

AHLERS & COONEY, P.C.

100 COURT AVENUE, SUITE 600
DES MOINES, IOWA 50309-2231
PHONE: 515-243-7611
FAX: 515-243-2149
WWW.AHLERSLAW.COM

William J. Noth
wnoth@ahlerslaw.com

Direct Dial:
(515)246-0332

May 21, 2015

BY OVERNIGHT DELIVERY

Ms. Jenny Larson
Budget Director
City of Dubuque
50 West 13th Street
Dubuque, Iowa 52001

RE: Sales Tax Increment Revenue Bonds (Annual Appropriation Property Tax Supported), Senior Bond Series 2015A

Dear Ms. Larson:

Enclosed are documents to complete action in connection with the authorization for the issuance of the above Bonds.

1. Tax Exemption Certificate. The Tax Exemption Certificate, described in more detail below, sets out in detail a number of facts, promises and obligations which must be met and agreed to by the City in order to maintain these Bonds as tax exempt. This certificate should be SIGNED BUT NOT DATED. Please return the "Complete and Return" copy and Purchaser's copy to our office prior to closing.

2. Continuing Disclosure Certificate. The Continuing Disclosure Certificate, which is described in detail below, also should be signed by the Mayor and the Clerk but not dated. Please return the "Complete and Return" copy and Purchaser's copy to us prior to closing.

3. Original Bonds Nos. 1-13, inclusive. The original Bonds are enclosed to be executed by the Mayor and the Clerk in the spaces provided and impressed with the City's seal. The Registrar also needs to sign the same. The Date of Authentication will be the date of closing. A highlighted copy of Bond No. 1 shows where signatures and seal

May 21, 2015

Page 2

should appear on all Bonds. Please have the executed Bonds returned to us as soon as possible so that they can be delivered to the Registrar for authentication and forwarded to DTC prior to closing.

4. Delivery Certificate. This certificate also should be signed, but not dated. Please return the "Complete and Return" copy and Purchaser's copy to my attention prior to closing.

5. Transcript Certificate. This certificate is to be executed and sealed in the manner indicated on the second page and may be dated at the time of completion. A notary attestation for all official signatures is requested. Please return the "Complete and Return" copy to my attention prior to closing.

6. Authentication Order. Please execute and date all copies and return the "Complete and Return" copy and Registrar's copy to my attention prior to closing.

7. County Auditor's Certificate. A true copy of the Series 2015A Resolution as adopted on May 18, 2015 is to be certified and filed with the Auditor of Dubuque County. The Auditor is asked to certify to such filing on the lower portion of the certificate. Please return the "Complete and Return" copy to my attention prior to closing.

8. Form 8038-G -- Information Return for Tax Exempt Governmental Obligations. This form should be signed by the Finance Director, but not dated, and returned to us prior to closing.

9. Paying Agent; Bond Registrar and Transfer Agent Agreement. Please have the Mayor and City Clerk execute and return all copies to us. We will obtain signatures from Wells Fargo Bank, N.A. and an executed copy will be provided to you after closing.

Tax Exemption

The Tax Exemption Certificate contains important information concerning the calculated yield on the Bonds and a number of covenants and obligations on the part of the City. This certificate should be retained along with all of your records regarding the use of proceeds, expenditure dates and investment information needed to comply with IRS guidelines. I will not attempt to summarize all of the matters which are included in this certificate but I do want to point out some important ones.

Tax exemption is based in part upon the fact that the use of the facilities to be acquired by the City with the proceeds will be for the benefit of the public and will not be used in the private trade or business of any business or non-tax-exempt entity. The

properties acquired with the Bond proceeds must not be sold or diverted to any private or nonpublic use unless the significance of that action is reviewed by bond counsel.

The Tax Exemption Certificate sets forth the best knowledge and belief which you have as of today concerning the timely expenditure of the proceeds as the City reasonably expects expenditures to occur. If for any reason the City finds it will be prevented from expending the Bond proceeds fully within three years, that matter should be referred to us.

These Bonds are also issued under the expectation that the City will be exempt from the requirement to rebate arbitrage earnings to the United States Government since you intend to spend the proceeds of the Bonds for construction purposes within two (2) years of issuance and meet the other requirements of the two-year expenditure exemption from the rebate provisions.

There are a number of other general promises and commitments by the City to take or refrain from action, which are necessary to maintain the tax exemption of these Bonds. You should recognize that these promises and commitments are required of the City on an ongoing basis and that the possibility of some additional future action does exist.

Continuing Disclosure Certificate

Securities and Exchange Commission Rule 15c2-12 prohibits the underwriting and recommendation to the public of municipal securities for which adequate secondary market information is not available. The rules apply generally to any municipal offering over \$1,000,000. The City therefore has an obligation to provide continuing disclosure to the marketplace while the Bonds are outstanding. The applicable covenants and duties of the City are outlined in the Continuing Disclosure Certificate.

The Continuing Disclosure Certificate requires the City to provide annual financial information and other operating data described in the Continuing Disclosure Certificate to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access system ("EMMA") so long as the Bonds are outstanding, and also to provide notice to EMMA if certain events occur. This information and data must be sent in "searchable PDF" form. You should ensure that your audit and operating data will be available in that format so you may comply. The events which must be reported are detailed in the certificate, but other events which would be of concern to the rating agencies or bondholders also should be considered for disclosure under the anti-fraud provisions of the federal securities laws.

May 21, 2015

Page 4

These disclosure requirements are ongoing and it will be important to designate an appropriate contact person who will have a primary responsibility for preparing and coordinating the filing of the annual financial information, operating data and any event notices.

The penalties for violation of the rule fall ultimately on the issuer of the bonds, because underwriters may be precluded from agreeing to underwrite or bid on bonds of issuers who have not complied with their disclosure obligations. Failure to comply therefore may result in fewer bids and ultimately no bids or the inability to secure an underwriter for an issue.

Closing Matters.

As you know, closing of this issue is scheduled to occur on or about June 15, 2015. At the time of closing, the "Purchaser's" copies of the above items will be delivered to the Purchaser of the Bonds in exchange for the agreed purchase price. Our legal opinion also will be delivered to the Purchaser at that time.

Should you have any questions, or if we can be of any assistance in completing the enclosed items, please don't hesitate to contact me.

Very truly yours,



William J. Noth

WJN:dc
Enclosures

cc: Barry Lindahl
Ken TeKippe
Tionna Pooler

01113037-1\10422-162