2020.....	1,822,844,228	(4.18%)
2021.....	1,995,366,034	9.46%

Growth from 2012 to 2021 20.26%

Note: (1) Source: the Iowa Department of Revenue.

THE PROJECT

Bond proceeds will be used to pay the costs of: (i) constructing street, water system, storm water drainage, sanitary sewer system and sidewalk improvements, (ii) acquiring and installing street lighting, signage and signalization improvements, and (iii) issuing the Bonds.

DEFAULT RECORD

The City has no record of default and has met its debt repayment obligations promptly.

SHORT-TERM BORROWING

The City has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

DEBT INFORMATION

After issuance of the Bonds, the City will have outstanding \$2,205,000* principal amount of general obligation debt.

Debt Limitation

The amount of general obligation debt a political subdivision of the State of Iowa can incur is controlled by the constitutional debt limit, which is an amount equal to 5% of the actual value of taxable property within the corporate limits, taken from the last County Tax list. According to and based upon the January 1, 2020 property valuations, for taxes payable in September 2021 and March 2022, the City's debt limit, based upon said valuation, amounts to the following:

2020 100% Actual Valuation of Property	\$187,063,920
Constitutional Debt Limit	\$ 9,353,196
Outstanding Bonds/Notes Applicable to Debt Limit:	
Total G.O. Debt Subject to Debt Limit.....	\$ 2,205,000*
Other Loans	<u>595,000</u>
Total Applicable Debt	<u>\$ 2,800,000*</u>
Remaining Debt Capacity.....	\$ 6,553,196*

The City does not expect to issue any additional general obligation debt in calendar year 2022.

Summary of Outstanding General Obligation Bonded Debt(1) (Principal Only)

Series 2016.....	\$ 605,000
Series 2017.....	175,000
Series 2018A.....	385,000
The Tax-Exempt Bonds(2).....	825,000
The Taxable Bonds(2).....	<u>215,000</u>
Total.....	<u>\$2,205,000</u>

- Notes: (1) Source: the City.
 (2) Subject to change.

General Obligation Debt(1) (Principal Only)

Fiscal Year Ending June 30	Series 2016	Series 2017	Series 2018A	Total Outstanding GO Debt	The Tax-Exempt Bonds(2)	The Taxable Bonds(2)	Total General Obligation Debt(2)	Cumulative Retirement(2) Amount	Percent
2023.....	\$100,000	\$ 35,000	\$ 60,000	\$ 195,000	\$ 0	\$ 50,000	\$ 245,000	\$ 245,000	11.11%
2024.....	100,000	35,000	60,000	195,000	20,000	45,000	260,000	505,000	22.90%
2025.....	110,000	35,000	65,000	210,000	20,000	45,000	275,000	780,000	35.37%
2026.....	110,000	35,000	65,000	210,000	20,000	45,000	275,000	1,055,000	47.85%
2027.....	110,000	35,000	65,000	210,000	35,000	30,000	275,000	1,330,000	60.32%
2028.....	75,000	0	70,000	145,000	65,000	0	210,000	1,540,000	69.84%
2029.....	0	0	0	0	65,000	0	65,000	1,605,000	72.79%
2030.....	0	0	0	0	70,000	0	70,000	1,675,000	75.96%
2031.....	0	0	0	0	70,000	0	70,000	1,745,000	79.14%
2032.....	0	0	0	0	70,000	0	70,000	1,815,000	82.31%
2033.....	0	0	0	0	75,000	0	75,000	1,890,000	85.71%
2034.....	0	0	0	0	75,000	0	75,000	1,965,000	89.12%
2035.....	0	0	0	0	80,000	0	80,000	2,045,000	92.74%
2036.....	0	0	0	0	80,000	0	80,000	2,125,000	96.37%
2037.....	0	0	0	0	<u>80,000</u>	<u>0</u>	<u>80,000</u>	2,205,000	100.00%
Total.....	<u>\$605,000</u>	<u>\$175,000</u>	<u>\$385,000</u>	<u>\$1,165,000</u>	<u>\$825,000</u>	<u>\$215,000</u>	<u>\$2,205,000</u>		

- Notes: (1) Source: the City. For term bonds, mandatory redemption amounts are shown.
 (2) Subject to change.

*Subject to change.

Statement of Bonded Indebtedness(1)(2)

City Actual Value, January 1, 2020..... \$187,063,920
 City Taxable Value, January 1, 2020 \$107,333,239

	Total	Applicable		Ratio to City Actual Value	Ratio to City Taxable Value	Per Capita (2020 Pop. 1,228)
		Percent	Amount			
Direct Bonded Debt(3).....	\$ 2,205,000	100.00%	\$2,205,000	1.18%	2.05%	\$1,795.60
Overlapping Debt:						
Iowa City Community School District	174,250,000	1.43%	2,491,775	1.33%	2.32%	\$2,029.13
Kirkwood Community College(4)	77,145,000	0.36%	277,722	0.15%	0.26%	226.16
Johnson County	9,577,400	1.06%	101,520	0.05%	0.09%	82.67
Total Applicable Overlapping Bonded Debt			<u>\$2,871,017</u>	<u>1.53%</u>	<u>2.67%</u>	<u>\$2,337.96</u>
Total Direct and Overlapping Bonded Debt(3)			\$5,076,017	2.71%	4.73%	\$4,133.56
Per Capita Actual Value						\$152,332.18
Per Capita Taxable Value.....						\$ 87,404.92

- Notes: (1) Source: the City, Audited Financial Statements and Treasurer of the State of Iowa - Outstanding Obligations Report, debt as of June 30, 2021 for the School District, Community College and County.
 (2) As of the date of issuance for the Direct Bonded Debt and June 30, 2021 for Overlapping Debt.
 (3) Subject to change.
 (4) Excludes \$43,840,000 in Industrial New Jobs Training Certificates, which are expected to be paid by proceeds from anticipated job credits from withholding taxes.

PROPERTY ASSESSMENT AND TAX INFORMATION

Property Tax Assessment

In compliance with Section 441.21 of the Code of Iowa, as amended, the State Director of Revenue annually directs all county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The final values, called Actual Valuation, are then adjusted by the County Auditor. Taxable Valuation subject to tax levy is then determined by the application of State determined rollback percentages, principally to residential property.

Beginning in 1978, the State required a reduction in Actual Valuation to reduce the impact of inflation on its residents. The resulting value is defined as the Taxable Valuation. Such rollback percentages may be changed in future years. Certain historical rollback percentages for residential, multi-residential, agricultural and commercial valuations are as follows:

Percentages for Taxable Valuation After Rollbacks(1)

Fiscal Year	Residential	Multi- Residential(2)	Ag Land & Buildings	Commercial & Industrial
2013/14.....	52.8166%	N/A	59.9334%	100.0000%
2014/15.....	54.4002%	N/A	43.3997%	95.0000%
2015/16.....	55.7335%	N/A	44.7021%	90.0000%
2016/17.....	55.6259%	86.2500%	46.1068%	90.0000%
2017/18.....	56.9391%	82.5000%	47.4996%	90.0000%
2018/19.....	55.6209%	78.7500%	54.4480%	90.0000%
2019/20.....	56.9180%	75.0000%	56.1324%	90.0000%
2020/21.....	55.0743%	71.2500%	81.4832%	90.0000%
2021/22.....	56.4094%	67.5000%	84.0305%	90.0000%
2022/23.....	54.1302%	63.7500%	89.0412%	90.0000%

- Notes: (1) Source: the Iowa Department of Revenue.
 (2) New category beginning with fiscal year 2017, to be phased into residential category with valuations beginning January 1, 2022, per House File 418 signed into law on March 8, 2021.

Property is assessed on a calendar year basis. The assessments finalized as of January 1 of each year are applied to the following tax year. For example, the assessments finalized on January 1, 2020, are used to calculate tax liability for the tax year starting July 1, 2021 through June 30, 2022.

Property Tax Collection

Each county is required by State law to collect all tax levies within its jurisdiction and remit, before the fifteenth of each month, the amount collected through the last day of the preceding month to underlying units of government, including the City. Property tax payments are made at the office of each county treasurer in full or one-half by September 30 and March 31, pursuant to the Code of Iowa, Sections 445.36 and 445.37. Where the first half of any property tax has not been paid by October 1, such installment becomes delinquent. If the second installment is not paid, it becomes delinquent on April 1. Delinquent taxes and special assessments are subject to a penalty at the rate of one and one-half percent per month, to a maximum of eighteen percent per annum.

If taxes are not paid when due, the property may be offered at the regular tax sale on the third Tuesday of June following the delinquency date. Purchasers at the tax sale must pay an amount equal to the taxes, special assessments, interest and penalties due on the property, and funds so received are applied to the payment of taxes. A property owner may redeem from the regular tax sale, but failing redemption within two years, the tax sale purchaser is entitled to a deed which in general conveys the title free and clear of all liens except future installments of taxes.

Actual (100%) Valuations for the City(1)(2)

Property Class	Fiscal Year:	2018/19	2019/20	2020/21	2021/22	2022/23
	Levy Year:	2017	2018	2019	2020	2021
Residential		\$156,517,300	\$162,180,900	\$179,716,700	\$179,615,500	\$176,338,600
Commercial		5,872,743	6,264,937	5,082,275	5,740,575	13,113,375
Multi-residential		250,925	250,925	273,617	273,617	229,363
Utilities without Gas and Electric(3)		196,570	206,746	169,791	125,500	87,502
Gas and Electric Utility(3)		1,254,297	1,290,209	1,354,226	1,364,288	1,457,164
Less: Military Exemption		(51,856)	(55,560)	(51,856)	(55,560)	(51,856)
Total		\$164,039,979	\$170,138,157	\$186,544,753	\$187,063,920	\$191,174,148
Percent Change +(-)		25.66%(4)	3.72%	9.64%	0.28%	2.20%

- Notes: (1) Source: Iowa Department of Management.
 (2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2017	2018	2019	2020	2021
TIF Valuation	\$16,840,026	\$21,060,144	\$25,978,999	\$26,725,723	\$23,153,876

- (3) See "PROPERTY TAX INFORMATION - Utility Property Tax Replacement" herein.
 (4) Based on 2016 Actual Valuation of \$130,541,101.

For the January 1, 2021 levy year, the City's Taxable Valuation was comprised of approximately 88% residential, 11% commercial, and less than 1% agriculture, industrial, multi-residential, utilities and military exemption.

Taxable ("Rollback") Valuations for the City(1)(2)

Property Class	Fiscal Year:	2018/19	2019/20	2020/21	2021/22	2022/23
	Levy Year:	2017	2018	2019	2020	2021
Residential		\$87,056,301	\$92,310,063	\$ 98,977,711	\$101,320,052	\$ 95,452,433
Commercial		5,285,469	5,638,444	4,574,048	5,166,518	11,802,038
Multi-residential		197,603	188,194	194,952	184,692	146,219
Utilities without Gas and Electric(3)		196,570	206,746	169,791	123,679	87,502
Gas and Electric Utility(3)		687,329	669,204	636,534	593,858	638,132
Less: Military Exemption		(51,856)	(55,560)	(51,856)	(55,560)	(51,856)
Total		\$93,371,416	\$98,957,091	\$104,501,180	\$107,333,239	\$108,074,468
Percent Change +(-)		23.19%(4)	5.98%	5.60%	2.71%	0.69%

- Notes: (1) Source: Iowa Department of Management.
 (2) Includes tax increment finance (TIF) valuations used in the following amounts:

January 1:	2017	2018	2019	2020	2021
TIF Valuation	\$16,840,026	\$21,060,144	\$25,978,999	\$26,725,723	\$23,153,876

- (3) See "PROPERTY TAX INFORMATION - Utility Property Tax Replacement" herein.
 (4) Based on 2016 Taxable Valuation of \$75,791,737.

The following shows the trend in the City's tax extensions and collections.

Tax Extensions and Collections(1)

<u>Levy Year</u>	<u>Fiscal Year</u>	<u>Amount Levied</u>	<u>Amount Collected(2)</u>	<u>Percent Collected</u>
2011.....	2012-13.....	\$610,485	\$611,574	100.18%
2012.....	2013-14.....	631,551	628,824	99.57%
2013.....	2014-15.....	668,903	665,360	99.47%
2014.....	2015-16.....	692,991	705,139	101.75%
2015.....	2016-17.....	770,260	764,386	99.24%
2016.....	2017-18.....	793,118	789,649	99.56%
2017.....	2018-19.....	840,266	835,288	99.41%
2018.....	2019-20.....	857,620	821,696	95.81%
2019.....	2020-21.....	891,729	915,513	102.67%
2020.....	2021-22.....	965,303	- In Collection - -	

- Notes: (1) Source: the State of Iowa Department of Management and the City. Does not include Levies or Collections for Utility Replacement or t include levies and collections for the City's tax increment finance district.
 (2) Includes delinquent taxes.

Principal Taxpayers(1)

<u>Taxpayer Name</u>	<u>Business/Service</u>	<u>Levy Year 2020 Taxable Valuation(2)</u>
One University Place, LLC.....	Real Estate/Condominiums.....	\$ 4,713,704
Christian Retirement Services, Inc.....	Retirement Home.....	2,529,450
Hotel 901, LLC.....	Hotel.....	2,205,360
Individual.....	Real Property.....	783,304
Individual.....	Real Property.....	720,620
Individual.....	Real Property.....	667,436
Individual.....	Real Property.....	665,575
Individual.....	Real Property.....	655,082
Herbold Commercial, LLC.....	Law Office.....	594,360
MidAmerican Energy.....	Utility.....	593,145
Total.....		\$14,128,036
Ten Largest Taxpayers as Percent of City's 2020 Taxable Valuation (\$107,333,239).....		13.16%

- Notes: (1) Source: the County.
 (2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked.

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Levy Limits

Normal municipal operations and maintenance costs are generally funded through the corporate property tax levy. Iowa State Code does not allow the municipal general fund to be taxed above \$8.10 per thousand dollars of taxable value in any one year. In addition to the General Fund, there are several other tax funds that the City can create and use for specific purposes.

The property tax rates for the City from levy year 2016 through levy year 2020 are shown below:

Property Tax Rates⁽¹⁾⁽²⁾ (Per \$1,000 Actual Valuation)

	Fiscal Year: Levy Year:	2017/18 2016	2018/19 2017	2019/20 2018	2020/21 2019	2021/22 2020
City:						
General Fund		\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000	\$ 8.10000
Emergency Levy.....		0.00000	0.00000	0.00000	0.00000	0.00000
Debt Service Fund.....		0.19961	0.63602	0.63173	0.65815	1.11789
Employee Benefits		1.45812	1.27571	1.28534	1.62848	1.64430
Capital Improvement		0.00000	0.00000	0.00000	0.00000	0.00000
Other.....		<u>1.04101</u>	<u>0.92591</u>	<u>0.91575</u>	<u>0.84304</u>	<u>0.82865</u>
Total City.....		\$10.79874	\$10.93764	\$10.93282	\$11.22967	\$11.69084
Johnson County		\$ 6.85143	\$ 6.53594	\$ 6.49278	\$ 6.34581	\$ 6.16774
Iowa City Community School District		13.95855	14.85629	14.79097	14.83935	14.85066
Kirkwood Community College.....		1.13174	1.20354	1.21331	1.25730	1.31195
Other.....		<u>0.39343</u>	<u>0.38582</u>	<u>0.35433</u>	<u>0.35141</u>	<u>0.35132</u>
Total Tax Rate.....		\$33.13389	\$33.91923	\$33.78421	\$34.02354	\$34.37251

Notes: (1) Source: Iowa Department of Management.
 (2) Does not include the tax rate for agriculture.

Tax Levy Procedures

The Bonds are general obligations of the City, payable from and secured by a continuing ad valorem tax levied against all of the taxable real property within the corporate limits of the City. As part of the budgetary process each fiscal year, the City will have an obligation to request a debt service levy to be applied against all of the taxable real property within the corporate limits of the City. A failure on the part of the City to make a timely levy request or a levy request by the City that is inaccurate or is insufficient to make full payments of the debt service of the Bonds for a particular fiscal year may cause Bond holders to experience delay in the receipt of distributions of principal of and/or interest on the Bonds. In the event of a default in the payment of principal of or interest on the Bonds, there is no provision for acceleration of maturity of the principal of the Bonds. Consequently, the remedies of the owners of the Bonds (consisting primarily of an action in the nature of mandamus requiring the City and certain other public officials to perform the terms of the resolution for the Bonds) may have to be enforced from year to year.

Notwithstanding the foregoing, Iowa Code section 76.2 provides when an Iowa political subdivision issues general obligation bonds, “the governing authority of these political subdivisions before issuing bonds shall, by resolution, provide for the assessment of an annual levy upon all the taxable property in the political subdivision sufficient to pay the interest and principal of the bonds within a period named not exceeding twenty years. A certified copy of this resolution shall be filed with the county auditor or auditors of the counties in which the political subdivision is located; and the filing shall make it a duty of the auditor(s) to enter annually this levy for collection from the taxable property within the boundaries of the political subdivision until funds are realized to pay the bonds in full.”

Utility Property Tax Replacement

Property owned by entities involved primarily in the production, delivery, service and sale of electricity and natural gas (“Utilities”) pay a replacement tax based upon the delivery of energy by Utilities in lieu of property taxes. All replacement taxes are allocated among local taxing bodies by the State Department of Revenue and the Department of Management. This allocation is made in accordance with a general allocation formula developed by the Department of Management on the basis of general property tax equivalents. Utility properties paying the replacement tax are exempt from the levy of property tax by political subdivisions. In addition to the replacement tax, Utility property will continue to be valued by a special method as provided in the statute and taxed at the rate of three cents per one thousand dollars for the general fund of the State.

By statute, the replacement tax collected by the State and allocated among local taxing bodies (including the City) shall be treated as property tax when received and shall be disposed of by the county treasurer as taxes on real estate. It is possible that the general obligation debt capacity of the City could be adjudicated to be proportionately reduced in future years if Utility property were determined to be other than “taxable property” for purposes of computing the City’s debt limit under Article XI of the Constitution of the State of Iowa. There can be no assurance that future legislation will not (i) operate to reduce the amount of debt the City can issue or (ii) adversely affect the City’s ability to levy taxes in the future for the payment of the principal of and interest on its outstanding debt obligations, including the Bonds. Approximately 0.67% of the City’s levy year 2021 taxable valuation currently is utility property.

Tax Increment Financing

The Code of Iowa currently authorizes the use of two types of tax increment financing by local taxing districts in the State of Iowa. The first type allows local governments to establish TIF districts for the purposes of financing designated urban renewal projects which contribute to the urban redevelopment and economic development of the immediate area. The taxable valuation used for this type of TIF district in the City for levy year 2021 is \$23,153,876.

The second type of tax increment financing was authorized by state legislative action in the mid-1980’s. The area community colleges can establish TIF districts by contract with specific local businesses and industries to provide jobs training programming for new employees of existing expanding businesses or employees of new businesses. The revenues from these job training TIF districts then retires the debt incurred from the issuance of jobs training certificates which finance the cost of jobs training programming over a maximum of ten years. Upon payment of all jobs training certificates, the district dissolves and the incremental value from the new or expanded business reverts to the general tax base. There is no current valuation for this second type of TIF district.

Legislation

From time to time, legislative proposals are pending in Congress and the Iowa General Assembly that would, if enacted, alter or amend one or more of the property tax matters described herein. It cannot be predicted whether or in what forms any of such proposals, either pending or that may be introduced, may be enacted, and there can be no assurance that such proposals will not apply to valuation, assessment or levy procedures for taxes levied by the City or have an adverse impact on the future tax collections of the City. Purchasers of the Bonds should consult their tax advisors regarding any pending or proposed federal or state tax legislation. The opinions expressed by Bond Counsel are based upon existing legislation as of the date of issuance and delivery of the Bonds and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any pending federal or state tax legislation.

During the 2019 legislative session, the Iowa General Assembly enacted Senate File 634 (the “2019 Act”). The 2019 Act modifies the process for hearing and approval of the total maximum property tax dollars under certain levies in the City’s budget. The 2019 Act also includes a provision that will require the affirmative vote of 2/3 of the City Council when the maximum property tax dollars under these levies exceed an amount determined under a prescribed formula. The 2019 Act does not change the process for hearing and approval of the Debt Service Levy pledged for repayment of the Bonds.

During the 2013 legislative session, the Iowa General Assembly enacted Senate File 295 (the “2013 Act”). Among other things, the Act (i) reduced the maximum annual taxable value growth percent, due to revaluation of existing residential and agricultural property to 3%, (ii) assigned a “rollback” (the percentage of a property’s value that is subject to tax) to commercial, industrial and railroad property of 90%, (iii) created a new property tax classification for multi-residential properties (apartments, nursing homes, assisted living facilities and certain other rental property) and assigned a declining rollback percentage to such properties for each year until the residential rollback percentage is reached in the 2022 assessment year, after which the rollback percentage for such properties will be equal to the residential rollback percentage each assessment year, and (iv) exempted a specified portion of the assessed value of telecommunication properties.

During the 2021 Iowa Legislative session, House File 418 (“2021 Act”) was signed into law on March 8, 2021, applicable to valuations beginning January 1, 2022. The 2021 Act removes the multi-residential property classification by reclassifying certain properties as subdivision of “residential” property. The multi-residential classification was created as part of the January 1, 2015 valuations and became unnecessary due to the equalization of the residential and multi-residential classifications as of January 1, 2022.

The 2013 Act included a standing appropriation to replace some of the tax revenues lost by local governments, including tax increment district, resulting from the new rollback for commercial and industrial property. During the 2021 legislative session, Senate File 619 (“SF 619”) was signed into law on June 17, 2021, which phases out the standing appropriation payments over time to the City starting in Fiscal Year 2022-23 through Fiscal year 2025-2026. The appropriation does not replace losses to local governments resulting from the 2013Act’s provisions that reduce the annual revaluation growth limit for residential and agricultural properties to 3%, the gradual transition for multi-residential properties from the residential rollback percentage, or the reduction in the percentage of telecommunications property that is subject to taxation.

Notwithstanding any modifications to property tax revenues that may result from the 2013 Act, the 2019 Act, the 2021 Act or SF 619, the Bonds are secured by an unlimited ad valorem property tax as described more fully in the “**SECURITY AND SOURCE OF PAYMENT**” herein.

FINANCIAL INFORMATION

Financial Reports

The City is not required to undergo an annual audit. The City’s financial statements are completed on the basis of cash receipts and disbursements, which is a comprehensive basis of accounting other than generally accepted accounting principles. The City is required to file a Financial Report annually with the State of Iowa; see **APPENDIX A** for a copy of this Financial Report from the City’s fiscal year ended June 30, 2021.

Summary Financial Information

The following tables are summaries and do not purport to be the complete annual financial reports, copies of which are available upon request. See **APPENDIX A** for the City’s 2021 Financial Report filed with the State. The City’s expects its General Fund balance for the fiscal year ending June 30, 2022 to decrease by approximately \$170,000. The City has approved a budget for fiscal year 2023 with an anticipated decrease to the General Fund balance of approximately \$16,000.

**Statement of Cash Receipts, Expenditures and Changes in Cash Balances
 General Funds(1)**

	Un-Audited Fiscal Year Year Ended June 30				
	2017	2018	2019	2020	2021
Revenues:					
Property Taxes	\$ 637,219	\$ 668,120	\$ 680,575	\$ 666,989	\$ 715,644
Other City Taxes	8,813	8,232	7,886	9,093	10,474
Licenses and Permits	47,855	43,953	103,922	90,008	50,696
Use of Money and Property	5,324	5,299	9,814	20,031	10,170
Intergovernmental	18,165	11,136	15,259	6,552	106,065
Charges for Service	2,198	500	422	895	1,751
Special Assessments	1,592	0	0	0	0
Miscellaneous	131,289	87,268	429,885	69,065	41,377
Total Revenues	<u>\$ 852,456</u>	<u>\$ 824,508</u>	<u>\$1,247,763</u>	<u>\$ 862,633</u>	<u>\$ 936,177</u>
Expenditures:					
Public Safety	\$ 413,810	\$ 469,820	\$ 420,755	\$ 615,787	\$ 579,280
Public Works	75,149	76,464	143,578	119,032	108,968
Culture and Recreation	424,568	63,572	53,777	57,228	49,591
Community and Economic Development	12,222	9,463	13,976	7,226	107,950
General Government	255,913	313,270	231,603	200,369	195,317
Total Expenditures	<u>\$1,181,662</u>	<u>\$ 932,589</u>	<u>\$ 863,689</u>	<u>\$ 999,642</u>	<u>\$1,041,106</u>
Excess (Deficiency) of Receipts Over (Under) Expenditures	<u>\$ (329,206)</u>	<u>\$(108,081)</u>	<u>\$ 384,074</u>	<u>\$(137,009)</u>	<u>\$ (104,929)</u>
Other Financing Sources (Uses):					
Proceeds of Capital Asset Sales	\$ 0	\$ 0	\$ 0	\$ 0	\$ 28,000
Operating Transfers In	622,377	7,365	0	57,741	98,209
Operating Transfers Out	(3,633)	(295,000)	(41,215)	(70,190)	(73,210)
Total Other Financing Sources (Uses)	<u>\$ 618,744</u>	<u>\$(287,635)</u>	<u>\$ (41,215)</u>	<u>\$ (12,449)</u>	<u>\$ 52,999</u>
Change in Cash Balances	\$ 289,538	\$(395,716)	\$ 342,859	\$(149,458)	\$ (51,930)
Cash Balances Beginning of Year	<u>\$ 442,618</u>	<u>\$ 732,156</u>	<u>\$ 336,440</u>	<u>\$ 679,299</u>	<u>\$ 529,841</u>
Cash Balances Ending of Year	<u>\$ 732,156</u>	<u>\$ 336,440</u>	<u>\$ 679,299</u>	<u>\$ 529,841</u>	<u>\$ 477,911</u>

Note: (1) Source: The City's un-audited financial statements for fiscal years ending June 30, 2017 - 2021.

REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B - BOOK-ENTRY SYSTEM** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The City shall cause books (the “Bond Register”) for the registration and for the transfer of the Bonds to be kept at the principal office maintained for the purpose by the Bond Registrar in West Des Moines, Iowa. The City will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the City for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Resolution. Upon surrender for transfer or exchange of any Bond at the principal office maintained for the purpose by the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner’s attorney duly authorized in writing, the City shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the City of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond following the close of business on the fifteenth day of the month next preceding an interest payment date on such bond (known as the record date), nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Bonds.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the City or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a bond surrendered for redemption.

TAX EXEMPTION AND RELATED TAX MATTERS

Federal Income Tax Exemption

The opinion of Bond Counsel, with respect to the Series 2022A Bonds, will state that under present laws and rulings, interest on the Series 2022A Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed under the Code.

The opinion set forth in the preceding sentence will be subject to the condition that the City comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2022A Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2022A Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series 2022A Bonds. In the resolution authorizing the issuance of the Series 2022A Bonds, the City will covenant to comply with all such requirements.

There may be certain other federal tax consequences to the ownership of the Series 2022A Bonds by certain taxpayers, including without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security and Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Bond Counsel will express no opinion with respect to other federal tax consequences to owners of the Series 2022A Bonds. Prospective purchasers of the Series 2022A Bonds should consult with their tax advisors as to such matters.

The opinion of Bond Counsel with respect to the Series 2022B Bonds will state that under present laws and rulings, interest on the Series 2022B Bonds is not excluded from gross income for federal income tax purposes. Bond counsel will not opine with respect to the treatment of interest on the Series 2022A Bonds and the Series 2022B Bonds for State of Iowa income tax purposes.

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2022B Bonds. Prospective purchasers of the Series 2022B Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

Proposed Changes in Federal and State Tax Law

From time to time, there are Presidential proposals, proposals of various federal committees, and legislative proposals in the Congress and in the states that, if enacted, could alter or amend the federal and state tax matters referred to herein or adversely affect the marketability or market value of the Series 2022A Bonds or otherwise prevent holders of the Series 2022A Bonds from realizing the full benefit of the tax exemption of interest on the Series 2022A Bonds. Further, such proposals may impact the marketability or market value of the Series 2022A Bonds simply by being proposed. No prediction is made whether such provisions will be enacted as proposed or concerning other future legislation affecting the tax treatment of interest on the Series 2022A Bonds. In addition, regulatory actions are from time to time announced or proposed and litigation is threatened or commenced which, if implemented or concluded in a particular manner, could adversely affect the market value, marketability or tax exempt status of the Series 2022A Bonds. It cannot be predicted whether any such regulatory action will be implemented, how any particular litigation or judicial action will be resolved, or whether the Series 2022A Bonds would be impacted thereby.

Purchasers of the Series 2022A Bonds should consult their tax advisors regarding any pending or proposed legislation, regulatory initiatives or litigation. The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of issuance and delivery of the Series 2022A Bonds, and Bond Counsel has expressed no opinion as of any date subsequent thereto or with respect to any proposed or pending legislation, regulatory initiatives or litigation.

Qualified Tax-Exempt Obligations

In the resolution authorizing the issuance of the Series 2022A Bonds, the City will designate the Series 2022A Bonds as “qualified tax exempt obligations” within the meaning of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes a portion of the interest expense that is allocable to tax-exempt obligations. In the opinion of Bond Counsel, the Series 2022A Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code.

Original Issue Premium

The Series 2022A Bonds maturing in the years _____ are being issued at a premium to the principal amount payable at maturity. Except in the case of dealers, which are subject to special rules, Bondholders who acquire the Series 2022A Bonds at a premium must, from time to time, reduce their federal tax bases for the Series 2022A Bonds for purposes of determining gain or loss on the sale or payment of such Series 2022A Bonds. Premium generally is amortized for federal income tax purposes on the basis of a bondholder’s constant yield to maturity or to certain call dates with semiannual compounding. Bondholders who acquire any Series 2022A Bonds at a premium might recognize taxable gain upon sale of the Series 2022A Bonds, even if such Series 2022A Bonds are sold for an amount equal to or less than their original cost. Amortized premium is not deductible for federal income tax purposes. Bondholders who acquire any Series 2022A Bonds at a premium should consult their tax advisors concerning the calculation of bond premium and the timing and rate of premium amortization, as well as the state and local tax consequences of owning and selling the Series 2021A Bonds acquired at a premium.

Original Issue Discount

The Series 2022A Bonds maturing in the years _____ (collectively, the “Discount Bonds”) are being sold at a discount from the principal amount payable on such Discount Bonds at maturity. The difference between the price at which a substantial amount of the Discount Bonds of a given maturity is first sold to the public (the “Issue Price”) and the principal amount payable at maturity constitutes “original issue discount” under the Internal Revenue Code. The amount of original issue discount that accrues to a holder of a Discount Bond under section 1288 of the Internal Revenue Code is excluded from federal gross income to the same extent that stated interest on such Discount Bond would be so excluded. The amount of the original issue discount that accrues with respect to a Discount Bond under section 1288 is added to the owner’s federal tax basis in determining gain or loss upon disposition of such Discount Bond (whether by sale, exchange, redemption or payment at maturity).

Interest in the form of original issue discount accrues under section 1288 pursuant to a constant yield method that reflects semiannual compounding on dates that are determined by reference to the maturity date of the Discount Bond. The amount of original issue discount that accrues for any particular semiannual accrual period generally is equal to the excess of (1) the product of (a) one-half of the yield on such Discount Bonds (adjusted as necessary for an initial short period) and (b) the adjusted issue price of such Discount Bonds, over (2) the amount of stated interest actually payable. For purposes of the preceding sentence, the adjusted issue price is determined by adding to the Issue Price for such Discount Bonds the original issue discount that is treated as having accrued during all prior semiannual accrual periods. If a Discount Bond is sold or otherwise disposed of between semiannual compounding dates, then the original issue discount that would have accrued for that semiannual accrual period for federal income tax purposes is allocated ratably to the days in such accrual period.

An owner of a Discount Bond who disposes of such Discount Bond prior to maturity should consult owner's tax advisor as to the amount of original issue discount accrued over the period held and the amount of taxable gain or loss upon the sale or other disposition of such Discount Bond prior to maturity.

Owners who purchase Discount Bonds in the initial public offering but at a price different than the Issue Price should consult their own tax advisors with respect to the tax consequences of the ownership Discount Bonds.

The Internal Revenue Code contains provisions relating to the accrual of original issue discount in the case of subsequent purchasers of bonds such as the Discount Bonds. Owners who do not purchase Discount Bonds in the initial offering should consult their own tax advisors with respect to the tax consequences of the ownership of the Discount Bonds.

Original issue discount that accrues in each year to an owner of a Discount Bond may result in collateral federal income tax consequences to certain taxpayers. No opinion is expressed as to state and local income tax treatment of original issue discount. All owners of Discount Bonds should consult their own tax advisors with respect to the federal, state, local and foreign tax consequences associated with the purchase, ownership, redemption, sale or other disposition of Discount Bonds.

CONTINUING DISCLOSURE

For the purpose of complying with Rule 15c2-12 of the Securities and Exchange Commission, as amended and interpreted from time to time (the "Rule"), the City will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds to provide reports of specified information and notice of the occurrence of certain events, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, and the events as to which notice is to be given, is set forth in "**APPENDIX D – Form of Continuing Disclosure Certificate**". This covenant is being made by the City to assist the Underwriter(s) in complying with the Rule.

Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Bonds or Resolution, respectively. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the City to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

Pursuant to the Rule, in the last five years, the City has not failed to comply in all material respects with regard to its prior Disclosure Covenants.

Bond Counsel expresses no opinion as to whether the Disclosure Covenants comply with the requirements of Section (b)(5) of the Rule.

OPTIONAL REDEMPTION

The Tax-Exempt Bonds due June 1, 2024 - 2030 inclusive, are not subject to optional redemption. Tax-Exempt Bonds due June 1, 2031 - 2037, inclusive, are callable in whole or in part on any date on or after June 1, 2030, at a price of par and accrued interest. If selection by lot within a maturity is required, the Registrar shall designate the Tax-Exempt Bonds to be redeemed by random selection of the names of the registered owners of the entire annual maturity until the total amount of Tax-Exempt Bonds to be called has been reached.

If less than all of the maturity is called for redemption, the City will notify DTC of the particular amount of such maturity to be redeemed prior to maturity. DTC will determine by lot the amount of each Participant's interest in such maturity to be redeemed and each Participant will then select by lot the beneficial ownership interests in such maturity to be redeemed.

Thirty days' written notice of redemption shall be given to the registered owner of the Tax-Exempt Bond. Failure to give written notice to any registered owner of the Tax-Exempt Bonds or any defect therein shall not affect the validity of any proceedings for the redemption of the Tax-Exempt Bonds. All Tax-Exempt Bonds 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. Written notice will be deemed completed upon transmission to the owner of record.

The Taxable Bonds are **not** subject to optional redemption prior to maturity.

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the City taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the City, threatened against the City that is expected to materially impact the financial condition of the City.

LEGAL MATTERS

Legal matters incident to the authorization, issuance and sale of the Bonds and with regard to the tax-exempt status of the interest thereon (see "**TAX EXEMPTION AND RELATED TAX MATTERS**" herein) are subject to the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel, a form of which is attached hereto as **APPENDIX C**. Signed copies of the opinion, dated and premised on law in effect as of the date of original delivery of the Bonds, will be delivered to the Underwriter at the time of such original delivery. The Bonds are offered subject to prior sale and to the approval of legality of the Bonds by Bond Counsel.

The legal opinion to be delivered will express the professional judgment of Bond Counsel and by rendering a legal opinion, Bond Counsel does not become an insurer or guarantor of the result indicated by that expression of professional judgment or of the transaction or the future performance of the parties to the transaction.

Bond Counsel has not been engaged, nor has it undertaken, to prepare or to independently verify the accuracy of the Official Statement, including but not limited to financial or statistical information of the City and risks associated with the purchase of the Bonds, except Bond Counsel has reviewed the information and statements contained in the Official Statement under, "**TAX EXEMPTION AND RELATED TAX MATTERS**" and "**LEGAL MATTERS**", insofar as such statements contained under such captions purport to summarize certain provisions of the Internal Revenue Code of 1986, the Bonds and any opinions rendered by Bond Counsel. Bond Counsel has prepared the documents contained in **APPENDIX C**.

OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the City, and all expressions of opinion, whether or not so stated, are intended only as such.

This Official Statement is not to be construed as a contract or agreement amongst the City, the Underwriter, or the holders of any of the Bonds. Any statements made in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended merely as opinions and not as representations of fact. The information and expressions of opinions contained herein are subject to change without notice and neither the delivery of this Official Statement or the sale of the Bonds made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City since the date hereof. The information contained in this Official Statement is not guaranteed.

UNDERWRITING

The Tax-Exempt Bonds were offered for sale by the City at a public, competitive sale on June 28, 2022. The best bid submitted at the sale was submitted by _____ (the "Tax-Exempt Underwriter"). The City awarded the contract for sale of the Tax-Exempt Bonds to the Tax-Exempt Underwriter at a price of \$_____ (reflecting the par amount of \$_____, plus a reoffering premium of \$_____, and less an Underwriter's discount of \$_____). The Tax-Exempt Underwriter has represented to the City that the Tax-Exempt Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the Final Official Statement.

The Taxable Bonds were offered for sale by the City at a public, competitive sale on June 28, 2022. The best bid submitted at the sale was submitted by _____ (the "Taxable Underwriter"). The City awarded the contract for sale of the Taxable Bonds to the Taxable Underwriter at a price of \$_____ (reflecting the par amount of \$_____, plus a reoffering premium of \$_____, and less an Underwriter's discount of \$_____). The Taxable Underwriter has represented to the City that the Taxable Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the Final Official Statement.

MUNICIPAL ADVISOR

The City has engaged Speer Financial, Inc. as municipal advisor (the "Municipal Advisor") in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in the Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the City's continuing disclosure undertaking.

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MISCELLANEOUS

Brief descriptions or summaries of the City, the Bonds, the Resolution and other documents, agreements and statutes are included in this Official Statement. The summaries or references herein to the Bonds, the Resolution and other documents, agreements and statutes referred to herein, and the description of the Bonds included herein, do not purport to be comprehensive or definitive, and such summaries, references and descriptions are qualified in their entirety by reference to such documents, and the description herein of the Bonds is qualified in its entirety by reference to the form thereof and the information with respect thereto included in the aforesaid documents. Copies of such documents may be obtained from the City.

Any statements in this Official Statement involving matters of opinion or estimates, whether or not expressly so stated, are intended as such and not as representations of fact, and no representation is made that any of the estimates will be realized. This Official Statement is not to be construed as a contract or agreement between the City and the purchasers or Owners of any of the Bonds.

The attached **APPENDICES A, B, C, and D** are integral parts of this Official Statement and must be read together with all of the foregoing statements.

It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such numbers on any Bonds nor any error in the printing of such numbers shall constitute cause for a failure or refusal by the purchaser thereof to accept delivery of and pay for any Bonds.

The City has reviewed the information contained herein which relates to it and has approved all such information for use within this Official Statement. The execution and delivery of this Official Statement has been duly authorized by the City.

/s/ **MIKE HAVERKAMP**
City Clerk
CITY OF UNIVERSITY HEIGHTS
Johnson County, Iowa

/s/ **LOUISE FROM**
Mayor
CITY OF UNIVERSITY HEIGHTS
Johnson County, Iowa

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APPENDIX A

**CITY OF UNIVERSITY HEIGHTS
JOHNSON COUNTY, IOWA**

FISCAL YEAR 2021 FINANCIAL REPORT OF THE CITY FILED WITH THE STATE OF IOWA

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

1. The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

2. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

3. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

4. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

5. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

6. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

7. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

8. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the City, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

9. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

10. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the City or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

11. The City may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

12. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof.

APPENDIX C

DRAFT FORMS OF BOND COUNSEL OPINION

We hereby certify that we have examined certified copies of the proceedings (the “Proceedings”) of the City Council of the City of University Heights (the “Issuer”), in Johnson County, State of Iowa, passed preliminary to the issue by the Issuer of its General Obligation Corporate Purpose Bonds, Series 2022A (the “Series 2022A Bonds”) in the amount of \$825,000, dated July 27, 2022, in the denomination of \$5,000 each, or any integral multiple thereof, in evidence of the Issuer’s obligation under a certain loan agreement (the “Loan Agreement”), dated as of July 27, 2022. The Series 2022A Bonds mature on June 1 in each of the respective years and in the principal amounts and bear interest payable semiannually, commencing December 1, 2022, at the respective rates as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>
2024	\$20,000	___%	2031	\$70,000	___%
2025	\$20,000	___%	2032	\$70,000	___%
2026	\$20,000	___%	2033	\$75,000	___%
2027	\$35,000	___%	2034	\$75,000	___%
2028	\$65,000	___%	2035	\$80,000	___%
2029	\$65,000	___%	2036	\$80,000	___%
2030	\$70,000	___%	2037	\$80,000	___%

Principal of the Series 2022A Bonds maturing in the years 2031 through 2037, inclusive, is subject to optional redemption prior to maturity on June 1, 2030, or on any date thereafter on terms of par plus accrued interest.

Based upon our examination, we are of the opinion, as of the date hereof, that:

1. The Proceedings show lawful authority for such issue under the laws of the State of Iowa.
2. The Series 2022A Bonds and the Loan Agreement are valid and binding general obligations of the Issuer.
3. All taxable property within the corporate boundaries of the Issuer is subject to the levy of taxes to pay the principal of and interest on the Series 2022A Bonds without constitutional or statutory limitation as to rate or amount.
4. The interest on the Series 2022A Bonds (including any original issue discount properly allocable to an owner thereof) is excluded from gross income for federal income tax purposes and is not treated as a preference item in calculating the federal alternative minimum tax imposed under the Internal Revenue Code of 1986 (the “Code”). The opinions set forth in the preceding sentence are subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2022A Bonds in order that interest thereon be, or continue to be, excluded from gross income for federal income tax purposes. The Issuer has covenanted to comply with each such requirement. Failure to comply with certain of such requirements may cause the inclusion of interest on the Series 2022A Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Series 2022A Bonds.
5. The Series 2022A Bonds are “qualified tax-exempt obligations” within the meaning of Section 265(b)(3) of the Code. The opinion set forth in the preceding sentence is subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the Series 2022A Bonds in order that the Series 2022A Bonds be, or continue to be, qualified tax-exempt obligations. The Issuer has covenanted to comply with each such requirement.

We express no opinion regarding other federal tax consequences arising with respect to the Series 2022A Bonds.

The rights of the owners of the Series 2022A Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

DORSEY & WHITNEY LLP

***This form of bond counsel opinion is subject to change pending the results of the sale of the Series 2022A Bonds contemplated herein.**

We hereby certify that we have examined certified copies of the proceedings (the “Proceedings”) of the City Council of the City of University Heights (the “Issuer”), in Johnson County, State of Iowa, passed preliminary to the issue by the Issuer of its Taxable General Obligation Corporate Purpose Bonds, Series 2022B (the “Series 2022B Bonds”) in the amount of \$215,000, dated July 27, 2022, in the denomination of \$5,000 each, or any integral multiple thereof, in evidence of the Issuer’s obligation under a certain loan agreement (the “Loan Agreement”), dated as of July 27, 2022. The Series 2022B Bonds mature on June 1 in each of the respective years and in the principal amounts and bear interest payable semiannually, commencing December 1, 2022, at the respective rates as follows:

<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>	<u>Date</u>	<u>Principal</u>	<u>Interest Rate</u>
2023	\$50,000	____%	2026	\$45,000	____%
2024	\$45,000	____%	2027	\$30,000	____%
2025	\$45,000	____%			

The Series 2022B Bonds are not subject to optional redemption prior to maturity.

Based upon our examination, we are of the opinion, as of the date hereof, that:

1. The Proceedings show lawful authority for such issue under the laws of the State of Iowa.
2. The Series 2022B Bonds and the Loan Agreement are valid and binding general obligations of the Issuer.
3. All taxable property within the corporate boundaries of the Issuer is subject to the levy of taxes to pay the principal of and interest on the Series 2022B Bonds without constitutional or statutory limitation as to rate or amount.
4. The interest on the Series 2022B Bonds is not excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986.

We express no opinion regarding other federal tax consequences arising with respect to the Series 2022B Bonds.

The rights of the owners of the Series 2022B Bonds and the enforceability thereof may be subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights heretofore or hereafter enacted to the extent constitutionally applicable, and their enforcement may also be subject to the exercise of judicial discretion in appropriate cases.

DORSEY & WHITNEY LLP

***This form of bond counsel opinion is subject to change pending the results of the sale of the Series 2022B Bonds contemplated herein.**

APPENDIX D

DRAFT CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of University Heights, Iowa (the “Issuer”), in connection with the issuance of \$825,000 General Obligation Corporate Purpose Bonds, Series 2022A and \$215,000 Taxable General Obligation Corporate Purpose Bonds, Series 2022B (collectively, the “Bonds”), dated July 27, 2022. The Bonds are being issued pursuant to resolutions of the Issuer approved on July 12, 2022 (the “Resolutions”). The Issuer covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the Issuer for the benefit of the Holders and Beneficial Owners of the Bonds and in order to assist the Participating Underwriters in complying with S.E.C. Rule 15c2-12.

Section 2. Definitions. In addition to the definitions set forth in the Resolutions, which apply to any capitalized term used in this Disclosure Certificate unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the Issuer pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Beneficial Owner” shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income tax purposes.

“Dissemination Agent” shall mean the Dissemination Agent, if any, designated in writing by the Issuer and which has filed with the Issuer a written acceptance of such designation.

“EMMA” shall mean the MSRB’s Electronic Municipal Market Access system available at <http://emma.msrb.org>.

“Financial Obligation” shall mean a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or, (iii) guarantee of either (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB pursuant to the Rule.

“Holders” shall mean the registered holders of the Bonds, as recorded in the registration books of the Registrar.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“Municipal Securities Rulemaking Board” or “MSRB” shall mean the Municipal Securities Rulemaking Board, 1300 I Street NW, Suite 1000, Washington, DC 20005.

“Participating Underwriter” shall mean any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of Iowa.

Section 3. Provision of Annual Reports.

(a) To the extent such information is customarily prepared by the Issuer and is made publicly available, not later than June 30 (the “Submission Deadline”) of each year following the end of the 2021-2022 fiscal year, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file on EMMA an electronic copy of its Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate in a format and accompanied by such identifying information as prescribed by the MSRB. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may cross-reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the Issuer may be submitted separately from the balance of the Annual Report and later than the Submission Deadline if they are not available by that date. If the Issuer’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(c), and the Submission Deadline beginning with the subsequent fiscal year will become one year following the end of the changed fiscal year.

(b) If the Issuer has designated a Dissemination Agent, then not later than fifteen (15) business days prior to the Submission Deadline, the Issuer shall provide the Annual Report to the Dissemination Agent.

(c) If the Issuer is unable to provide an Annual Report by the Submission Deadline, in a timely manner thereafter, the Issuer shall, or shall cause the Dissemination Agent (if any) to, file a notice on EMMA stating that there has been a failure to provide an Annual Report on or before the Submission Deadline.

Section 4. Content of Annual Reports. The Issuer’s Annual Report shall contain or include by reference the following:

(a) The Issuer is not required under State of Iowa law to routinely cause the preparation of audited financial statements. In the event that the Issuer voluntarily causes the preparation of audited financial statements for a fiscal year, then the Annual Report shall include such audited financial statements, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under State law, as in effect from time to time, or, if and to the extent such audited financial statements have not been prepared in accordance with generally accepted accounting principles, noting the discrepancies therefrom and the effect thereof. If the Issuer’s audited financial statements are not available by the Submission Deadline, the Annual Report shall contain unaudited financial information (which may include any annual filing information required by State law) accompanied by a notice that the audited financial statements are not yet available, and the audited financial statements shall be filed on EMMA when they become available. For all fiscal years relative to which an audit is not conducted, the City shall provide its Unaudited Annual Financial Report to the State of Iowa.

(b) other financial information and operating data regarding the Issuer of the type presented in the final official statement distributed in connection with the primary offering of the Project Notes; provided, however, other than information included in its audited financial statements, the Issuer does not customarily prepare or make publicly available, most of the information in the final official statement, and accordingly no financial information or operating data (other than that normally included in the audited financial statements) will be provided by the Issuer in the Annual Report other than the following:

NONE

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Issuer or related public entities, which are available on EMMA or are filed with the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available on EMMA. The Issuer shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the Issuer shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds:

- (1) Principal and interest payment delinquencies.
- (2) Non-payment related defaults, if material.
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (5) Substitution of credit or liquidity providers, or their failure to perform.
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security.
- (7) Modifications to rights of security holders, if material.
- (8) Bond calls, if material, and tender offers.
- (9) Defeasances.
- (10) Release, substitution, or sale of property securing repayment of the securities, if material.
- (11) Rating changes.
- (12) Bankruptcy, insolvency, receivership or similar event of the obligated person.

Note to paragraph (12): For the purposes of the event identified in subparagraph (12), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

(13) The consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material.

(14) Appointment of a successor or additional trustee or the change of name of a trustee, if material.

(15) Incurrence of a Financial Obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the obligated person, any of which affect security holders, if material.

(16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the obligated person, any of which reflect financial difficulties.

(b) If a Listed Event described in Section 5(a) paragraph (2), (7), (8) (but only with respect to bond calls under (8)), (10), (13), (14), or (15) has occurred and the Issuer has determined that such Listed Event is material under applicable federal securities laws, the Issuer shall, in a timely manner but not later than ten business days after the occurrence of such Listed Event, promptly file, or cause to be filed, a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB.

(c) If a Listed Event described in Section 5(a) paragraph (1), (3), (4), (5), (6), (8) (but only with respect to tender offers under (8)), (9), (11), (12), or (16) above has occurred the Issuer shall, in a timely manner but not later than ten business days after the occurrence of such Listed Event, promptly file, or cause to be filed, a notice of such occurrence on EMMA, with such notice in a format and accompanied by such identifying information as prescribed by the MSRB. Notwithstanding the foregoing, notice of Listed Events described in Section (5)(a) paragraphs (8) and (9) need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Holders of affected Bonds pursuant to the Resolutions.

Section 6. Termination of Reporting Obligation. The Issuer's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds or upon the Issuer's receipt of an opinion of nationally recognized bond counsel to the effect that, because of legislative action or final judicial action or administrative actions or proceedings, the failure of the Issuer to comply with the terms hereof will not cause Participating Underwriters to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended.

Section 7. Dissemination Agent. The Issuer may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or Annual Report prepared by the Issuer pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be Speer Financial, Inc.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the Issuer may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) (i) the amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted; (ii) the undertaking, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and (iii) the amendment or waiver either (1) is approved by a majority of the Holders, or (2) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Holders or Beneficial Owners; or

(b) the amendment or waiver is necessary to comply with modifications to or interpretations of the provisions of the Rule as announced by the Securities and Exchange Commission.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the Issuer shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Issuer. In addition, if the amendment relates to the accounting principles to be followed in preparing audited financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(c), and (ii) the Annual Report for the year in which the change is made will present a comparison or other discussion in narrative form (and also, if feasible, in quantitative form) describing or illustrating the material differences between the audited financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the Issuer from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the Issuer chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the Issuer shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the Issuer to comply with any provision of this Disclosure Certificate, any Holder or Beneficial Owner may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Issuer to comply with its obligations under this Disclosure Certificate. Direct, indirect, consequential and punitive damages shall not be recoverable by any person for any default hereunder and are hereby waived to the extent permitted by law. A default under this Disclosure Certificate shall not be deemed an event of default under the Resolutions, and the sole remedy under this Disclosure Certificate in the event of any failure of the Issuer to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent, if any, shall have only such duties as are specifically set forth in this Disclosure Certificate, and the Issuer agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The obligations of the Issuer under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the Issuer, the Dissemination Agent, the Participating Underwriters and Holders and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

Dated: July 27, 2022

CITY OF UNIVERSITY HEIGHTS, IOWA

By _____
Mayor

Attest:

By _____
City Clerk

OFFICIAL BID FORM – TAX-EXEMPT BONDS

City of University Heights
 1302 Melrose Avenue
 University Heights, IA 52246

June 28, 2022
Speer Financial, Inc.
 Facsimile: (319) 291-8628

City Council:

For the \$825,000* General Obligation Corporate Purpose Bonds, Series 2022A (the “Tax-Exempt Bonds”), of the City of University Heights, Johnson County, Iowa (the “City”), as described in the annexed Official Terms of Offering, which is expressly made a part of this bid, we will pay you \$ _____ (no less than \$818,400). The Tax-Exempt Bonds are to bear interest at the following respective rates (each a multiple of 1/8 or 1/100 of 1%) for the Tax-Exempt Bonds of each designated maturity.

AMOUNTS* AND MATURITIES – JUNE 1

\$20,0002024 _____%	\$65,0002029 _____%	\$75,0002033 _____%
20,0002025 _____%	70,0002030 _____%	75,0002034 _____%
20,0002026 _____%	70,0002031 _____%	80,0002035 _____%
35,0002027 _____%	70,0002032 _____%	80,0002036 _____%
65,0002028 _____%		80,0002037 _____%

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

Maturities: _____ Term Maturity _____ Maturities: _____ Term Maturity _____
Maturities: _____ Term Maturity _____ Maturities: _____ Term Maturity _____

**Subject to principal adjustment in accordance with the Official Terms of Offering.*

In submitting this bid, we represent that (i) this bid constitutes a firm offer to purchase the Tax-Exempt Bonds, and (ii) we have an established industry reputation for underwriting new issuances of municipal bonds and notes.

The Tax-Exempt Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa. The City will pay for the legal opinion. **The Purchaser agrees to pay the fee charged by the CUSIP Service Bureau and will accept the Tax-Exempt Bonds with the CUSIP numbers as entered on the Tax-Exempt Bonds.**

No good faith deposit is required.

Account Manager Information

Underwriter/Bank _____
 Address _____
 Authorized Rep _____
 City _____ State/Zip _____
 Direct Phone (_____) _____
 FAX Number (_____) _____
 E-Mail Address _____

Bidders Option Insurance

<p>We have purchased insurance from:</p> <p><u>Name of Insurer</u> <i>(Please fill in)</i></p> <p>_____</p> <p>Premium: _____</p> <p>Maturities: (Check One)</p> <p><input type="checkbox"/> _____ Years</p> <p><input type="checkbox"/> All</p>

The foregoing bid was accepted and the Tax-Exempt Bonds sold by resolution of the City on June 28, 2022.

ATTEST:

CITY OF UNIVERSITY HEIGHTS
 JOHNSON COUNTY, IOWA

 City Clerk

 Mayor

-----**NOT PART OF THE BID**-----
 (Calculation of true interest cost)

Gross Interest	\$
Less Premium/Plus Discount	\$
True Interest Cost	\$
True Interest Rate	%
TOTAL BOND YEARS	8,046.67
AVERAGE LIFE	9.754 Years

OFFICIAL TERMS OF OFFERING

\$825,000*

CITY OF UNIVERSITY HEIGHTS Johnson County, Iowa

General Obligation Corporate Purpose Bonds, Series 2022A

The City of University Heights, Johnson County, Iowa, (the “City”), will receive electronic bids on the SpeerAuction (“SpeerAuction”) website address “www.SpeerAuction.com” for its \$825,000* General Obligation Corporate Purpose Bonds, Series 2022A (the “Tax-Exempt Bonds”), on an all or none basis between 10:00 A.M. and 10:30 A.M., C.D.T., Tuesday, June 28, 2022. To bid electronically, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the City’s sale (as described below). The City will also receive sealed bids for the Tax-Exempt Bonds, on an all or none basis, at the City Hall, 1302 Melrose Avenue, University Heights, Iowa, before 10:30 A.M., C.D.T., Tuesday, June 28, 2022. The City will also receive facsimile bids at (319) 291-8628 for the Tax-Exempt Bonds, on an all or none basis, before 10:30 A.M., C.D.T., Tuesday, June 28, 2022. Upon receipt, facsimile bids will be sealed and treated as sealed bids, and along with all other sealed bids will be publicly opened and, together with any electronic bids, read.

Award will be made or all bids rejected at a meeting of the City on that date. The City reserves the right to reject all bids, to reject any bid proposal not conforming to this Official Terms of Offering, and to waive any irregularity or informality with respect to any bid. Additionally, the City reserves the right to modify or amend this Official Terms of Offering; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Tax-Exempt Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Tax-Exempt Bonds are valid and binding general obligations of the City, and all taxable property within the boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Tax-Exempt Bonds without constitutional or statutory limitation as to rate or amount.

**ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER DETERMINATION OF BEST BID. The aggregate principal amount of the Tax-Exempt Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the Winning Bidder. The City may increase or decrease each maturity in increments of \$5,000, but the total amount to be issued will not exceed \$825,000. Interest rates specified by the Winning Bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.*

The dollar amount of the purchase price proposed by the Winning Bidder will be changed if the aggregate principal amount of the Tax-Exempt Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Tax-Exempt Bonds will be made while maintaining, as closely as possible, the Winning Bidder’s net compensation, calculated as a percentage of bond principal. The Winning Bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive, and shall be binding upon the Winning Bidder.

Establishment of Issue Price (10% Test May Apply if Competitive Sale Requirements are Not Satisfied)

- (a) The winning bidder shall assist the City in establishing the issue price of the Tax-Exempt Bonds and shall execute and deliver to the City at closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the Public or the sales price or prices of the Tax-Exempt Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit A** to this Official Terms of Offering, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Dorsey & Whitney LLP (“Bond Counsel”). All actions to be taken by the City under this Official Terms of Offering to establish the issue price of the Tax-Exempt Bonds may be taken on behalf of the City by the City’s municipal advisor and any notice or report to be provided to the City may be provided to Speer Financial, Inc., Chicago, Illinois (“Speer”).

- (b) The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Tax-Exempt Bonds) will apply to the initial sale of the Tax-Exempt Bonds (the “competitive sale requirements”) because:
- (i) the City shall disseminate this Official Terms of Offering to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
 - (ii) all bidders shall have an equal opportunity to bid;
 - (iii) the City may receive bids from at least three Underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
 - (iv) the City anticipates awarding the sale of the Tax-Exempt Bonds to the bidder who submits a firm offer to purchase the Tax-Exempt Bonds at the lowest true interest cost, as set forth in this Official Terms of Offering.

Any bid submitted pursuant to this Official Terms of Offering shall be considered a firm offer for the purchase of the Tax-Exempt Bonds, as specified in the bid.

- (c) In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. **The City will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the Public as of the Sale Date of any maturity of the Tax-Exempt Bonds as the issue price of that maturity, though the winning bidder may elect to apply the “hold the offering price rule” (as described below). Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Unless a bidder intends to apply the “hold-the-offering-price rule” as described below, bidders should prepare their bids on the assumption that all of the maturities of the Tax-Exempt Bonds will be subject to the 10% test (as described below) in order to establish the issue price of the Tax-Exempt Bonds.** If the competitive sale requirements are not satisfied, the 10% test shall apply to determine the issue price of each maturity of the Tax-Exempt Bonds unless the winning bidder shall request that the “hold-the-offering-price rule” (as described below) shall apply. The winning bidder must notify Speer of its intention to apply the “hold-the-offering-price rule” at or prior to the time the Tax-Exempt Bonds are awarded.
- (i) If the winning bidder does not request that the “hold-the-offering-price rule” apply to determine the issue price of the Tax-Exempt Bonds, the following two paragraphs shall apply:

The City shall treat the first price at which 10% of a maturity of the Tax-Exempt Bonds (the “10% test”) is sold to the Public as the issue price of that maturity, applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Tax-Exempt Bonds satisfies the 10% test as of the date and time of the award of the Tax-Exempt Bonds.

Until the 10% test has been satisfied as to each maturity of the Tax-Exempt Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Tax-Exempt Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until the 10% test has been satisfied as to the Tax-Exempt Bonds of that maturity or until all Tax-Exempt Bonds of that maturity have been sold to the Public. In addition, if the 10% test has not been satisfied with respect to any maturity of the Tax-Exempt Bonds prior to closing, then the purchaser shall provide the City with a representation as to the price of prices, as of the date of closing, at which the purchaser reasonably expects to sell the remaining Tax-Exempt Bonds of such maturity.

- (ii) If the winning bidder does request that the “hold-the-offering-price rule” apply to determine the issue price of the Tax-Exempt Bonds, the following three paragraphs shall apply:

The City may determine to treat (i) pursuant to the 10% test, the first price at which 10% of a maturity of the Tax-Exempt Bonds is sold to the Public as the issue price of that maturity and/or (ii) the initial offering price to the Public as of the Sale Date of any maturity of the Tax-Exempt Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis. The winning bidder shall advise the City if any maturity of the Tax-Exempt Bonds satisfies the 10% test as of the date and time of the award of the Tax-Exempt Bonds. The City shall promptly advise the winning bidder, at or before the time of award of the Tax-Exempt Bonds, which maturities of the Tax-Exempt Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule or both. Bids will *not* be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the Tax-Exempt Bonds.

By submitting a bid, the winning bidder shall (i) confirm that the Underwriters have offered or will offer the Tax-Exempt Bonds to the Public on or before the date of award at the offering price or prices (the “*initial offering price*”), and (ii) agree, on behalf of the Underwriters participating in the purchase of the Tax-Exempt Bonds, that the Underwriters will neither offer nor sell unsold Tax-Exempt Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Tax-Exempt Bonds to the Public at a price that is no higher than the initial offering price to the Public.

The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each Underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Tax-Exempt Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Tax-Exempt Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price applicable to the Tax-Exempt Bonds.

- (d) By submitting a bid, each bidder confirms that: (i) any agreement among Underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Tax-Exempt Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (a) report the prices at which it sells to the Public the unsold Tax-Exempt Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Tax-Exempt Bonds of that maturity or all Tax-Exempt Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires which shall be at least until the 10% test has been satisfied as to the Tax-Exempt Bonds of that maturity or until the close of the fifth business day following the date of the award, and (ii) any agreement among Underwriters relating to the initial sale of the Tax-Exempt Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Tax-Exempt Bonds to the Public to require each broker-dealer that is a party to such retail distribution agreement to (a) report the prices at which it sells to the Public the unsold Tax-Exempt Bonds of each maturity allotted to it until it is notified by the winning bidder or such Underwriter that either the 10% test has been satisfied as to the Tax-Exempt Bonds of that maturity or all Tax-Exempt Bonds of that maturity have been sold to the Public and (b) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% test has been satisfied as to the Tax-Exempt Bonds of that maturity or until the close of the fifth business day following the date of the award.
- (e) Sales of any Tax-Exempt Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the Public for purposes of this Official Terms of Offering. Further, for purposes of this Official Terms of Offering:
- (i) “Public” means any person other than an Underwriter or a Related Party,
 - (ii) “Underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Tax-Exempt Bonds to the public including, specifically, the purchaser, and (b) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Tax-Exempt Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Tax-Exempt Bonds to the Public),
 - (iii) a purchaser of any of the Tax-Exempt Bonds is a “Related Party” to an Underwriter if the Underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
 - (iv) “Sale Date” means the date that the Tax-Exempt Bonds are awarded by the City to the winning bidder.

Establishment of Issue Price (Hold-the-Offering Price Rule May Apply if Competitive Sale Requirements are Not Satisfied)

The winning bidder shall assist the City in establishing the issue price of the Tax-Exempt Bonds and shall execute and deliver to the City at Closing an “issue price” or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Tax-Exempt Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit A** to this Official Terms of Offering, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the City and Bond Counsel. All actions to be taken by the City under this Official Terms of Offering to establish the issue price of the Tax-Exempt Bonds may be taken on behalf of the City by the City’s municipal advisor identified herein and any notice or report to be provided to the City may be provided to the City’s municipal advisor.

The City intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Tax-Exempt Bonds) will apply to the initial sale of the Tax-Exempt Bonds (the “competitive sale requirements”) because:

- (1) the City shall disseminate this Official Terms of Offering to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the City may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the City anticipates awarding the sale of the Tax-Exempt Bonds to the bidder who submits a firm offer to purchase the Tax-Exempt Bonds at the highest price (or lowest true interest cost), as set forth in this Official Terms of Offering.

Any bid submitted pursuant to this Official Terms of Offering shall be considered a firm offer for the purchase of the Tax-Exempt Bonds, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the City shall so advise the winning bidder. The City may determine to treat (i) the first price at which 10% of a maturity of the Tax-Exempt Bonds (the “10% test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Tax-Exempt Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the City if any maturity of the Tax-Exempt Bonds satisfies the 10% test as of the date and time of the award of the Tax-Exempt Bonds. The City shall promptly advise the winning bidder, at or before the time of award of the Tax-Exempt Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Tax-Exempt Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule. **Bids will not be subject to cancellation in the event that the City determines to apply the hold-the-offering-price rule to any maturity of the Tax-Exempt Bonds. Bidders should prepare their bids on the assumption that some or all of the maturities of the Tax-Exempt Bonds will be subject to the hold-the-offering-price rule in order to establish the issue price of the Tax-Exempt Bonds.**

By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Tax-Exempt Bonds to the public on or before the date of award at the offering price or prices (the “initial offering price”), or at the corresponding yield or yields, set forth in the bid submitted by the winning bidder and (ii) agree, on behalf of the underwriters participating in the purchase of the Tax-Exempt Bonds, that the underwriters will neither offer nor sell unsold Tax-Exempt Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Tax-Exempt Bonds to the public at a price that is no higher than the initial offering price to the public.

The winning bidder shall promptly advise the City when the underwriters have sold 10% of that maturity of the Tax-Exempt Bonds to the public at a price that is no higher than the initial offering price to the public, if that occurs prior to the close of the fifth (5th) business day after the sale date.

If the competitive sale requirements are not satisfied, then until the 10% test has been satisfied as to each maturity of the Tax-Exempt Bonds, the winning bidder agrees to promptly report to the City the prices at which the unsold Tax-Exempt Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Tax-Exempt Bonds of that maturity or until all Tax-Exempt Bonds of that maturity have been sold.

The City acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Tax-Exempt Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Tax-Exempt Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The City further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Tax-Exempt Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Tax-Exempt Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Tax-Exempt Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Tax-Exempt Bonds of that maturity or all Tax-Exempt Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, and (ii) any agreement among underwriters relating to the initial sale of the Tax-Exempt Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Tax-Exempt Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Tax-Exempt Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Tax-Exempt Bonds of that maturity or all Tax-Exempt Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires.

Sales of any Tax-Exempt Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Official Terms of Offering. Further, for purposes of this Official Terms of Offering:

- (1) “public” means any person other than an underwriter or a related party;
- (2) “underwriter” means (A) any person that agrees pursuant to a written contract with the City (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Tax-Exempt Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Tax-Exempt Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Tax-Exempt Bonds to the public);
- (3) a purchaser of any of the Tax-Exempt Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and
- (4) “sale date” means the date that the Tax-Exempt Bonds are awarded by the City to the winning bidder.

Tax-Exempt Bond Details

The Tax-Exempt Bonds will be in fully registered form in the denominations of \$5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, to which principal and interest payments on the Tax-Exempt Bonds will be paid. Individual purchases will be in book-entry form only. Interest on each Tax-Exempt Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such Tax-Exempt Bond is registered at the close of business on the fifteenth day of the month next preceding an interest payment date on such bond. The principal of the Tax-Exempt Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Bond Registrar in West Des Moines, Iowa. Semiannual interest is due June 1 and December 1 of each year, commencing December 1, 2022 and is payable by UMB Bank, n.a., West Des Moines, Iowa (the “Bond Registrar”). The Tax-Exempt Bonds are dated the date of delivery (expected to be on or about July 27, 2022).

AMOUNTS* AND MATURITIES – JUNE 1

\$20,000	2024	\$65,000	2029	\$75,000	2033
20,000	2025	70,000	2030	75,000	2034
20,000	2026	70,000	2031	80,000	2035
35,000	2027	70,000	2032	80,000	2036
65,000	2028			80,000	2037

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Tax-Exempt Bonds due June 1, 2024 - 2030, inclusive, are non-callable. The Tax-Exempt Bonds due June 1, 2031 - 2037, inclusive, are callable in whole or in part and on any date on or after June 1, 2030, at a price of par and accrued interest. If less than all the Tax-Exempt Bonds are called, they shall be redeemed in any order of maturity as determined by the City and within any maturity by lot.

Method of Bidding Electronically

Notwithstanding the fact that the City permits receiving bids electronically using SpeerAuction, all bidders must have a signed, but uncompleted, Official Bid Form delivered to Speer Financial, Inc., Suite 608, 531 Commercial Street, Waterloo, Iowa, (319) 291-8628 facsimile, prior to the close of bidding to which a printout of the electronic bid will be attached and delivered to the City.

If bidding electronically, all-or-none bids must be submitted via the internet address www.SpeerAuction.com. The use of SpeerAuction shall be at the bidder’s risk and expense and the City shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bids.

To bid via the SpeerAuction webpage, bidders must first visit the SpeerAuction webpage where, if they have not previously registered with either SpeerAuction, Grant Street Group (the “Auction Administrator”) or any other website administered by the Auction Administrator, they may register and then request admission to bid on the Tax-Exempt Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid electronically.

The “Rules” of the SpeerAuction bidding process may be viewed on the SpeerAuction webpage and are incorporated herein by reference. Bidders must comply with the Rules of SpeerAuction in addition to the requirements of the City’s Official Terms of Offering. In the event the Rules of SpeerAuction and this Official Terms of Offering conflict, this Official Terms of Offering shall be controlling.

All electronic bids must be submitted on the SpeerAuction webpage. Electronic bidders may change and submit bids as many times as they choose during the sale period but may not delete a submitted bid. The last bid submitted by an electronic bidder before the deadline for receipt of bids will be compared to all other final bids to determine the winning bidder. During the bidding, no bidder will see any other bidder’s bid nor the status of their bid relative to other bids (e.g., whether their bid is a leading bid). The electronic bidder bears all risk of transmission failure. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.

Each bidder shall be solely responsible for making necessary arrangements to access SpeerAuction for purposes of submitting its internet bid in a timely manner and in compliance with the requirements of the Terms of Offering. The City is permitting bidders to use the services of the SpeerAuction solely as a communication mechanism to conduct the internet bidding and the SpeerAuction is not an agent of the City. Provisions of the Terms of Offering and Official Bid Form shall control in the event of conflict with information provided by the Internet Bid System.

Electronic Facsimile Bidding: Bids may be submitted via facsimile at (319) 291-8628. Electronic facsimile bids will be sealed and treated as sealed bids. Neither the City nor its agents will assume liability for the inability of the bidder to reach the above named fax numbers prior to the time of sale specified above. Transmissions received after the deadline will be rejected. Bidders electing to submit bids via facsimile transmission bear full and complete responsibility for the transmission of such bid. Neither the City nor its agents will assume responsibility for the inability of the bidder to reach the above specified fax number prior to the time of sale. Time of receipt shall be the time recorded by the person receiving the facsimile and shall be conclusive.

Bidding Parameters and Award of the Tax-Exempt Bonds

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid shall be in non-descending order. The differential between the highest rate bid and the lowest rate bid shall not exceed six percent (6%). All bids must be for all of the Tax-Exempt Bonds and must be for not less than \$818,400.

Award of the Tax-Exempt Bonds: The Tax-Exempt Bonds will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Tax-Exempt Bonds from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Tax-Exempt Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage or if all such bids are not submitted electronically, the winning bid shall be determined by lot.

The Tax-Exempt Bonds will be awarded to the bidder complying with the terms of this Official Terms of Offering whose bid produces the lowest true interest cost rate to the City as determined by the City's Registered Municipal Advisor, which determination shall be conclusive and binding on all bidders; provided, that the City reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Electronic bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Tax-Exempt Bonds are changed, maintaining, as close as possible, the same dollar amount of profit per \$1,000 bond as bid.

The true interest cost of each electronic bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the City's Municipal Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The City or its Municipal Advisor will notify the bidder to whom the Tax-Exempt Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-36. The winning bidder will be required to pay the standard MSRB charge for Tax-Exempt Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per Tax-Exempt Bond.

No Good Faith Deposit and Other Matters

No good faith deposit is required to bid on the Tax-Exempt Bonds.

The City covenants and agrees to enter into a written agreement, certificate or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the City for the benefit of the beneficial owners of the Tax-Exempt Bonds on or before the date of delivery of the Tax-Exempt Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Tax-Exempt Bonds shall be conditioned upon the City delivering the Undertaking on or before the date of delivery of the Tax-Exempt Bonds.

The Tax-Exempt Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about July 27, 2022. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the City except failure of performance by the purchaser, the City may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Tax-Exempt Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Tax-Exempt Bonds, and any other information required by law or deemed appropriate by the City, shall constitute a "Final Official Statement" of the City with respect to the Tax-Exempt Bonds, as that term is defined in the Rule. By awarding the Tax-Exempt Bonds to any underwriter or underwriting syndicate, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Tax-Exempt Bonds are awarded, up to 50 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Tax-Exempt Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Tax-Exempt Bonds agrees thereby that if its bid is accepted by the City it shall enter into a contractual relationship with all Participating Underwriters of the Tax-Exempt Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful purchaser agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Tax-Exempt Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The City will, at its expense, deliver the Tax-Exempt Bonds to the purchaser in New York, New York (or arrange for "FAST" delivery) through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the City will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Tax-Exempt Bonds: (1) the legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, that the Tax-Exempt Bonds are lawful and enforceable obligations of the City in accordance with their terms; (2) the opinion of said attorneys that the interest on the Tax-Exempt Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Tax-Exempt Bonds; and (3) a no litigation certificate by the City.

The City intends to designate the Tax-Exempt Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b) (3) of the Internal Revenue Code of 1986, as amended.

Purchaser consents to the receipt of electronic transcripts and acknowledges the City's intended use of electronically executed documents. Iowa Code Chapter 554D establishes electronic signatures have the full weight and legal authority as manual signatures.

The City has authorized the printing and distribution of an Official Statement containing pertinent information relative to the City and the Tax-Exempt Bonds. Copies of such Official Statement or additional information may be obtained from Mike Haverkamp, City Clerk, 1302 Melrose Avenue, University Heights, Iowa 52246 or an electronic copy of this Official Statement is available from the www.speerfinancial.com website under "Official Statement Sales/Competitive Calendar" or from the Registered Municipal Advisor to the City, Speer Financial, Inc., 531 Commercial Street, Suite 608, Waterloo, Iowa 50701 (telephone (319) 291-2077), and 230 West Monroe Street, Suite 2630, Chicago, Illinois 60606 (telephone (312) 346-3700).

/s/ **MIKE HAVERKAMP**
City Clerk
CITY OF UNIVERSITY HEIGHTS
Johnson County, Iowa

EXHIBIT A
EXAMPLE ISSUE PRICE CERTIFICATE

OFFICIAL BID FORM – TAXABLE BONDS

City of University Heights
 1302 Melrose Avenue
 University Heights, IA 52246

June 28, 2022
Speer Financial, Inc.
 Facsimile: (319) 291-8628

City Council:

For the \$215,000* Taxable General Obligation Corporate Purpose Bonds, Series 2022B (the “Taxable Bonds”), of the City of University Heights, Johnson County, Iowa (the “City”), as described in the annexed Official Terms of Offering, which is expressly made a part of this bid, we will pay you \$_____ (no less than \$213,280). The Taxable Bonds are to bear interest at the following respective rates (each a multiple of 1/8 or 1/100 of 1%) for the Taxable Bonds of each designated maturity.

AMOUNTS* AND MATURITIES – JUNE 1

\$50,000	2023 _____%	\$45,000	2025 _____%	\$45,000	2026 _____%
45,000	2024 _____%			30,000	2027 _____%

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

Maturities: _____ Term Maturity _____ Maturities: _____ Term Maturity _____

**Subject to principal adjustment in accordance with the Official Terms of Offering.*

The Taxable Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa. The City will pay for the legal opinion. **The Purchaser agrees to pay the fee charged by the CUSIP Service Bureau and will accept the Taxable Bonds with the CUSIP numbers as entered on the Taxable Bonds.**

No good faith deposit is required.

Account Manager Information

Underwriter/Bank _____
 Address _____
 Authorized Rep _____
 City _____ State/Zip _____
 Direct Phone (____) _____
 FAX Number (____) _____
 E-Mail Address _____

Bidders Option Insurance

<p>We have purchased insurance from:</p> <p><u>Name of Insurer</u> <i>(Please fill in)</i></p> <p>_____</p> <p>Premium: _____</p> <p>Maturities: (Check One)</p> <p><input type="checkbox"/> _____ Years</p> <p><input type="checkbox"/> All</p>

The foregoing bid was accepted and the Taxable Bonds sold by resolution of the City on June 28, 2022.

ATTEST:

CITY OF UNIVERSITY HEIGHTS
 JOHNSON COUNTY, IOWA

City Clerk

Mayor

-----NOT PART OF THE BID-----
 (Calculation of true interest cost)

Gross Interest	\$
Less Premium/Plus Discount	\$
True Interest Cost	\$
True Interest Rate	%
TOTAL BOND YEARS	571.56
AVERAGE LIFE	2.658 Years

OFFICIAL TERMS OF OFFERING

\$215,000*

CITY OF UNIVERSITY HEIGHTS Johnson County, Iowa

Taxable General Obligation Corporate Purpose Bonds, Series 2022B

The City of University Heights, Johnson County, Iowa, (the “City”), will receive electronic bids on the SpeerAuction (“SpeerAuction”) website address “www.SpeerAuction.com” for its \$215,000* Taxable General Obligation Corporate Purpose Bonds, Series 2022B (the “Taxable Bonds”), on an all or none basis between 10:30 A.M. and 11:00 A.M., C.D.T., Tuesday, June 28, 2022. To bid electronically, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the City’s sale (as described below). The City will also receive sealed bids for the Taxable Bonds, on an all or none basis, at the City Hall, 1302 Melrose Avenue, University Heights, Iowa, before 11:00 A.M., C.D.T., Tuesday, June 28, 2022. The City will also receive facsimile bids at (319) 291-8628 for the Taxable Bonds, on an all or none basis, before 11:00 A.M., C.D.T., Tuesday, June 28, 2022. Upon receipt, facsimile bids will be sealed and treated as sealed bids, and along with all other sealed bids will be publicly opened and, together with any electronic bids, read.

Award will be made or all bids rejected at a meeting of the City on that date. The City reserves the right to reject all bids, to reject any bid proposal not conforming to this Official Terms of Offering, and to waive any irregularity or informality with respect to any bid. Additionally, the City reserves the right to modify or amend this Official Terms of Offering; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Taxable Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Taxable Bonds are valid and binding general obligations of the City, and all taxable property within the boundaries of the City is subject to the levy of taxes to pay the principal of and interest on the Taxable Bonds without constitutional or statutory limitation as to rate or amount.

**ADJUSTMENTS TO PRINCIPAL AMOUNT AFTER DETERMINATION OF BEST BID. The aggregate principal amount of the Taxable Bonds, and each scheduled maturity thereof, are subject to increase or reduction by the City or its designee after the determination of the Winning Bidder. The City may increase or decrease each maturity in increments of \$5,000, but the total amount to be issued will not exceed \$215,000. Interest rates specified by the Winning Bidder for each maturity will not change. Final adjustments shall be in the sole discretion of the City.*

The dollar amount of the purchase price proposed by the Winning Bidder will be changed if the aggregate principal amount of the Taxable Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Taxable Bonds will be made while maintaining, as closely as possible, the Winning Bidder’s net compensation, calculated as a percentage of bond principal. The Winning Bidder may not withdraw or modify its bid as a result of any post-bid adjustment. Any adjustment shall be conclusive, and shall be binding upon the Winning Bidder.

Taxable Bond Details

The Taxable Bonds will be in fully registered form in the denominations of \$5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, to which principal and interest payments on the Taxable Bonds will be paid. Individual purchases will be in book-entry form only. Interest on each Taxable Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such Taxable Bond is registered at the close of business on the fifteenth day of the month next preceding an interest payment date on such bond. The principal of the Taxable Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Bond Registrar in West Des Moines, Iowa. Semiannual interest is due June 1 and December 1 of each year, commencing December 1, 2022 and is payable by UMB Bank, n.a., West Des Moines, Iowa (the “Bond Registrar”). The Taxable Bonds are dated the date of delivery (expected to be on or about July 27, 2022).

AMOUNTS* AND MATURITIES – JUNE 1

\$50,000	2023	\$45,000	2025	\$45,000	2026
45,000	2024			30,000	2027

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

The Taxable Bonds are **not** subject to optional redemption prior to maturity.

Method of Bidding Electronically

Notwithstanding the fact that the City permits receiving bids electronically using SpeerAuction, all bidders must have a signed, but uncompleted, Official Bid Form delivered to Speer Financial, Inc., Suite 608, 531 Commercial Street, Waterloo, Iowa, (319) 291-8628 facsimile, prior to the close of bidding to which a printout of the electronic bid will be attached and delivered to the City.

If bidding electronically, all-or-none bids must be submitted via the internet address www.SpeerAuction.com. The use of SpeerAuction shall be at the bidder's risk and expense and the City shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bids.

To bid via the SpeerAuction webpage, bidders must first visit the SpeerAuction webpage where, if they have not previously registered with either SpeerAuction, Grant Street Group (the "Auction Administrator") or any other website administered by the Auction Administrator, they may register and then request admission to bid on the Taxable Bonds. Bidders will be notified prior to the scheduled bidding time of their eligibility to bid. Only registered broker-dealers and dealer banks with DTC clearing arrangements will be eligible to bid electronically.

The "Rules" of the SpeerAuction bidding process may be viewed on the SpeerAuction webpage and are incorporated herein by reference. Bidders must comply with the Rules of SpeerAuction in addition to the requirements of the City's Official Terms of Offering. In the event the Rules of SpeerAuction and this Official Terms of Offering conflict, this Official Terms of Offering shall be controlling.

All electronic bids must be submitted on the SpeerAuction webpage. Electronic bidders may change and submit bids as many times as they choose during the sale period but may not delete a submitted bid. The last bid submitted by an electronic bidder before the deadline for receipt of bids will be compared to all other final bids to determine the winning bidder. During the bidding, no bidder will see any other bidder's bid nor the status of their bid relative to other bids (e.g., whether their bid is a leading bid). The electronic bidder bears all risk of transmission failure. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.

Each bidder shall be solely responsible for making necessary arrangements to access SpeerAuction for purposes of submitting its internet bid in a timely manner and in compliance with the requirements of the Terms of Offering. The City is permitting bidders to use the services of the SpeerAuction solely as a communication mechanism to conduct the internet bidding and the SpeerAuction is not an agent of the City. Provisions of the Terms of Offering and Official Bid Form shall control in the event of conflict with information provided by the Internet Bid System.

Electronic Facsimile Bidding: Bids may be submitted via facsimile at (319) 291-8628. Electronic facsimile bids will be sealed and treated as sealed bids. Neither the City nor its agents will assume liability for the inability of the bidder to reach the above named fax numbers prior to the time of sale specified above. Transmissions received after the deadline will be rejected. Bidders electing to submit bids via facsimile transmission bear full and complete responsibility for the transmission of such bid. Neither the City nor its agents will assume responsibility for the inability of the bidder to reach the above specified fax number prior to the time of sale. Time of receipt shall be the time recorded by the person receiving the facsimile and shall be conclusive.

Bidding Parameters and Award of the Taxable Bonds

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The rates bid shall be in non-descending order. The differential between the highest rate bid and the lowest rate bid shall not exceed six percent (6%). All bids must be for all of the Taxable Bonds and must be for not less than \$213,280.

Award of the Taxable Bonds: The Taxable Bonds will be awarded on the basis of true interest cost, determined in the following manner. True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Taxable Bonds from the payment dates thereof to the dated date and to the bid price. For the purpose of calculating true interest cost, the Taxable Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage or if all such bids are not submitted electronically, the winning bid shall be determined by lot.

The Taxable Bonds will be awarded to the bidder complying with the terms of this Official Terms of Offering whose bid produces the lowest true interest cost rate to the City as determined by the City's Registered Municipal Advisor, which determination shall be conclusive and binding on all bidders; provided, that the City reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Electronic bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Taxable Bonds are changed, maintaining, as close as possible, the same dollar amount of profit per \$1,000 bond as bid.

The true interest cost of each electronic bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the City's Municipal Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The City or its Municipal Advisor will notify the bidder to whom the Taxable Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-36. The winning bidder will be required to pay the standard MSRB charge for Taxable Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per Taxable Bond.

No Good Faith Deposit and Other Matters

No good faith deposit is required to bid on the Taxable Bonds.

The City covenants and agrees to enter into a written agreement, certificate or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the City for the benefit of the beneficial owners of the Taxable Bonds on or before the date of delivery of the Taxable Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Table Bonds shall be conditioned upon the City delivering the Undertaking on or before the date of delivery of the Taxable Bonds.

The Taxable Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about July 27, 2022. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the City except failure of performance by the purchaser, the City may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Tax-Exempt Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Taxable Bonds, and any other information required by law or deemed appropriate by the City, shall constitute a “Final Official Statement” of the City with respect to the Taxable Bonds, as that term is defined in the Rule. By awarding the Taxable Bonds to any underwriter or underwriting syndicate, the City agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Taxable Bonds are awarded, up to 50 copies of the Final Official Statement to permit each “Participating Underwriter” (as that term is defined in the Rule) to comply with the provisions of such Rule. The City shall treat the senior managing underwriter of the syndicate to which the Taxable Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Taxable Bonds agrees thereby that if its bid is accepted by the City it shall enter into a contractual relationship with all Participating Underwriters of the Taxable Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful purchaser agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Taxable Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The City will, at its expense, deliver the Taxable Bonds to the purchaser in New York, New York (or arrange for “FAST” delivery) through the facilities of DTC and will pay for the bond attorney’s opinion. At the time of closing, the City will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Taxable Bonds: (1) the legal opinion of Dorsey & Whitney LLP, Des Moines, Iowa, that the Taxable Bonds are lawful and enforceable obligations of the City in accordance with their terms and (2) a no litigation certificate by the City.

Purchaser consents to the receipt of electronic transcripts and acknowledges the City’s intended use of electronically executed documents. Iowa Code Chapter 554D establishes electronic signatures have the full weight and legal authority as manual signatures.

The City has authorized the printing and distribution of an Official Statement containing pertinent information relative to the City and the Taxable Bonds. Copies of such Official Statement or additional information may be obtained from Mike Haverkamp, City Clerk, 1302 Melrose Avenue, University Heights, Iowa 52246 or an electronic copy of this Official Statement is available from the www.speerfinancial.com website under “Official Statement Sales/Competitive Calendar” or from the Registered Municipal Advisor to the City, Speer Financial, Inc., 531 Commercial Street, Suite 608, Waterloo, Iowa 50701 (telephone (319) 291-2077), and 230 West Monroe Street, Suite 2630, Chicago, Illinois 60606 (telephone (312) 346-3700).

/s/ **MIKE HAVERKAMP**
City Clerk
CITY OF UNIVERSITY HEIGHTS
Johnson County, Iowa

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