



TERMS OF OFFERING

CITY OF GRIMES, IOWA

\$11,080,000* General Obligation Corporate Purpose Bonds, Series 2025A

\$3,390,000* General Obligation Local Option Sales, Services and Use Tax Bonds, Series 2025B

Bids Due: Tuesday, April 22, 2025, before 10:00am CDST
Dated Date: Date of Delivery (Anticipated to be May 14, 2025)
Delivery Date: Anticipated to be May 14, 2025

* Preliminary; subject to change.

TERMS OF OFFERING
CITY OF GRIMES, IOWA

\$11,080,000* General Obligation Corporate Purpose Bonds, Series 2025A
\$3,390,000* General Obligation Local Option Sales, Services and Use Tax Bonds, Series 2025B

Bids for the purchase of City of Grimes, Iowa’s (the “City”) \$11,080,000* General Obligation Corporate Purpose Bonds, Series 2025A (the “Series 2025A Bonds”) and \$3,390,000* General Obligation Local Option Sales, Services and Use Tax Bonds, Series 2025B (the “Series 2025B Bonds”), collectively (the “Bonds”) will be received on Tuesday, April 22, 2025 until 10:00 A.M., Central Time, after which time they will be tabulated. The City Council will consider award of the Bonds at 5:30 P.M., Central Time, on the same day. Questions regarding the sale of the Bonds should be directed to the City’s Municipal Advisor, PFM Financial Advisors LLC (the “Municipal Advisor”), 801 Grand Avenue, Suite 3300, Des Moines, Iowa 50309, telephone 515-724-5734. Information may also be obtained from Marcia Woodke, Finance Director, City of Grimes, 101 N.E. Harvey Street, Grimes, Iowa 50111, telephone 515-986-3036.

This section sets forth the description of certain terms of the Bonds as well as the TERMS OF OFFERING with which all bidders and bid proposals are required to comply, as follows:

DETAILS OF THE SERIES 2025A BONDS

GENERAL OBLIGATION CORPORATE PURPOSE BONDS, SERIES 2025A, in the principal amount of \$11,080,000*, will be dated the date of delivery (anticipated to be May 14, 2025), will be in the denomination of \$5,000 or multiples thereof, and will mature on June 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2026	\$745,000	2034	\$675,000
2027	545,000	2035	710,000
2028	505,000	2036	745,000
2029	530,000	2037	775,000
2030	555,000	2038	810,000
2031	585,000	2039	845,000
2032	615,000	2040	880,000
2033	645,000	2041	915,000

* Preliminary; subject to change.

ADJUSTMENT TO SERIES 2025A BOND MATURITY AMOUNTS

The aggregate principal amount of the Series 2025A Bonds is subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each annual maturity amount in increments of \$5,000 but the total amount to be issued will not exceed \$11,655,000. Interest rates specified by the successful 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 successful bidder will be changed if the aggregate principal amount of the Series 2025A Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Series 2025A Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful 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 successful bidder.

DETAILS OF THE SERIES 2025B BONDS

GENERAL OBLIGATION LOCAL OPTION SALES, SERVICES AND USE TAX BONDS, SERIES 2025B, in the principal amount of \$3,390,000*, will be dated the date of delivery (anticipated to be May 14, 2025), will be in the denomination of \$5,000 or multiples thereof, and will mature on June 1 as follows:

<u>Year</u>	<u>Amount*</u>	<u>Year</u>	<u>Amount*</u>
2026	\$115,000	2036	\$185,000
2027	120,000	2037	190,000
2028	125,000	2038	200,000
2029	130,000	2039	210,000
2030	140,000	2040	220,000
2031	145,000	2041	225,000
2032	150,000	2042	235,000
2033	160,000	2043	245,000
2034	165,000	2044	255,000
2035	175,000		

* Preliminary; subject to change.

ADJUSTMENT TO SERIES 2025B BOND MATURITY AMOUNTS

The aggregate principal amount of the Series 2025B Bonds is subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each annual maturity amount in increments of \$5,000 but the total amount to be issued will not exceed \$3,560,000. Interest rates specified by the successful 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 successful bidder will be changed if the aggregate principal amount of the Series 2025B Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Series 2025B Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful 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 successful bidder.

INTEREST ON THE BONDS

Interest on the Bonds will be payable on December 1, 2025 and semiannually on the 1st day of June and December thereafter. Interest and principal shall be paid to the registered holder of a Bond as shown on the records of ownership maintained by the Registrar as of the close of business on the 15th day of the month next preceding the interest payment date (the "Record Date"). Interest will be computed on the basis of a 360-day year of twelve 30-day months and will be rounded pursuant to rules of the Municipal Securities Rulemaking Board.

OPTIONAL REDEMPTION OF THE BONDS

The Bonds due after June 1, 2033 will be subject to call prior to maturity in whole, or from time to time in part, in any order of maturity and within a maturity by lot on said date or on any date thereafter at the option of the City, upon terms of par plus accrued interest to date of call. Written notice of such call shall be given at least thirty (30) days prior to the date fixed for redemption to the registered owners of the Bonds to be redeemed at the address shown on the registration books.

TERM BOND OPTION

Bidders shall have the option of designating the Bonds as serial bonds or term bonds, or both. The applicable bid must designate whether each of the principal amounts shown above represent a serial maturity or a mandatory redemption requirement for a term bond maturity. (See the OFFICIAL BID FORM for more information.) In any event, the above principal amount scheduled shall be represented by either serial bond maturities or mandatory redemption requirements, or a combination of both.

GOOD FAITH DEPOSITS

A good faith deposit in the amount of \$110,800 for the Series 2025A Bonds and \$33,900 for the Series 2025B Bonds (collectively, the “Deposits”) is required from the lowest bidder(s) only of each respective series of the Bonds. The lowest bidder(s) of each respective series of the Bonds is required to submit such Deposits payable to the order of the City, not later than 12:00 P.M. Central Times on the day of the sale of the Bonds in the form of either (i) a cashier’s check provided to the City or its Municipal Advisor or (ii) a wire transfer as instructed by the City’s Municipal Advisor. If not so received, the bid of the lowest bidder(s) may be rejected and the City may direct the second lowest bidder(s) to submit a deposit and thereafter may award the sale of each respective series of the Bonds to the same. No interest on the Deposits will accrue to the successful bidder(s) (the “Purchaser(s)”). The Deposits will be applied to the purchase price of each respective series of Bonds. In the event a Purchaser(s) fails to honor its accepted bid proposal, the applicable deposit will be retained by the City.

FORM OF BIDS AND AWARD

All bids shall be unconditional for each respective series of the Bonds for a price not less than \$10,947,040 for the Series 2025A Bonds and \$3,349,320 for the Series 2025B Bonds, plus accrued interest, and shall specify the rate or rates of interest in conformity to the limitations as set forth in the “BIDDING PARAMETERS” section herein. Bids must be submitted on or in substantial compliance with the OFFICIAL BID FORMS provided by the City. The Bonds will be awarded to the bidder offering the lowest interest rate to be determined on a true interest cost (the “TIC”) basis assuming compliance with the “ESTABLISHMENT OF ISSUE PRICE” and “GOOD FAITH DEPOSITS” sections herein. The TIC shall be determined by the present value method, i.e., by ascertaining the semiannual rate, compounded semiannually, necessary to discount to present value as of the dated date of the Bonds, the amount payable on each interest payment date and on each stated maturity date or earlier mandatory redemption, so that the aggregate of such amounts will equal the aggregate purchase price offered therefore. The TIC shall be stated in terms of an annual percentage rate and shall be that rate of interest which is twice the semiannual rate so ascertained (also known as the Canadian Method). The TIC shall be as determined by the Municipal Advisor based on the TERMS OF OFFERING and all amendments, and on the bid as submitted. The Municipal Advisor's computation of the TIC of each bid shall be controlling. In the event of tie bids for the lowest TIC, the Bonds will be awarded by lot.

The City will reserve the right to (i) waive non-substantive informalities of any bid or of matters relating to the receipt of bids and award of the Bonds, (ii) reject all bids without cause, and (iii) reject any bid which the City determines to have failed to comply with the terms herein.

BIDDING PARAMETERS

For each respective series of the Bonds, each bidder’s proposal must conform to the following limitations:

1. Each annual maturity must bear a single rate of interest from the dated date of the Bonds to the date of maturity.
2. Rates of interest bid must be in multiples of one-eighth or one-twentieth of one percent.
3. The initial price to the public for each maturity must be 98% or greater.

RECEIPT OF BIDS

Form of Bids: Bids must be submitted on or in substantial compliance with the TERMS OF OFFERING and OFFICIAL BID FORMS provided by the City or through PARITY® competitive bidding system (the “Internet Bid System”). The City shall not be responsible for malfunction or mistake made by any person, or as a result of the use of an electronic bid or the means used to deliver or complete a bid. The use of such facilities or means is at the sole risk of the prospective bidder who shall be bound by the terms of the bid as received.

No bid will be accepted after the time specified in the OFFICIAL BID FORMS. The time, as maintained by the Internet Bid System, shall constitute the official time with respect to all bids submitted. A bid may be withdrawn before the bid deadline using the same method used to submit the bid. If more than one bid is received from a bidder, the last bid received shall be considered.

Sealed Bidding: Sealed bids may be submitted and will be received at the office of the City’s Finance Director, 101 N.E. Harvey Street, Grimes, Iowa 50111, or at the office of the City’s Municipal Advisor, PFM Financial Advisors LLC, 801 Grand Avenue, Suite 3300, Des Moines, Iowa 50309.

Electronic Internet Bidding: Electronic internet bids will be received at the office of the City’s Municipal Advisor, PFM Financial Advisors LLC. Electronic internet bids must be submitted through the Internet Bid System. Information about the Internet Bid System may be obtained by calling (212) 849-5021.

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

BOOK-ENTRY-ONLY ISSUANCE

The Bonds will be issued by means of a book-entry-only system with no physical distribution of bond certificates made to the public. The Bonds will be issued in fully registered form and one bond certificate, representing the aggregate principal amount of the Bonds maturing in each year, will be registered in the name of Cede & Co. as nominee of The Depository Trust Company (“DTC”), New York, New York, which will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in the principal amount of \$5,000 or any multiple thereof of a single maturity through book entries made on the books and records of DTC and its participants. Principal and interest are payable by the Registrar to DTC or its nominee as registered owner of the Bonds. Transfer of principal and interest payments to participants of DTC will be the responsibility of DTC; transfer of principal and interest payments to beneficial owners by participants will be the responsibility of such participants and other nominees of beneficial owners. The Purchaser, as a condition of delivery of the Bonds, will be required to deposit the bond certificates with the Registrar on behalf of DTC.

MUNICIPAL BOND INSURANCE AT PURCHASER’S OPTION

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment therefore at the option of the bidder, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser(s). Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the Purchaser(s), except that, if the City has requested and received a rating on the Bonds from a rating agency, the City will pay that initial rating fee. Any other rating agency fees shall be the responsibility of the Purchaser(s). Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser(s) shall not constitute cause for failure or refusal by the Purchaser(s) to accept delivery on the Bonds. The City reserves the right in its sole discretion to accept or deny changes to the financing documents requested by the insurer selected by the Purchaser(s).

DELIVERY

The Bonds will be delivered to the Purchaser(s) via Fast Automated Securities Transfer delivery with the Registrar holding the Bonds on behalf of DTC, against full payment in immediately available cash or federal funds. The Bonds are expected to be delivered within forty-five days after the sale. Should delivery be delayed beyond sixty days from the date of sale for any reason except failure of performance by the Purchaser(s), the Purchaser(s) may withdraw their bid and thereafter their interest in and liability for the Bonds will cease. When the Bonds are ready for delivery, the City will give the Purchaser(s) five working days’ notice of the delivery date and the City will expect payment in full on that date; otherwise, reserving the right at its option to determine that the Purchaser failed to comply with the offer of purchase.

ELECTRONIC TRANSCRIPTS

The Purchaser(s) consent 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.

ESTABLISHMENT OF ISSUE PRICE

In order to establish the issue price of the Bonds for federal income tax purposes, the City requires bidders to agree to the following, and by submitting a bid, each bidder agrees to the following.

If a bid is submitted by a potential underwriter, the bidder confirms that (i) the underwriters have offered or reasonably expect to offer the Bonds to the public on or before the date of the award at the offering price (the “initial offering price”) for each maturity as set forth in the bid, and (ii) the bidder, if it is the winning bidder, shall require any agreement among underwriters, selling group agreement, retail distribution agreement or other agreement relating to the initial sale of the Bonds to the public to which it is a party to include provisions requiring compliance by all parties to such agreements with the provisions contained herein. For purposes hereof, Bonds with a separate CUSIP number constitute a separate “maturity”, and the public does not include underwriters of the Bonds (including members of a selling group or retail distribution group) or persons related to underwriters of the Bonds.

If, however, a bid is submitted for the bidder’s own account in a capacity other than as an underwriter of the Bonds, and the bidder has no current intention to sell, reoffer, or otherwise dispose of the Bonds, the bidder shall notify the City to that effect at the time it submits its bid and shall provide a certificate to that effect in place of the certificate otherwise required below.

If the winning bidder intends to act as an underwriter, the City shall advise the winning bidder at or prior to the time of award whether (i) the competitive sale rule, or (ii) the “hold-the-offering price” rule applies.

If the City advises the Purchaser that the requirements for a competitive sale have been satisfied and that the competitive sale rule applies, the Purchaser will be required to deliver to the City at or prior to closing a certification, substantially in the form attached hereto as EXHIBIT 1-A, as to the reasonably expected initial offering price as of the award date.

If the City advises the Purchaser the requirements for a competitive sale have not been satisfied and that the hold-the-offering price rule applies, the Purchaser shall (1) upon the request of the City, confirm the underwriters did not offer or sell any maturity of the Bonds to any person at a price higher than the initial offering price of that maturity during the period starting on the award date and ending on the earlier of (a) the close of the fifth business day after the sale date, or (b) the date on which the underwriters have sold at least 10% of that maturity to the public at or below the initial offering price; and (2) at or prior to closing, deliver to the City a certification substantially in the form attached hereto as EXHIBIT 1-B, together with a copy of the pricing wire.

Any action to be taken or documentation to be received by the City pursuant hereto may be taken or received on behalf of the City by its Municipal Advisor.

Bidders should prepare their bids on the assumption the Bonds will be subject to the “hold-the-offering-price” rule. Any bid submitted pursuant to the TERMS OF OFFERING and OFFICIAL BID FORM shall be considered a firm offer for the purchase of the Bonds, and bids submitted will not be subject to cancellation or withdrawal.

OFFICIAL STATEMENT

The City has authorized the preparation of a Preliminary Official Statement containing pertinent information relative to the Bonds. The Preliminary Official Statement when further supplemented with offering prices, interest rates, selling compensation, aggregate principal amount, principal amount per maturity, anticipated delivery date and the identity of the underwriters, 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 15c-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the “Rule”). By awarding the Bonds to any underwriter or underwriting syndicate submitting an OFFICIAL BID FORM therefore, 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 Bonds are awarded up to 25 copies of the final Official Statement to permit each "Participating Underwriter" (as that term is defined in Rule) to comply with the provisions of the Rule. The City shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the final Official Statement to the Participating Underwriter. Any underwriter

executing and delivering an OFFICIAL BID FORM with respect to the Bonds, agrees thereby, that if its bid is accepted by the City, (i) it shall accept such designation and (ii) it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the final Official Statement.

CONTINUING DISCLOSURE

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 not later than June 30 of each year, commencing with the Fiscal Year ending June 30, 2025, 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 FORM OF CONTINUING DISCLOSURE CERTIFICATE included in APPENDIX D to this Preliminary Official Statement. 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 the FORM OF CONTINUING DISCLOSURE CERTIFICATE. These covenants have been made in order to assist the Purchaser in complying with section (b)(5) of the Rule.

During the previous five years, the City has not failed to comply, in all material respects, with any previous undertakings it has entered into with respect to the Rule.

Breach of the undertakings will not constitute a default or an “Event of Default” under the Bonds or the resolutions for the Bonds. A broker or dealer is to consider a known breach of the undertakings, 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 undertakings may adversely affect the transferability and liquidity of the Bonds and their market price.

CUSIP NUMBERS

It is anticipated the Committee on Uniform Security Identification Procedures (“CUSIP”) numbers will be printed on the Bonds and the Purchaser(s) must agree in the bid proposal to pay the cost thereof. In no event will the City, Bond Counsel or Municipal Advisor be responsible for the review or express any opinion that the CUSIP numbers are correct. Incorrect CUSIP numbers on said Bonds shall not be cause for the Purchaser(s) to refuse to accept delivery of said Bonds.

BY ORDER OF THE CITY COUNCIL
City of Grimes, Iowa
/s/ Marcia Woodke, Finance Director

SCHEDULE OF BOND YEARS

\$11,080,000*

CITY OF GRIMES, IOWA

General Obligation Corporate Purpose Bonds, Series 2025A

Bonds Dated: May 14, 2025

Interest Due: December 1, 2025 and each June 1 and December 1 to maturity

Principal Due: June 1, 2026-2041

<u>Year</u>	<u>Principal *</u>	<u>Bond Years</u>	<u>Bond Years</u>
2026	\$745,000	780.18	780.18
2027	545,000	1,115.74	1,895.92
2028	505,000	1,538.85	3,434.76
2029	530,000	2,145.03	5,579.79
2030	555,000	2,801.21	8,381.00
2031	585,000	3,537.63	11,918.63
2032	615,000	4,334.04	16,252.67
2033	645,000	5,190.46	21,443.13
2034	675,000	6,106.88	27,550.00
2035	710,000	7,133.53	34,683.53
2036	745,000	8,230.18	42,913.71
2037	775,000	9,336.60	52,250.31
2038	810,000	10,568.25	62,818.56
2039	845,000	11,869.90	74,688.46
2040	880,000	13,241.56	87,930.01
2041	915,000	14,683.21	102,613.22

Average Maturity (dated date):

9.26 Years

* Preliminary; subject to change.

SCHEDULE OF BOND YEARS

\$3,390,000*

CITY OF GRIMES, IOWA

General Obligation Local Option Sales, Services and Use Tax Bonds, Series 2025B

Bonds Dated: May 14, 2025

Interest Due: December 1, 2025 and each June 1 and December 1 to maturity

Principal Due: June 1, 2026-2044

<u>Year</u>	<u>Principal *</u>	<u>Bond Years</u>	<u>Bond Years</u>
2026	\$115,000	120.43	120.43
2027	120,000	245.67	366.10
2028	125,000	380.90	747.00
2029	130,000	526.14	1,273.14
2030	140,000	706.61	1,979.75
2031	145,000	876.85	2,856.60
2032	150,000	1,057.08	3,913.68
2033	160,000	1,287.56	5,201.24
2034	165,000	1,492.79	6,694.03
2035	175,000	1,758.26	8,452.29
2036	185,000	2,043.74	10,496.03
2037	190,000	2,288.97	12,785.00
2038	200,000	2,609.44	15,394.44
2039	210,000	2,949.92	18,344.36
2040	220,000	3,310.39	21,654.75
2041	225,000	3,610.63	25,265.38
2042	235,000	4,006.10	29,271.47
2043	245,000	4,421.57	33,693.04
2044	255,000	4,857.04	38,550.08

Average Maturity (dated date):

11.37 Years

* Preliminary; subject to change.

\$11,080,000* General Obligation Corporate Purpose Bonds, Series 2025A

Form of ISSUE PRICE CERTIFICATE

(3 or More Bids)

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. ***Reasonably Expected Initial Offering Price.***

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. ***Defined Terms.*** For purposes of this Issue Price Certificate:

(a) *Issuer* means the City of Grimes, Iowa.

(b) *Maturity* means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the 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 Bonds to the Public).

(d) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person 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).

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was April 22, 2025.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Closing Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dorsey & Whitney LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Name: _____

Dated: May 14, 2025

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

\$3,390,000* General Obligation Local Option Sales, Services and Use Tax Bonds, Series 2025B

Form of ISSUE PRICE CERTIFICATE

(3 or More Bids)

The undersigned, on behalf of [NAME OF UNDERWRITER] (“[SHORT NAME OF UNDERWRITER]”), hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by [SHORT NAME OF UNDERWRITER] are the prices listed in Schedule A (the “Expected Offering Prices”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by [SHORT NAME OF UNDERWRITER] in formulating its bid to purchase the Bonds. Attached as Schedule B is a true and correct copy of the bid provided by [SHORT NAME OF UNDERWRITER] to purchase the Bonds.

(b) [SHORT NAME OF UNDERWRITER] was not given the opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by [SHORT NAME OF UNDERWRITER] constituted a firm offer to purchase the Bonds.

2. Defined Terms. For purposes of this Issue Price Certificate:

(a) *Issuer* means the City of Grimes, Iowa.

(b) *Maturity* means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(c) *Member of the Distribution Group* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the 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 Bonds to the Public).

(d) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person 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).

(e) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was April 22, 2025.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [SHORT NAME OF UNDERWRITER]'s interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Closing Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dorsey & Whitney LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

[UNDERWRITER]

By: _____

Name: _____

Dated: May 14, 2025

SCHEDULE A
EXPECTED OFFERING PRICES
(Attached)

SCHEDULE B
COPY OF UNDERWRITER'S BID
(Attached)

\$11,080,000* General Obligation Corporate Purpose Bonds, Series 2025A**Form of ISSUE PRICE CERTIFICATE****(Fewer than 3 Bids)**

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([SHORT NAME OF UNDERWRITER]) [the “Representative”], on behalf of itself and [UNDERWRITER OF OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. **Initial Offering Price of the Bonds.** [SHORT NAME OF UNDERWRITER] [The Underwriting Group] offered the Bonds to the Public for purchase at the specified initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire for the Bonds is attached to this certificate as Schedule B.

2. **First Price at which Sold to the Public.** On the Sale Date, at least 10% of each Maturity [listed in Schedule C] was first sold to the Public at the respective Initial Offering Price [or price specified [therein] [in Schedule C], if different].

3. **Hold the Offering Price Rule.** [SHORT NAME OF UNDERWRITER] [Each member of the Underwriting Group] has agreed in writing that, (i) for each Maturity less than 10% of which was first sold to the Public at a single price as of the Sale Date, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any agreement among underwriters, selling group agreement, or third-party distribution agreement contains the agreement of each underwriter, dealer, or broker-dealer who is a party to such agreement to comply with the Hold-the-Offering-Price Rule. Based on the [Representative] [SHORT NAME OF UNDERWRITER]’s own knowledge and, in the case of sales by other Members of the Distribution Group, representations obtained from the other Members of the Distribution Group, no Member of the Distribution Group has offered or sold any such Maturity at a price that is higher than the respective Initial Offering Price during the respective Holding Period.

4. **Defined Terms.** For purposes of this Issue Price Certificate:

(a) **Holding Period** means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (April 29, 2025), or (ii) the date on which Members of the Distribution Group have sold at least 10% of such Maturity to the Public at one or more prices, none of which is higher than the Initial Offering Price for such Maturity.

(b) **Issuer** means the City of Grimes, Iowa.

(c) **Maturity** means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) **Member of the Distribution Group** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the 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 Bonds to the Public).

(e) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person 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).

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was April 22, 2025.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Closing Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dorsey & Whitney LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer[and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By: _____

Name: _____

Dated: May 14, 2025

SCHEDULE A
INITIAL OFFERING PRICES OF THE BONDS
(Attached)

SCHEDULE B
PRICING WIRE
(Attached)

SCHEDULE C

**SALES OF AT LEAST 10% OF MATURITY TO THE PUBLIC ON THE SALE DATE
AT THE INITIAL OFFERING PRICE**

(Attached)

\$3,390,000* General Obligation Local Option Sales, Services and Use Tax Bonds, Series 2025B
Form of ISSUE PRICE CERTIFICATE

(Fewer than 3 Bids)

The undersigned, on behalf of [NAME OF UNDERWRITER/REPRESENTATIVE] ([SHORT NAME OF UNDERWRITER]) [the “Representative”], on behalf of itself and [UNDERWRITER OF OTHER UNDERWRITERS] (together, the “Underwriting Group”), hereby certifies as set forth below with respect to the sale of the obligations named above (the “Bonds”).

1. **Initial Offering Price of the Bonds.** [SHORT NAME OF UNDERWRITER] [The Underwriting Group] offered the Bonds to the Public for purchase at the specified initial offering prices listed in Schedule A (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire for the Bonds is attached to this certificate as Schedule B.

2. **First Price at which Sold to the Public.** On the Sale Date, at least 10% of each Maturity [listed in Schedule C] was first sold to the Public at the respective Initial Offering Price [or price specified [therein] in Schedule C], if different].

3. **Hold the Offering Price Rule.** [SHORT NAME OF UNDERWRITER] [Each member of the Underwriting Group] has agreed in writing that, (i) for each Maturity less than 10% of which was first sold to the Public at a single price as of the Sale Date, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “Hold-the-Offering-Price Rule”), and (ii) any agreement among underwriters, selling group agreement, or third-party distribution agreement contains the agreement of each underwriter, dealer, or broker-dealer who is a party to such agreement to comply with the Hold-the-Offering-Price Rule. Based on the [Representative] [SHORT NAME OF UNDERWRITER]’s own knowledge and, in the case of sales by other Members of the Distribution Group, representations obtained from the other Members of the Distribution Group, no Member of the Distribution Group has offered or sold any such Maturity at a price that is higher than the respective Initial Offering Price during the respective Holding Period.

4. **Defined Terms.** For purposes of this Issue Price Certificate:

(a) **Holding Period** means the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (April 29, 2025), or (ii) the date on which Members of the Distribution Group have sold at least 10% of such Maturity to the Public at one or more prices, none of which is higher than the Initial Offering Price for such Maturity.

(b) **Issuer** means the City of Grimes, Iowa.

(c) **Maturity** means Bonds with the same credit and payment terms. Any Bonds with different maturity dates, or with the same maturity date but different stated interest rates, are treated as separate Maturities.

(d) **Member of the Distribution Group** means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the 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 Bonds to the Public).

(e) *Public* means any person (*i.e.*, an individual, trust, estate, partnership, association, company, or corporation) other than a Member of the Distribution Group or a related party to a Member of the Distribution Group. A person is a “related party” to a Member of the Distribution Group if the Member of the Distribution Group and that person 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).

(f) *Sale Date* means the first day on which there is a binding contract in writing for the sale of the respective Maturity. The Sale Date of each Maturity was April 22, 2025.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents [NAME OF UNDERWRITING FIRM] interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Closing Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Dorsey & Whitney LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer[and the Borrower] from time to time relating to the Bonds.

[UNDERWRITER][REPRESENTATIVE]

By: _____

Name: _____

Dated: May 14, 2025

SCHEDULE A
INITIAL OFFERING PRICES OF THE BONDS
(Attached)

SCHEDULE B
PRICING WIRE
(Attached)

SCHEDULE C

**SALES OF AT LEAST 10% OF MATURITY TO THE PUBLIC ON THE SALE DATE
AT THE INITIAL OFFERING PRICE**

(Attached)

OFFICIAL BID FORM

TO: The City Council of
City of Grimes, Iowa

Sale Date: April 22, 2025
10:00 AM, Central Time

RE: \$11,080,000* General Obligation Corporate Purpose Bonds, Series 2025A (the "Series 2025A Bonds")

This bid is a firm offer for the purchase of the Series 2025A Bonds identified in the TERMS OF OFFERING, on the terms set forth in this bid form and TERMS OF OFFERING, and is not subject to any conditions, except as permitted by the TERMS OF OFFERING. By submitting this bid, we confirm we have an established industry reputation for underwriting new issuance of municipal bonds.

For all or none of the above Series 2025A Bonds, in accordance with the TERMS OF OFFERING, we will pay you \$_____ (not less than \$10,947,040) plus accrued interest to date of delivery for fully registered bonds bearing interest rates and maturing in the stated years as follows:

<u>Coupon</u>	<u>Maturity</u>	<u>Yield</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Yield</u>
_____	2026	_____	_____	2034	_____
_____	2027	_____	_____	2035	_____
_____	2028	_____	_____	2036	_____
_____	2029	_____	_____	2037	_____
_____	2030	_____	_____	2038	_____
_____	2031	_____	_____	2039	_____
_____	2032	_____	_____	2040	_____
_____	2033	_____	_____	2041	_____

* Preliminary; subject to change. The aggregate principal amount of the Series 2025A Bonds is subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$11,655,000. Interest rates specified by the successful 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 successful bidder will be changed if the aggregate principal amount of the Series 2025A Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Series 2025A Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful 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 successful bidder.

We hereby designate that the following Series 2025A Bonds to be aggregated into term bonds maturing on June 1 of the following years and in the following amounts (leave blank if no term bonds are specified):

<u>Years Aggregated</u>	<u>Maturity Year</u>	<u>Aggregate Amount</u>
_____ through _____	_____	_____
_____ through _____	_____	_____

In making this offer we accept all of the terms and conditions of the TERMS OF OFFERING published in the Preliminary Official Statement dated April 14, 2025. In the event of failure to deliver these Series 2025A Bonds in accordance with the TERMS OF OFFERING as printed in the Preliminary Official Statement and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ _____

TRUE INTEREST COST: _____ % (Based on dated date of May 14, 2025)

Account Manager: _____ By: _____

Account Members: _____

The foregoing offer is hereby accepted by and on behalf of the City Council of City of Grimes, Iowa this 22nd day of April 2025.

Attest: _____ By: _____

Title: _____ Title: _____

OFFICIAL BID FORM

TO: The City Council of
City of Grimes, Iowa

Sale Date: April 22, 2025
10:00 AM, Central Time

RE: \$3,390,000* General Obligation Local Option Sales, Services and Use Tax Bonds, Series 2025B (the "Series 2025B Bonds")

This bid is a firm offer for the purchase of the Series 2025B Bonds identified in the TERMS OF OFFERING, on the terms set forth in this bid form and TERMS OF OFFERING, and is not subject to any conditions, except as permitted by the TERMS OF OFFERING. By submitting this bid, we confirm we have an established industry reputation for underwriting new issuance of municipal bonds.

For all or none of the above Series 2025B Bonds, in accordance with the TERMS OF OFFERING, we will pay you \$ _____ (not less than \$3,349,320) plus accrued interest to date of delivery for fully registered bonds bearing interest rates and maturing in the stated years as follows:

<u>Coupon</u>	<u>Maturity</u>	<u>Yield</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Yield</u>
_____	2026	_____	_____	2036	_____
_____	2027	_____	_____	2037	_____
_____	2028	_____	_____	2038	_____
_____	2029	_____	_____	2039	_____
_____	2030	_____	_____	2040	_____
_____	2031	_____	_____	2041	_____
_____	2032	_____	_____	2042	_____
_____	2033	_____	_____	2043	_____
_____	2034	_____	_____	2044	_____
_____	2035	_____	_____	_____	_____

* Preliminary; subject to change. The aggregate principal amount of the Series 2025B Bonds is subject to increase or reduction by the City or its designee after the determination of the successful bidder. The City may increase or decrease each maturity in increments of \$5,000 but the total amount to be issued will not exceed \$3,560,000. Interest rates specified by the successful 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 successful bidder will be changed if the aggregate principal amount of the Series 2025B Bonds is adjusted as described above. Any change in the principal amount of any maturity of the Series 2025B Bonds will be made while maintaining, as closely as possible, the successful bidder's net compensation, calculated as a percentage of bond principal. The successful 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 successful bidder.

We hereby designate that the following Series 2025B Bonds to be aggregated into term bonds maturing on June 1 of the following years and in the following amounts (leave blank if no term bonds are specified):

<u>Years Aggregated</u>	<u>Maturity Year</u>	<u>Aggregate Amount</u>
_____ through _____	_____	_____
_____ through _____	_____	_____

In making this offer we accept all of the terms and conditions of the TERMS OF OFFERING published in the Preliminary Official Statement dated April 14, 2025. In the event of failure to deliver these Series 2025B Bonds in accordance with the TERMS OF OFFERING as printed in the Preliminary Official Statement and made a part hereof, we reserve the right to withdraw our offer, whereupon the deposit accompanying it will be immediately returned. All blank spaces of this offer are intentional and are not to be construed as an omission.

Not as a part of our offer, the above quoted prices being controlling, but only as an aid for the verification of the offer, we have made the following computations:

NET INTEREST COST: \$ _____

TRUE INTEREST COST: _____ % (Based on dated date of May 14, 2025)

Account Manager: _____ By: _____

Account Members: _____

The foregoing offer is hereby accepted by and on behalf of the City Council of City of Grimes, Iowa this 22nd day of April 2025.

Attest: _____

By: _____

Title: _____

Title: _____

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 14, 2025

NEW ISSUE - DTC BOOK ENTRY ONLY

RATING: Moody's: "Aa2"
(See "Rating" herein.)

In the opinion of Dorsey & Whitney LLP, Bond Counsel, according to present laws, rulings and decisions and assuming the accuracy of certain representations and compliance with certain covenants, the interest on the Bonds (i) is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and (ii) is not an item of tax preference for purposes of the federal alternative minimum tax imposed on noncorporate taxpayers by Section 55 of the Code. Interest on the Bonds may, however, be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code). See "TAX EXEMPTION AND RELATED TAX MATTERS" herein.

City of Grimes, Iowa

\$11,080,000*

\$3,390,000*

General Obligation Corporate Purpose Bonds, Series 2025A **General Obligation Local Option Sales, Services and Use Tax Bonds, Series 2025B**

Dated: Date of Delivery

Due: As shown on inside cover

The \$11,080,000* General Obligation Corporate Purpose Bonds, Series 2025A (the "Series 2025A Bonds"), and the \$3,390,000* General Obligation Local Option Sales, Services and Use Tax Bonds, Series 2025B (the "Series 2025B Bonds" and, together with the Series 2025A Bonds, the "Bonds"), are being issued in fully registered form in denominations of \$5,000 or any integral multiple thereof pursuant to the provisions of Chapters 384 and 76 and, with respect to the Series 2025B Bonds, Chapter 423B of the Code of Iowa, 2025, as amended (the "LOSST Act"), and one or more resolutions authorizing issuance of the Bonds (the "Resolutions") expected to be adopted by the City of Grimes, Iowa (the "Issuer" or the "City") on April 22, 2025*. The Depository Trust Company, New York, New York ("DTC") will act as the securities depository for the Bonds and its nominee, Cede & Co., will be the registered owner of the Bonds. Individual purchases of the Bonds will be recorded on a book-entry only system operated by DTC. Purchasers of the Bonds will not receive certificates representing their interest in the Bonds purchased. So long as DTC or its nominee, Cede & Co., is the Bondholder, the principal of, premium, if any, and interest on the Bonds will be paid by UMB Bank, n.a., West Des Moines, Iowa, as Registrar and Paying Agent (the "Registrar"), or its successor, to DTC, or its nominee, Cede & Co. Disbursement of such payments to the Beneficial Owners is the responsibility of the DTC Participants as more fully described herein. Neither the Issuer nor the Registrar will have any responsibility or obligation to such DTC Participants, indirect participants or the persons for whom they act as nominee with respect to the Bonds. See "APPENDIX E – BOOK-ENTRY SYSTEM" herein.

The Series 2025A Bonds will bear interest from their dated date, payable semiannually on each June 1 and December 1, commencing December 1, 2025*, and the Series 2025B Bonds will bear interest from their dated date, payable semiannually on each June 1 and December 1, commencing June 1, 2026*. The Bonds are subject to mandatory sinking fund redemption by the Issuer prior to their stated maturities in the manner and at the time described herein. All of the Bonds then outstanding are subject to optional redemption at the option of the Issuer, as a whole or in part, from any source of available funds, on June 1, 2033*, or on any date thereafter at a redemption price equal to the principal amount of the Bonds, together with accrued interest to the date fixed for redemption, without premium. See "THE BONDS – Redemption" herein.

The Series 2025A Bonds and the interest thereon are general obligations of the Issuer, and 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 2025A Bonds without constitutional or statutory limitation as to rate or amount. The Series 2025B Bonds are general obligations of the Issuer, payable in the first instance from a designated portion of the proceeds of a local option sales and services tax authorized and enacted pursuant to the LOSST Act, and, if not so paid, from the levy of taxes required against all taxable property within the corporate boundaries of the Issuer, without constitutional or statutory limitation as to rate or amount. See "SECURITY AND SOURCE OF PAYMENT" herein.

Proceeds of the Series 2025A Bonds will be used for the purpose of paying the cost, to that extent of (a) constructing street, water system, sanitary sewer system, storm water drainage and sidewalk improvements; (b) acquiring and installing street lighting, signage and signalization improvements; and (c) undertaking improvements to existing municipal parks; (d) undertaking the City Hall Project, an urban renewal project in the Grimes Urban Renewal Area which was authorized by action of the City Council on May 14, 2024; and (e) paying certain costs of issuance related to the Series 2025A Bonds. Proceeds of the Series 2025B Bonds will be used for the purpose of paying the cost, to that extent, of (a) constructing, furnishing and equipping a municipal fire station; and (b) paying certain costs of issuance related to the Series 2025B Bonds. See "PLAN OF FINANCING" herein.

The Bonds are being offered when, as and if issued by the Issuer and accepted by the Underwriter, subject to receipt of opinions as to legality, validity and tax exemption by Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel. Dorsey & Whitney LLP is also serving as Disclosure Counsel to the Issuer in connection with the issuance of the Bonds. It is expected that the Bonds in the definitive form will be available for delivery through the facilities of DTC on or about May 14, 2025.*

The Date of this Official Statement is April __, 2025

* Preliminary, subject to change.

MATURITY SCHEDULE
City of Grimes, Iowa

\$11,080,000*

General Obligation Corporate Purpose Bonds, Series 2025A

<u>Due</u>	<u>Amount</u> *	<u>Rate</u> *	<u>Yield</u> *	<u>Cusip Num.</u> **	<u>Due</u>	<u>Amount</u> *	<u>Rate</u> *	<u>Yield</u> *	<u>Cusip Num.</u> **
June 1, 2026	\$745,000				June 1, 2034	\$675,000			
June 1, 2027	\$545,000				June 1, 2035	\$710,000			
June 1, 2028	\$505,000				June 1, 2036	\$745,000			
June 1, 2029	\$530,000				June 1, 2037	\$775,000			
June 1, 2030	\$555,000				June 1, 2038	\$810,000			
June 1, 2031	\$585,000				June 1, 2039	\$845,000			
June 1, 2032	\$615,000				June 1, 2040	\$880,000			
June 1, 2033	\$645,000				June 1, 2041	\$915,000			

\$,000* ___%* Term Bond due June 1, 20___, Yield ___%*, CUSIP** _____

\$3,390,000*

General Obligation Local Option Sales, Services and Use Tax Bonds, Series 2025B

<u>Due</u>	<u>Amount</u> *	<u>Rate</u> *	<u>Yield</u> *	<u>Cusip Num.</u> **	<u>Due</u>	<u>Amount</u> *	<u>Rate</u> *	<u>Yield</u> *	<u>Cusip Num.</u> **
June 1, 2026	\$115,000				June 1, 2036	\$185,000			
June 1, 2027	\$120,000				June 1, 2037	\$190,000			
June 1, 2028	\$125,000				June 1, 2038	\$200,000			
June 1, 2029	\$130,000				June 1, 2039	\$210,000			
June 1, 2030	\$140,000				June 1, 2040	\$220,000			
June 1, 2031	\$145,000				June 1, 2041	\$225,000			
June 1, 2032	\$150,000				June 1, 2042	\$235,000			
June 1, 2033	\$160,000				June 1, 2043	\$245,000			
June 1, 2034	\$165,000				June 1, 2044	\$255,000			
June 1, 2035	\$175,000								

\$,000* ___%* Term Bond due June 1, 20___, Yield ___%*, CUSIP** _____

* Preliminary, subject to change.

** CUSIP numbers shown above have been assigned by a separate organization not affiliated with the Issuer. The Issuer has not selected nor is responsible for selecting the CUSIP numbers assigned to the Bonds nor do they make any representation as to the correctness of such CUSIP numbers on the Bonds or as indicated above.

No dealer, broker, salesperson or any other person has been authorized to give any information or to make any representations other than those contained in this Official Statement and, if given or made, such information or representations must not be relied upon as having been authorized by the Issuer or the Underwriter. This Official Statement does not constitute an offer to sell or a solicitation of any offer to buy any of the securities offered hereby in any state to any persons to whom it is unlawful to make such offer in such state. Except where otherwise indicated, this Official Statement speaks as of the date hereof. Neither the delivery of this Official Statement nor any sale hereunder shall under any circumstances create any implication that there has been no change in the affairs of the Issuer since the date hereof.

The information set forth herein has been obtained from the Issuer and from other sources that are believed to be reliable, but it is not guaranteed as to accuracy or completeness, and is not to be construed as a representation, by the Underwriter. The Underwriter has provided the following sentence for inclusion in this Official Statement. The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

No representation is made regarding whether the Bonds constitute legal investments under the laws of any state for banks, savings banks, savings and loan associations, life insurance companies, and other institutions organized in such state, or fiduciaries subject to the laws of such state.

This Official Statement is not to be construed as a contract with the purchasers of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as a representation of facts.

THE BONDS HAVE NOT BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION BY REASON OF THE PROVISIONS OF SECTION 3(a)(2) OF THE SECURITIES ACT OF 1933, AS AMENDED. THE REGISTRATION OR QUALIFICATIONS OF THE BONDS IN ACCORDANCE WITH APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES SHALL NOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

THIS OFFICIAL STATEMENT, INCLUDING THE APPENDICES ATTACHED HERETO, CONTAINS STATEMENTS WHICH SHOULD BE CONSIDERED “FORWARD-LOOKING STATEMENTS,” MEANING THEY REFER TO POSSIBLE FUTURE EVENTS OR CONDITIONS. SUCH STATEMENTS ARE GENERALLY IDENTIFIABLE BY THE WORDS SUCH AS “ANTICIPATED,” “PLAN,” “EXPECT,” “PROJECTED,” “ESTIMATE,” “BUDGET,” “PRO FORMA,” “FORECAST,” “INTEND,” OR OTHER WORDS OF SIMILAR IMPORT. THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS TO DIFFER FROM THOSE EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE ISSUER DOES NOT EXPECT OR INTEND TO UPDATE OR REVISE ANY FORWARD-LOOKING STATEMENTS CONTAINED HEREIN IF OR WHEN ITS EXPECTATIONS OR EVENTS, CONDITIONS OR CIRCUMSTANCES ON WHICH SUCH STATEMENTS ARE BASED OCCUR.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Securities and Exchange Commission Rule 15c2-12.

In connection with the issuance of the Bonds, the Issuer will enter into a Continuing Disclosure Certificate. See “APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

TABLE OF CONTENTS

INTRODUCTION 1

THE ISSUER 1

THE BONDS 2

SECURITY AND SOURCE OF PAYMENT 2

BONDHOLDERS’ RISKS 5

LITIGATION..... 9

MUNICIPAL ADVISOR..... 9

ACCOUNTANT 9

PLAN OF FINANCING 9

SOURCES AND USES OF FUNDS 10

TAX EXEMPTION AND RELATED TAX MATTERS..... 10

LEGAL MATTERS..... 11

RATING 12

CONTINUING DISCLOSURE..... 12

UNDERWRITING 12

MISCELLANEOUS 12

APPENDIX A – GENERAL INFORMATION ABOUT THE CITY OF GRIMES, IOWA A-1

APPENDIX B – FORMS OF BOND COUNSEL OPINIONS B-1

APPENDIX C – FORM OF CONTINUING DISCLOSURE CERTIFICATE..... C-1

APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER FOR FISCAL YEAR 2024 D-1

APPENDIX E – BOOK-ENTRY SYSTEM..... E-1

OFFICIAL STATEMENT

City of Grimes, Iowa

\$11,080,000*
General Obligation Corporate Purpose Bonds,
Series 2025A

\$3,390,000*
General Obligation Local Option Sales, Services and Use
Tax Bonds, Series 2025B

INTRODUCTION

The purpose of this Official Statement, including the cover page and the appendices hereto (the “Official Statement”), is to set forth certain information in conjunction with the sale of \$11,080,000* General Obligation Corporate Purpose Bonds, Series 2025A (the “Series 2025A Bonds”), and \$3,390,000* General Obligation Local Option Sales, Services and Use Tax Bonds, Series 2025B (the “Series 2025B Bonds” and, together with the Series 2025A Bonds, the “Bonds”) of the City of Grimes, Iowa (the “Issuer” or the “City”). This Introduction is not a summary of this Official Statement but is only a brief description of the Bonds and certain other matters. Such description is qualified by reference to the entire Official Statement and the documents summarized or described herein. This Official Statement should be reviewed in its entirety. The offering of the Bonds to potential investors is made only by means of the entire Official Statement, including the appendices attached hereto. All statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized. Copies of statutes, resolutions, ordinances, reports or other documents referred to herein are available, upon request, from the Issuer.

The Bonds are being issued pursuant to the provisions of Chapters 384 and 76 (collectively, the “Act”) and, with respect to the Series 2025B Bonds, Chapter 423B (the “LOSST Act”) of the Code of Iowa, 2025, as amended, and one or more resolutions expected to be adopted by the Issuer on April 22, 2025* (the “Resolutions”), to evidence the obligations of the Issuer under one or more loan agreements between the Issuer and the Underwriter (the “Loan Agreements”).

The Series 2025A Bonds and the interest thereon are general obligations of the Issuer, and 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 2025A Bonds without constitutional or statutory limitation as to rate or amount. The Series 2025B Bonds are general obligations of the Issuer, payable in the first instance from a designated portion of the proceeds of a local option sales and services tax (“LOSST”) authorized and enacted pursuant to the LOSST Act, and, if not so paid, from the levy of taxes required against all taxable property within the corporate boundaries of the Issuer, without constitutional or statutory limitation as to rate or amount. See “SECURITY AND SOURCE OF PAYMENT” herein.

Proceeds of the Series 2025A Bonds will be used for the purpose of paying the cost, to that extent, of (a) constructing street, water system, sanitary sewer system, storm water drainage and sidewalk improvements; (b) acquiring and installing street lighting, signage and signalization improvements; and (c) undertaking improvements to existing municipal parks; (d) undertaking the City Hall Project, an urban renewal project in the Grimes Urban Renewal Area which was authorized by action of the City Council on May 14, 2024; and (e) paying certain costs of issuance related to the Series 2025A Bonds. Proceeds of the Series 2025B Bonds will be used for the purpose of paying the cost, to that extent, of (a) constructing, furnishing and equipping a municipal fire station; and (b) paying certain costs of issuance related to the Series 2025B Bonds. See “PLAN OF FINANCING” and “SOURCES AND USES OF FUNDS” herein.

The Series 2025B Bonds are issued on a parity basis with the remaining outstanding amount of the \$3,755,000 General Obligation Local Option Sales, Services and Use Tax Bond, Series 2021B, dated June 23, 2021 (the “Outstanding Bonds”), a portion of which remains outstanding. The Series 2025B Bonds are on parity with the Outstanding Bonds, and neither the Series 2025B Bonds nor the Outstanding Bonds have priority over the other with respect to application of the Designated Project Portion (as defined herein).

THE ISSUER

The Issuer, with a 2020 U.S. Census population of 15,392, comprises approximately 12.01 square miles. The Issuer operates under a statutory form of government consisting of a five-member City Council, of which the Mayor is not a voting member. Additional information concerning the Issuer is included in “APPENDIX A – GENERAL INFORMATION ABOUT THE CITY OF GRIMES, IOWA” hereto.

* Preliminary, subject to change.

THE BONDS

General

The Bonds will be issued in fully registered form only, without coupons. The Bonds will be initially registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Interest on and principal of the Bonds are payable in lawful money of the United States of America.

The Bonds are dated as of the date of their delivery, will mature on June 1 in the years and in the amounts set forth on the inside cover page hereof, and will bear interest at the rates to be set forth on the inside cover page hereof. Interest on the Series 2025A Bonds is payable semiannually on June 1 and December 1 in each year, beginning on December 1, 2025*, calculated on the basis of a year of 360 days and twelve 30-day months. Interest on the Series 2025B Bonds is payable semiannually on June 1 and December 1 in each year, beginning on June 1, 2026*, calculated on the basis of a year of 360 days and twelve 30-day months. Interest shall be payable to the persons who were registered owners thereof as of the fifteenth day of the month immediately preceding the interest payment date, to the addresses appearing on the registration books maintained by the Registrar or such other address as is furnished to the Registrar in writing by a registered owner. The Bonds are issuable in denominations of \$5,000 or any integral multiple thereof.

Redemption

Optional Redemption. All of the Bonds then outstanding are subject to redemption at the option of the Issuer, as a whole or in part, from any source of available funds, beginning June 1, 2033*, or on any date thereafter at a redemption price equal to the principal amount of the Bonds, together with accrued interest to the date fixed for redemption, without premium.

Mandatory Sinking Fund Redemption. The Bonds identified below are subject to mandatory redemption (by lot, as selected by the Registrar) on June 1 in each of the years set forth below at a redemption price of 100% of the principal amount thereof to be redeemed, plus accrued interest thereon to the redemption date in the following principal amounts:

<u>Term Bond Maturing June 1, 20__</u>	
<u>Date</u>	<u>Amount</u>
June 1, 20__	\$ _____
June 1, 20__ (maturity)	\$ _____

Selection of Bonds for Redemption. Bonds subject to redemption (other than mandatory sinking fund redemption) will be selected in such order of maturity as the Issuer may direct. If less than all of the Bonds of a single maturity are to be redeemed, the Bonds to be redeemed will be selected by lot or other random method by the Registrar in such a manner as the Registrar may determine.

Notice of Redemption. Prior to the redemption of any Bonds under the provisions of the Resolutions, the Registrar shall give notice by certified mail or electronic means not less than thirty (30) days prior to the redemption date to each registered owner thereof.

Any notice of redemption may contain a statement that the redemption is conditioned upon the receipt by the Registrar of funds on or before the date fixed for redemption sufficient to pay the redemption price of the Bonds so called for redemption, and that if funds are not available, such redemption shall be cancelled by written notice to the owners of the Bonds called for redemption in the same manner as the original redemption notice was mailed, provided that such notice of cancellation is to be made at least five days prior to the date fixed for redemption.

SECURITY AND SOURCE OF PAYMENT

Security and Source of Payment for the Series 2025A Bonds

Pursuant to the Resolutions and the Act, the Series 2025A Bonds and the interest thereon are general obligations of the Issuer, and 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 2025A Bonds without constitutional or statutory limitation as to rate or amount. See "APPENDIX A – GENERAL INFORMATION ABOUT THE CITY OF GRIMES, IOWA."

Section 76.2 of the Code of Iowa, 2025, as amended (the "Iowa Code") 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 property in the political subdivision sufficient to pay the interest and principal of the bonds. A certified copy of such resolution shall be filed with each County Auditor in which the Issuer is located,

* Preliminary, subject to change.

giving rise to a duty of the County Auditors to annually enter this levy for collection from the taxable property within the boundaries of the Issuer, 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 Series 2025A Bonds as the same become due, the resolution authorizing the issuance of the Series 2025A Bonds (the “Series 2025A Resolution”) provides for the levy of a tax sufficient for that purpose on all the taxable property in the Issuer in each of the years while the Series 2025A Bonds are outstanding. The Issuer shall file a certified copy of the Series 2025A Resolution with the County Auditors, pursuant to which the County Auditors are instructed to enter for collection and assess the tax authorized. When annually entering such taxes for collection, the County Auditors shall include the same as a part of the tax levy for Debt Service Fund purposes of the Issuer and when collected, the proceeds of the taxes shall be converted into the Debt Service Fund of the Issuer for the Series 2025A Bonds 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 Series 2025A Bonds and for no other purpose whatsoever.

Pursuant to the provisions of Section 76.4 of the Iowa Code, each year while the Series 2025A Bonds remain outstanding and unpaid, any funds of the Issuer 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 Series 2025A Bonds as the same become due, and if so appropriated, the taxes for any given fiscal year as provided for in the Series 2025A Resolution, shall be reduced by the amount of such alternate funds as have been appropriated for said purpose and evidenced in the Issuer’s budget. While not pledged to Bondholders, the Issuer may use tax increment revenues for the payment of the principal of and interest on the Series 2025A Bonds.

Security and Source of Payment for the Series 2025B Bonds

The Series 2025B Bonds, the Outstanding Bonds and any additional bonds, notes or other obligations as may be hereafter issued and outstanding from time to time ranking on a parity therewith under the conditions set forth in the hereinafter defined Series 2025B Resolution (the “Parity Obligations” and, together with the Series 2025B Bonds and the Outstanding Bonds, the “LOSST Bonds”) and the interest thereon are general obligations of the Issuer. The LOSST Bonds are payable in the first instance from the Designated Project Portion (defined below), and if not so paid, from taxes required to be levied against all of the taxable property within the Issuer, without limitation as to rate or amount. LOSST receipts will be applied each year to abate the required debt service levy, which will be reduced accordingly, and it is anticipated that 100% of the annual principal and interest due on the Series 2025B Bonds will be paid from annual LOSST revenues.

Nothing in the resolution authorizing the Series 2025B Bonds (the “Series 2025B Resolution”) prohibits or limits the ability of the Issuer to use legally available moneys other than the proceeds of the general ad valorem property taxes levied, as described in the preceding paragraph, to pay all or any portion of the principal of or interest on the Series 2025B Bonds. If, and to the extent such other legally available moneys are used to pay the principal of or interest on the Series 2025B Bonds, the Issuer may, but shall not be required to (a) reduce the amount of taxes levied for such purpose, as described in the preceding paragraph; or (b) use proceeds of taxes levied, as described in the preceding paragraph, to reimburse the fund or account from which such other legally available moneys are withdrawn for the amount withdrawn from such fund or account to pay the principal of or interest on the Series 2025B Bonds.

The Series 2025B Resolution does not restrict the Issuer’s ability to issue or incur additional general obligation debt, although issuance of additional general obligation debt is subject to the same constitutional and statutory limitations that apply to the issuance of the Series 2025B Bonds. For a further description of the Issuer’s outstanding general obligation debt upon issuance of the Series 2025B Bonds and the annual debt service on the Series 2025B Bonds, see “APPENDIX A – INFORMATION ABOUT THE ISSUER” under the caption “CITY INDEBTEDNESS – OUTSTANDING GENERAL OBLIGATION DEBT”. For a description of certain constitutional and statutory limits on the issuance of general obligation debt, see “APPENDIX A – GENERAL INFORMATION ABOUT THE CITY OF GRIMES, IOWA” under the caption “CITY INDEBTEDNESS – DEBT LIMIT”.

LOSST

On August 6, 2019, a referendum was held for imposition of a one percent (1%) LOSST to be collected within Polk County, which became effective on January 1, 2020. A LOSST was previously approved for Dallas County on November 7, 2017, which went into effect on July 1, 2018. The Issuer’s LOSST receipts are to be utilized for as follows: (i) 50% of such revenues to be allocated for property tax relief and (ii) 50% of such revenues for Issuer quality of life improvement purposes, including a library and fire station, as well as park and trail projects and public uses the Issuer deems appropriate (the “Designated Project Portion”). Thus, 50% of the LOSST revenues are available to abate the annual principal and interest on the Series 2025B Bonds and the Outstanding Bonds.

The State of Iowa Director of Revenue (the “Director”) administers collection and disbursement of all local option sales and services taxes in conjunction with administration of the State-wide sales, services and use tax. The Director credits the LOSST revenues to the Issuer’s account in the local option sales and services tax fund. The Director by the last day of each month shall transfer to each city

or county where the local option tax is imposed the amount of tax moneys remitted to the department attributable to each city or county from the preceding month.

The Designated Project Portion is pledged for the repayment of the Series 2025B Bonds and the Outstanding Bonds. To the extent the Designated Project Portion is insufficient to meet the principal and interest payments on the Series 2025B Bonds and the Outstanding Bonds when due, the Issuer’s general taxing levy receipts, as described above, will be applied. The Series 2025A Bonds are not secured by the Designated Project Portion.

Once approved, a LOSST can only be repealed through a public referendum at which a majority voting approves the repeal or tax rate change (or upon motion of the governing body), provided no obligations secured by the LOSST are outstanding. If a LOSST is not imposed county-wide, then the question of repeal is voted upon only by voters in such areas of a county where the tax has been imposed. LOSST may not be repealed within one year of the effective date.

HISTORY OF TAXABLE RETAIL SALES

The following table represents the number of businesses and taxable sales in the Issuer and Polk County for the last five fiscal years.

<u>Fiscal Year</u>	<u>Number of Businesses</u>	<u>City of Grimes Taxable Retail Sales</u>	<u>Other Taxable Retail Sales Within Polk County</u>	<u>Total Taxable Sales Within Polk County</u>
2019-20	314	\$294,713,023	\$8,397,136,440	\$8,691,849,463
2020-21	323	355,401,212	9,087,485,242	9,442,886,454
2021-22	326	486,530,258	9,987,844,466	10,474,374,724
2022-23	379	534,288,853	10,626,227,608	11,160,516,461
2023-24 ¹⁾	483	511,566,824	10,790,456,435	11,302,023,259

1) Fiscal Year 2023-24 information is an estimate based on information compiled from the Iowa Department of Revenue’s Quarterly Reports. The “Iowa Retail Sales & Use Tax Report” for Fiscal Year 2023-24 was not available at the time of this filing.

Source: Iowa Department of Revenue, “Iowa Retail Sales & Use Taxes Annual Report”; Quarterly Reports for Fiscal Year 2023-24

LOSST REVENUES

The following table represents the LOSST revenue collections as reported by the Issuer, the amount of the LOSST revenues available for the payment of the Series 2025B Bonds pursuant to the referendum; and the maximum annual debt payment on the Series 2025B Bonds.

<u>Fiscal Year</u>	<u>LOSST Revenues ¹⁾</u>	<u>Designated Project Portion ²⁾</u>	<u>Maximum Annual Debt Payment (including Outstanding Bonds)</u>
2021-22	\$3,291,546	\$1,645,773	\$256,500
2022-23	3,037,566	1,518,783	256,500
2023-24	2,944,031	1,472,016	256,500
2024-25	2,764,170 ³⁾	1,382,085	532,971
2025-26	2,791,812 ⁴⁾	1,395,906	532,971

1) Per the City’s Annual Independent Auditor’s Report.
 2) Represents the 50% of the total LOSST revenues available for the repayment of the Series 2021B Bonds.
 3) Represents the LOSST revenues budgeted by the City for Fiscal Year 2024-25.
 4) Represents the LOSST revenues budgeted by the City for Fiscal Year 2025-26.

Funds and Accounts

The following is a summary of certain portions of the Series 2025B Resolution regarding the establishment of funds and accounts. This summary is not to be considered a full statement of the provisions of the Series 2025B Resolution and is qualified by reference to the Series 2025B Resolution, which will be adopted by the City Council upon sale of the Series 2025B Bonds.

Revenue Fund. The resolution authorizing the Outstanding Bonds provided for the establishment and maintenance of the Local Option Sales Tax Revenue Designated Portion Fund (the “Revenue Fund”).

There shall be deposited into the Revenue Fund the Designated Project Portion of the LOSST revenues received by the Issuer, which shall be used and disbursed as provided in the Series 2025B Resolution to pay the principal of and interest on all of the LOSST Bonds outstanding from time to time, as the same become due.

Any funds deposited in the Revenue Fund shall be used solely and only and are pledged to pay the principal of and interest on the LOSST Bonds when due, whether at maturity or upon mandatory or optional redemption.

Sinking Fund. The resolution authorizing the Outstanding Bonds provided for the establishment and maintenance of the Bond Sinking Fund (the “Sinking Fund”), into which there shall be set aside from the Revenue Fund, no later than March 15 of each year, such portion thereof as will be sufficient to pay the interest on and principal of the Series 2025B Bonds coming due in the next succeeding fiscal year. The Sinking Fund shall be comprised of a separate account for each series of bonds payable from the Designated Project Portion outstanding from time to time and amounts within the Sinking Fund shall be allocated to each such account, pro rata, in proportion to the annual principal and interest of each series.

Whenever Parity Obligations are issued under the conditions set forth in the Series 2025B Resolution, provisions shall be made for additional payments to be made into the Sinking Fund (or a similar fund or subaccount created under the issuance documents providing for such Parity Obligations) for the purpose of paying the interest on and principal of such Parity Obligations.

Funds shall be set aside from the Revenue Fund into the Sinking Fund as they are accumulated in the Revenue Fund, until the required amount has been deposited; provided, however, that no further payments need be made into the Sinking Fund when and so long as the amount therein is sufficient to retire all of the LOSST Bonds then outstanding and to pay all interest to become due thereon prior to such retirement or funds sufficient therefor have been set aside and pledged for that purpose. If for any reason the amount on deposit in the Sinking Fund exceeds the required amount, the excess shall be transferred and paid into the Revenue Fund.

The Revenue Fund and the Sinking Fund shall be used solely and only and are hereby pledged for the purpose of paying the interest on and the principal of the LOSST Bonds.

If at any time there is a failure to pay into the Sinking Fund the full amount above stipulated, then an amount equivalent to the deficiency shall be paid into the Sinking Fund from the LOSST revenues on deposit in the Revenue Fund as soon as available.

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 judgment as to whether the Bonds are an appropriate investment.

Tax Levy Procedures

The Bonds are general obligations of the Issuer, payable from and secured by a continuing ad-valorem tax levied against all of the taxable property within the boundaries of the Issuer. As part of the budgetary process of the Issuer each fiscal year the Issuer will have an obligation to request a debt service levy to be applied against all of the taxable property within the boundaries of the Issuer. A failure on the part of the Issuer to make a timely levy request or a levy request by the Issuer that is inaccurate or is insufficient to make full payments of the debt service on 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.

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 negative impact, if any, on the Bonds and the security for the Bonds.

Nature of Debt Service Coverage

Certain historical LOSST revenues for the Issuer are included in “SECURITY AND SOURCE OF PAYMENT” herein. The historical LOSST revenues constitute no assurance as to the sufficiency of future LOSST revenues to satisfy debt service requirements for the Series 2025B Bonds.

Potential purchasers of the Series 2025B Bonds should recognize that if in any given fiscal year of the Issuer, if the Designated Project Portion is insufficient to satisfy debt service on the Series 2025B Bonds, the Issuer would need to repay the Series 2025B Bonds from debt service property tax levies for the payment of such debt service, and that the ordinary system of administration and collection of Iowa of property taxes could cause a delay in the Issuer’s receipt of such funds.

Economic Conditions

A wide variety of economic and other conditions could cause fluctuations affecting the volume of taxable sales and services within the State which would then affect the Issuer's receipt of the Designated Project Portion. The following factors, among others, may affect the economic climate of the State and the volume of taxable sales and services originated in the State (and therefore the amount of LOSST receipts collected by the State and distributed to the Issuer), to an extent which cannot be determined at this time:

- a. Employee strikes or other adverse labor actions affecting significant employers within the State;
- b. Increased unemployment within the State;
- c. Population decrease or other unfavorable demographic changes in the City and surrounding areas;
- d. Competition from sales and services providers located outside of the City;
- e. The loss of local retail establishment or any decrease in the amount of sales generated in the City;
- f. Natural disaster or catastrophes affecting significant portions of the City and surrounding areas;
- g. Delays in the collection of the tax;
- h. Competition from Internet based sales and services providers that are currently exempt from the tax; and
- i. Other unforeseen competitive or economic factors or acts of God.

Additional Debt and Parity Obligations

The Series 2025B Resolution permits the City to incur additional indebtedness under certain circumstances, payable from the Designated Project Portion on an equal basis with the Series 2025B Bonds and the Outstanding Bonds. See "SECURITY AND SOURCE OF PAYMENT – Security and Source of Payment for the Series 2025B Bonds" herein. Such additional debt could increase the Issuer's debt service and repayment requirement in a manner which would adversely affect debt service coverage on the Series 2025B 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 Resolutions.

The practical realization of any rights upon any default will depend upon the exercise of various remedies specified in the Resolutions or the Loan Agreements. The remedies available to the Bondholders upon an event of default under the Resolutions or the Loan Agreements, 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 Agreements or the Resolutions 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 Resolutions or the Loan Agreements, 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.

Rating Loss

Moody's Investors Service, Inc. ("Moody's") has assigned a rating of "Aa2" to the Bonds. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance that the rating will continue for any given period of time, or that such rating will not be revised, suspended or withdrawn, if, in the

judgment of Moody's, circumstances so warrant. A revision, suspension or withdrawal of a rating may have an adverse effect on the market price of the Bonds.

Bankruptcy and Insolvency

The rights and remedies provided in the Resolutions 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 creditor's 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, the Loan Agreements and the Resolutions, including the opinion of Bond Counsel, will be similarly qualified. If the Issuer 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 Resolutions. In the event the Issuer fails to comply with its covenants under the Resolutions 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 Iowa Code, 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 Iowa Code, or other political subdivision.

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 "anticipated," "plan," "expect," "projected," "estimate," "budget," "pro forma," "forecast," "intend," 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 Issuer to pay debt service when due on the Bonds.

Tax Matters and Loss of Tax Exemption

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

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

Proposed Federal Tax Legislation

From time to time, Presidential proposals, federal legislative committee proposals or legislative proposals are made that would, if enacted, alter or amend one or more of the federal tax matters described herein in certain respects or would adversely affect the market value of the Bonds. It cannot be predicted whether or in what forms any of such proposals that may be introduced, may be enacted and there can be no assurance that such proposals will not apply to the Bonds. See “TAX EXEMPTION AND RELATED TAX MATTERS” herein.

Cybersecurity

The Issuer, 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 Issuer will be completely successful to guard against and prevent cyber threats and attacks. Failure to properly maintain functionality, control, security, and integrity of the Issuer’s information systems could impact business operations and systems, and the costs of remedying any such damage could be significant.

The Issuer maintains cybersecurity insurance coverage. The Issuer cannot predict whether this coverage would be sufficient in the event of a cyber-incident.

Pension and Other Post-Employment Benefits (“OPEB”) Information

The Issuer contributes to the Iowa Public Employees’ Retirement System (“IPERS”), which is a state-wide multiple-employer cost-sharing defined benefit pension plan administered by the State of Iowa. IPERS provides retirement and death benefits which are established by State statute to plan members and beneficiaries. All full-time employees of the Issuer are required to participate in IPERS. IPERS plan members are required to contribute a percentage of their annual salary, in addition to the Issuer being required to make monthly contributions to IPERS. Contribution amounts are set by State statute. The IPERS Annual Comprehensive Financial Report for its fiscal year ended June 30, 2024 (the “IPERS ACFR”), indicates that as of June 30, 2024, the date of the most recent actuarial valuation for IPERS, the funded ratio of IPERS was 90.75%, and the unfunded actuarial liability was approximately \$4.375 billion. The IPERS ACFR identifies the IPERS Net Pension Liability at June 30, 2024, at approximately \$3.641 billion (market value), while its net pension liability at June 30, 2023, was approximately \$4.514 billion (market value). The IPERS ACFR is available on the IPERS website, or by contacting IPERS at 7401 Register Drive, Des Moines, IA 50321.

Bond Counsel, Disclosure Counsel, the Underwriter, the Municipal Advisor, and the Issuer undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from the 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.

In fiscal year ended June 30, 2024, the Issuer’s IPERS contribution totaled approximately \$559,956. The Issuer is current in its obligations to IPERS.

Pursuant to Governmental Accounting Standards Board Statement No. 68, IPERS has allocated the net pension liability among its members, with the Issuer’s identified portion at June 30, 2024, at approximately \$2,128,345, which is measured as of June 30, 2023. While the Issuer’s contributions to IPERS are controlled by state law, there can be no assurance the Issuer will not be required by changes in State law to increase its contribution requirement in the future, which may have the effect of negatively impacting the finances of the Issuer. See “APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER FOR FISCAL YEAR 2024” for additional information on pension and liabilities of the Issuer.

The Issuer operates a single-employer health benefit plan which provides medical/prescription drug benefits for employees, retirees and their spouses. Group insurance benefits are established under the Iowa Code, Chapter 509A.13. The Issuer currently finances the benefit on a pay-as-you-go basis. For the year ended June 30, 2024, the Issuer contributed \$747,866 and plan members eligible for benefits contributed \$86,712 to the plan. At June 30, 2024, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. Individuals who are employed by the Issuer and are eligible to participate in the group health plan are eligible to continue health care benefits upon retirement. Retirees under age 65 pay the same premium for the medical/prescription drug benefits as active employees, which results in an implicit rate subsidy. Retired participants must be age 55 or older at retirement, with the exception of special service participants who must be age 50 with 22 years of service. At June 30, 2024, 55 active and no inactive employees were covered by the benefit terms. See “APPENDIX D – AUDITED FINANCIAL STATEMENTS OF THE ISSUER FOR FISCAL YEAR 2024” for additional information on other post-employment benefits of the Issuer.

Risk of Audit

The Internal Revenue Service has an ongoing program to audit tax-exempt obligations to determine the legitimacy of the tax status of such obligations. No assurance can be given as to whether the Internal Revenue Service will commence an audit of the Bonds. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

Summary

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.

LITIGATION

The Issuer encounters litigation occasionally, as a course of business; however, no litigation currently exists that is not believed to be covered by current insurance carriers and the Issuer is not aware of any pending litigation that questions the validity of these Bonds.

MUNICIPAL ADVISOR

The Issuer has retained PFM Financial Advisors LLC, Des Moines, Iowa, as Municipal Advisor (the “Municipal Advisor”) in connection with the preparation of the issuance of the Bonds. In assisting with the preparation of the Official Statement, the Municipal Advisor has relied on government officials, and other sources to provide accurate information for disclosure purposes. The Municipal Advisor is not obligated to undertake, and has not undertaken, an independent verification of the accuracy, completeness, or fairness of the information contained in the Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities.

ACCOUNTANT

The financial statements of the Issuer as of and for the year ended June 30, 2024, included in this Official Statement as Appendix D, have been audited by Denman CPA LLC, West Des Moines, Iowa, independent auditors (the “Accountant”), as stated in their report appearing herein. The Accountant has not been engaged to perform, and has not performed, any procedures on the financial statements after June 30, 2024, and also has not performed any procedures relating to this Official Statement.

The financial statements are prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles.

PLAN OF FINANCING

The Issuer will use the proceeds of the Series 2025A Bonds to provide funds for the purpose of paying the cost, to that extent, of (a) constructing street, water system, sanitary sewer system, storm water drainage and sidewalk improvements; (b) acquiring and installing street lighting, signage and signalization improvements; and (c) undertaking improvements to existing municipal parks; (d) undertaking the City Hall Project, an urban renewal project in the Grimes Urban Renewal Area which was authorized by action of the City Council on May 14, 2024; and (e) paying certain costs of issuance related to the Series 2025A Bonds. The Issuer will use the proceeds of the Series 2025B Bonds to provide funds for the purpose of paying the cost, to that extent, of (a) constructing, furnishing and equipping a municipal fire station; and (b) paying certain costs of issuance related to the Series 2025B Bonds.

SOURCES AND USES OF FUNDS*

The following are estimated sources and uses of funds, with respect to the Bonds.

Sources of Funds	Series 2025A Bonds	Series 2025B Bonds
Bond Principal	\$11,080,000*	\$3,390,000*
Premium	\$	\$
Total Sources of Funds	\$	\$
Uses of Funds		
Project Fund	\$	\$
Costs of Issuance & Contingency ⁽¹⁾	\$	\$
Total Uses of Funds	\$	\$

(1) Includes, among other things, payment of certain legal, financial and other expenses related to the issuance of the Bonds (including, without limitation, underwriters' discount). See the discussion under the caption "UNDERWRITING" herein.

TAX EXEMPTION AND RELATED TAX MATTERS

Federal Income Tax Exemption

The opinions of Bond Counsel will state that under present laws and rulings, interest on the 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 on noncorporate taxpayers under the Code.

The opinion set forth in the preceding sentence will be subject to the condition that the Issuer comply with all requirements of the Code that must be satisfied subsequent to the issuance of the 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 Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds. In the resolution authorizing the issuance of the Bonds, the Issuer will covenant to comply with all such requirements.

There may be certain other federal tax consequences to the ownership of the 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, taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations, and corporations that may be subject to the alternative minimum tax. Bond Counsel will express no opinion with respect to other federal tax consequences to owners of the Bonds. Prospective purchasers of the Bonds should consult with their tax advisors as to such matters.

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 Bonds. Prospective purchasers of the 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 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. 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 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 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.

Purchasers of the 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 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.

* Preliminary, subject to change.

Original Issue Premium

The 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 Bonds at a premium must, from time to time, reduce their federal tax bases for the Bonds for purposes of determining gain or loss on the sale or payment of such 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 Bonds at a premium might recognize taxable gain upon sale of the Bonds, even if such 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 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 Bonds acquired at a premium.

Original Issue Discount

The 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 Code. The amount of original issue discount that accrues to a holder of a Discount Bond under Section 1288 of the Code ("Section 1288") 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 of Discount Bonds.

The 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.

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 opinions of Dorsey & Whitney LLP, Des Moines, Iowa, Bond Counsel, forms of which are attached hereto as "APPENDIX B – FORMS OF BOND COUNSEL OPINIONS." Signed copies of the opinions, 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. Dorsey & Whitney LLP is also serving as Disclosure Counsel to the Issuer in connection with issuance of the Bonds.

The legal opinions to be delivered will express the professional judgment of Bond Counsel, and by rendering legal opinions, 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.

RATING

The Bonds are rated “Aa2” by Moody’s. The rating reflects only the views of Moody’s] and an explanation of the significance of that rating may be obtained only from Moody’s and its published materials. The rating described above is not a recommendation to buy, sell or hold the Bonds. There can be no assurance that any rating will continue for any given period of time or that it will not be revised downward or withdrawn entirely if, in the judgment of Moody’s, circumstances so warrant. Therefore, after the date hereof, investors should not assume that the rating is still in effect. A downward revision or withdrawal of the rating is likely to have an adverse effect on the market price and marketability of the Bonds. The Issuer has not assumed any responsibility either to notify the owners of the Bonds of any proposed change in or withdrawal of any rating subsequent to the date of this Official Statement, except in connection with the reporting of events as provided in the Continuing Disclosure Certificate, or to contest any revision or withdrawal.

CONTINUING DISCLOSURE

The Issuer 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 Issuer (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report is to be filed by the Issuer no later than twelve months after the close of each fiscal year, commencing with the fiscal year ending June 30, 2025, 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 C – 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 C – FORM OF CONTINUING DISCLOSURE CERTIFICATE.” These covenants have been made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”).

During the previous five years, the Issuer has not failed to comply, in all material respects, with any previous undertakings it has entered into with respect to the Rule.

UNDERWRITING

The Bonds are being purchased, subject to certain conditions, by _____ (the “Underwriter”). The Underwriter has agreed, subject to certain conditions, to purchase all, but not less than all, of the Bonds at an aggregate purchase price of \$ _____ (reflecting the par amount of the Bonds with original issue premium of \$ _____ and an underwriter’s discount of \$ _____).

The Underwriter may offer and sell the Bonds to certain dealers (including dealers depositing the Bonds into unit investment trusts, certain of which may be sponsored or managed by the Underwriter) at prices lower than the initial public offering prices stated on the cover page. The initial public offering prices of the Bonds may be changed, from time to time, by the Underwriter.

The Underwriter intends to engage in secondary market trading of the Bonds subject to applicable securities laws. The Underwriter is not obligated, however, to repurchase any of the Bonds at the request of the holder thereof.

MISCELLANEOUS

Brief descriptions or summaries of the Issuer, the Bonds, the Resolutions and other documents, agreements and statutes are included in this Official Statement. The summaries or references herein to the Bonds, the Resolutions 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 Issuer.

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 Issuer and the purchasers or Owners of any of the Bonds.

The attached APPENDICES A, B, C, D and E 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 Issuer 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 Issuer.

City of Grimes, Iowa

Marcia Woodke/Finance Director

APPENDIX A

GENERAL INFORMATION ABOUT THE CITY OF GRIMES, IOWA

The \$11,080,000 General Obligation Corporate Purpose Bonds, Series 2025A (the "Series 2025A Bonds") and \$3,390,000* General Obligation Local Option Sales, Services and Use Tax Bonds, Series 2025B (the "Series 2025B Bonds"), collectively (the "Bonds") are general obligations of the City of Grimes, Iowa (the "City") for which the City will pledge its power to levy direct ad valorem taxes against all taxable property within the City without limitation as to rate or amount to the repayment of the Bonds.*

* Preliminary; subject to change.

CITY PROPERTY VALUES

PROPERTY TAX VALUATIONS

In compliance with Section 441.21 of the Code of Iowa, the State Director of Revenue annually directs the county auditors to apply prescribed statutory percentages to the assessments of certain categories of real property. The 2023 final Actual Values were adjusted by the Polk and Dallas County Auditors. The reduced values, determined after the application of rollback percentages, are the taxable values subject to tax levy.

For assessment year 2023 (applicable to fiscal year 2024-2025), the taxable value rollback rate is 46.3428% of actual value for residential property; 71.8370% of actual value for agricultural property and 100.0000% of the actual value of utility property. The residential taxable value rollback rate of 46.3428% would apply to the value of each property unit of commercial, industrial and railroad property that exceeds zero dollars (\$0), but does not exceed one hundred fifty thousand dollars (\$150,000) with a taxable value rollback rate of 90.0000% to the value that exceeds one hundred fifty thousand dollars (\$150,000). No adjustment was ordered for utility property because its assessed value did not increase enough to qualify for reduction. Utility property is limited to an 8% annual growth.

For assessment year 2024, the taxable value rollback rate was 47.4316% of actual value for residential property; 73.8575% of actual value for agricultural property and 100.0000% of the actual value of utility property. The residential taxable rollback rate of 47.4316% would apply to the value of each property unit of commercial, industrial and railroad property that exceeds zero dollars (\$0) but does not exceed one hundred fifty thousand dollars (\$150,000) with a taxable value rollback rate of 90.0000% to the value that exceeds one hundred fifty thousand dollars (\$150,000). No adjustment was ordered for utility property because its assessed value did not increase enough to qualify for reduction. Utility property is limited to an 8% annual growth.

The Legislature’s intent has been to limit the growth of statewide taxable valuations for the specific classes of property to 3% annually. Political subdivisions whose taxable values are thus reduced or are unusually low in growth are allowed to appeal the valuations to the State Appeal Board, in order to continue to fund present services.

Assessment Year	Fiscal Year	Agricultural	Residential	Multiresidential	Commercial	Utilities
		Land & Buildings			Industrial & Railroad	
2020	2021-22	84.0305%	56.4094%	67.5000%	90.0000%	98.5489%
2021	2022-23	89.0412%	54.1302%	63.7500%	90.0000%	100.0000%
2022	2023-24	91.6430%	54.6501%	N/A ²⁾	90.0000% ³⁾	100.0000%
2023	2024-25	71.8370%	46.3428%	N/A ²⁾	90.0000% ³⁾	100.0000%
2024 ¹⁾	2025-26	73.8575%	47.4316%	N/A ²⁾	90.0000% ³⁾	100.0000%

1) January 1, 2024 rollback percentages are now available from the State of Iowa and become effective July 1, 2025.

2) During the 2021 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 removed the multiresidential property classification by reclassifying certain multiple unit properties as a subset of “residential” property. The multiresidential classification was created as part of the January 1, 2015 valuations and this separate classification has become unnecessary due to the equalization of the residential and multi-residential classifications as of January 1, 2022.

3) The residential rollback rate will apply to the first \$150,000 of assessed value for each property unit. All assessed value above \$150,000 will rolled back at the stated rollback rate.

PROPERTY VALUATIONS

Actual (100%) Valuations for the City

Property Class	Assessment Year:	1-1-2019	1-1-2020	1-1-2021	1-1-2022	1-1-2023
	Fiscal Year:	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Residential		\$1,059,102,240	\$1,081,610,311	\$1,177,208,712	\$1,377,113,510	\$1,697,650,988
Commercial		304,323,627	332,121,798	401,443,296	464,716,293	595,872,422
Industrial		51,607,034	50,838,515	61,690,633	63,278,588	72,329,855
Multiresidential		50,910,322	75,861,661	105,772,759	0	0
Utilities w/o Gas & Electric		<u>1,491,641</u>	<u>1,077,822</u>	<u>678,254</u>	<u>30,870</u>	<u>52,126</u>
Total Valuation		\$1,467,434,864	\$1,541,510,107	\$1,746,793,654	\$1,905,139,261	\$2,365,905,391
Less: Exemptions ¹⁾		<u>(703,760)</u>	<u>(694,500)</u>	<u>(681,612)</u>	<u>(652,645)</u>	<u>(3,332,612)</u>
Net Valuation		\$1,466,731,104	\$1,540,815,607	\$1,746,112,042	\$1,904,486,616	\$2,362,572,779
TIF increment (used to compute debt service levies and constitutional debt limit)		\$120,537,987	\$169,944,895	\$219,649,460	\$213,092,879	\$300,601,153
Taxed Separately:						
Agricultural Land		\$4,533,290	\$4,440,212	\$4,460,920	\$4,324,864	\$5,633,422
Agricultural Buildings		\$202,980	\$291,810	\$338,240	\$336,350	\$456,154
Gas & Electric Utilities		\$43,680,022	\$41,045,037	\$47,164,193	\$57,532,196	\$67,823,350

1) Includes both military exemptions and homestead exemptions for seniors 65 and older beginning with 1-1-2023 values for FY 2024-25. Prior years are military exemption only.

Taxable ("Rollback") Valuations for the City

Property Class	Assessment Year:	1-1-2019	1-1-2020	1-1-2021	1-1-2022	1-1-2023
	Fiscal Year:	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Residential		\$550,161,349	\$566,475,999	\$579,277,095	\$690,392,487	\$680,687,232
Commercial		270,186,626	293,532,027	354,365,507	395,363,916	506,159,714
Industrial		45,919,074	45,047,873	54,552,875	55,176,195	62,838,879
Multiresidential		34,988,167	48,296,005	62,247,970	0	0
Utilities w/o Gas & Electric		<u>1,491,641</u>	<u>1,062,181</u>	<u>678,254</u>	<u>30,870</u>	<u>52,126</u>
Total Valuation		\$902,746,857	\$954,414,085	\$1,051,121,701	\$1,140,963,468	\$1,249,737,951
Less: Exemptions ¹⁾		<u>(703,760)</u>	<u>(694,500)</u>	<u>(681,612)</u>	<u>(652,645)</u>	<u>(3,332,612)</u>
Net Valuation		\$902,043,097	\$953,719,585	\$1,050,440,089	\$1,140,310,823	\$1,246,405,339
TIF increment (used to compute debt service levies and constitutional debt limit)		\$120,537,987	\$169,944,895	\$219,649,460	\$213,092,879	\$300,601,153
Taxed Separately:						
Agricultural Land		\$3,693,863	\$3,731,133	\$3,972,058	\$3,963,440	\$4,046,882
Agricultural Buildings		\$165,395	\$245,210	\$301,172	\$308,241	\$327,688
Gas & Electric Utilities		\$19,265,668	\$17,158,164	\$17,874,455	\$18,774,325	\$20,753,406

1) Includes both military exemptions and homestead exemptions for seniors 65 and older beginning with 1-1-2023 values for FY 2024-25. Prior years are military exemption only.

Trend of Valuations

Assessment Year	Payable Fiscal Year	<u>100% Actual Valuation</u>		<u>Net Taxable Valuation</u>		<u>Taxable TIF Increment</u>	
		Valuation	% Change	Valuation	% Change	Valuation	% Change
2020	2021-22	1,756,537,561	7.39%	970,877,749	5.38%	169,944,895	40.99%
2021	2022-23	2,017,724,855	14.87%	1,068,314,544	10.04%	219,649,460	29.25%
2022	2023-24	2,179,772,905	8.03%	1,159,085,148	8.50%	213,092,879	(2.99%)
2023	2024-25	2,737,086,858	25.56%	1,267,158,745	9.32%	300,601,153	41.06%
2024 ¹⁾	2025-26	2,828,554,057	3.34%	1,321,522,735	4.55%	334,715,627	11.35%

1) January 1, 2024 valuations are available on the Iowa Department of Management website and become effective July 1, 2025.

The 100% Actual Valuation, before rollback and after the reduction of exemptions, includes Ag. Land & Buildings, TIF Increment and Gas & Electric Utilities. The Taxable Valuation, with the rollback and after the reduction of exemptions, includes Gas & Electric Utilities and excludes Ag. Land & Buildings and Taxable TIF Increment. Iowa cities certify operating levies against Taxable Valuation excluding Taxable TIF Increment and debt service levies are certified against Taxable Valuation including the Taxable TIF Increment.

LARGER TAXPAYERS

Set forth in the following table are the persons or entities which represent larger taxpayers within the boundaries of the City, as provided by the Dallas County and Polk County auditor’s office. No independent investigation has been made of and no representation is made herein as to the financial condition of any of the taxpayers listed below or that such taxpayers will continue to maintain their status as major taxpayers in the City. The City’s mill levy is uniformly applicable to all of the properties included in the table, and thus taxes expected to be received by the City from such taxpayers will be in proportion to the assessed valuations of the properties. The total tax bill for each of the properties is dependent upon the mill levies of the other taxing entities which overlap the properties.

<u>Taxpayer</u> ¹⁾	<u>Valuation Category</u>	<u>1/1/2023 Taxable Valuation</u> ²⁾
Millpark Partners LLC	Industrial	\$28,930,479
Anderson Four LLC	Commercial	27,865,258
Hy-Vee Inc.	Commercial	22,831,089
Edward Rose Millennial Development LLC	Residential	20,993,288
The Summit at Heritage LLC	Residential	20,668,889
Prairie Business Park I LLC	Commercial	20,634,515
Mark Anderson Properties LC	Commercial	18,956,015
Menard Inc.	Commercial	17,290,115
Prairie Business Park III LLC	Commercial	17,125,570
URSF IA Grimes LLC	Industrial	16,404,514

1) This list represents some of the larger taxpayers in the City, not necessarily the 10 largest taxpayers.

2) The Taxable Valuation listed represents only those valuations associated with the title holder and may not necessarily represent the entire taxable valuation.

Source: Dallas and Polk Counties Auditor’s Offices.

CITY INDEBTEDNESS

DEBT LIMIT

Article XI, Section 3 of the State of Iowa Constitution limits the amount of debt outstanding at any time of any county, municipality or other political subdivision to no more than 5% of the actual value of all taxable property within the corporate limits, as taken from the last state and county tax list. The debt limit for the City, based on its 2023 Actual Valuation currently applicable to the Fiscal Year 2024-25, is as follows:

2023 Actual Valuation of Property	\$2,737,086,858 ¹⁾
Legal Debt Limit of 5%	<u>0.05</u>
Legal Debt Limit	\$136,854,343
Less: General Obligation Debt Subject to Limit	(97,455,000)*
Less: Developer Rebate Agreements Subject to Debt Limit	<u>(3,390,027) ²⁾</u>
Net Debt Limit	\$36,009,316 *

- 1) Actual Valuation of Property as reported by the Iowa Department of Management for Fiscal Year 2024-25.
- 2) As reported by the City pursuant to development agreements for urban renewal projects under the authority of Iowa Code Chapter 403 or other intergovernmental agreements (under chapter 28E, etc.). The amount reported above includes amounts payable under rebate agreements that have been appropriated by the City Council for Fiscal Year 2024-25, but which may not be debt. Payment of future installments may be dependent upon undertakings by the developers, which may have not yet occurred.

* Preliminary; subject to change.

OUTSTANDING GENERAL OBLIGATION DEBT

General Obligation Debt Paid by Property Taxes and TIF Increment Revenues (Includes the Series 2025A Bonds)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 05/14/25</u>
6/15	\$8,500,000	Corporate Purpose	6/35	\$5,260,000
5/16	5,545,000	Water Improvements & Refunding	6/31	1,775,000
6/18A	9,855,000	Corporate Purpose	6/33	8,255,000
6/19A	4,645,000	Corporate Purpose	6/33	2,470,000
6/20A	8,385,000	Corporate Purpose	6/35	5,805,000
9/20B	3,890,000	Refunding	6/32	2,700,000
6/21A	8,585,000	Corporate Purpose	6/36	7,485,000
6/22A	6,975,000	Corporate Purpose	6/37	6,060,000
5/23A	8,380,000	Corporate Purpose	6/38	8,010,000
5/23B	14,355,000	Corporate Purpose	6/42	14,355,000
5/24A	17,470,000	Corporate Purpose	6/43	17,470,000
5/25A	11,080,000*	Corporate Purpose	6/41	<u>11,080,000</u> *
Subtotal				\$90,725,000 *

* Preliminary; subject to change.

General Obligation Debt Paid by Local Option Sales Tax Revenues (Includes the Series 2025B Bonds)

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 05/14/25</u>
6/21B	\$3,755,000	Municipal Library	6/40	\$3,340,000
5/25B	3,390,000*	Municipal Fire Station	6/44	<u>3,390,000</u> *
Subtotal				\$6,730,000 *
Total General Obligation Debt Subject to Debt Limit:				\$97,455,000 *

* Preliminary; subject to change.

Annual Fiscal Year Debt Service Payments Paid by Property Taxes and TIF Increment Revenues (Includes the Series 2025A Bonds)

<u>Fiscal Year</u>	<u>Current Outstanding Debt</u>		<u>Series 2025A Bonds</u>		<u>Total Outstanding</u>	
	<u>Principal</u>	<u>Principal & Interest</u>	<u>Principal*</u>	<u>Principal & Interest*</u>	<u>Principal*</u>	<u>Principal & Interest*</u>
2024-25	\$4,670,000	\$6,155,765 ¹⁾	\$0	\$0	\$4,670,000	\$6,155,765 ¹⁾
2025-26	5,110,000	7,909,280	745,000	1,286,126	5,855,000	9,195,406
2026-27	5,520,000	8,121,980	545,000	1,024,475	6,065,000	9,146,455
2027-28	5,680,000	8,070,735	505,000	957,225	6,185,000	9,027,960
2028-29	5,810,000	7,981,773	530,000	956,975	6,340,000	8,938,748
2029-30	5,975,000	7,935,573	555,000	955,475	6,530,000	8,891,048
2030-31	6,175,000	7,935,729	585,000	957,725	6,760,000	8,893,454
2031-32	6,070,000	7,623,104	615,000	958,475	6,685,000	8,581,579
2032-33	5,925,000	7,274,894	645,000	957,725	6,570,000	8,232,619
2033-34	4,785,000	5,923,613	675,000	955,475	5,460,000	6,879,088
2034-35	4,965,000	5,925,588	710,000	956,725	5,675,000	6,882,313
2035-36	3,965,000	4,740,313	745,000	956,225	4,710,000	5,696,538
2036-37	3,390,000	4,004,913	775,000	954,563	4,165,000	4,959,476
2037-38	2,965,000	3,434,713	810,000	956,625	3,775,000	4,391,338
2038-39	1,820,000	2,171,113	845,000	957,200	2,665,000	3,128,313
2039-40	1,890,000	2,168,313	880,000	956,288	2,770,000	3,124,601
2040-41	1,970,000	2,172,713	<u>915,000</u>	953,888	2,885,000	3,126,601
2041-42	2,050,000	2,172,863			2,050,000	2,172,863
2042-43	<u>910,000</u>	948,675			<u>910,000</u>	948,675
	\$79,645,000		\$11,080,000*		\$90,725,000*	

1) Excludes the December 1, 2024 interest payment in the amount of \$1,530,750.

* Preliminary; subject to change.

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**Annual Fiscal Year Debt Service Payments Paid by Local Option Sales Tax Revenues
(Includes the Series 2025B Bonds)**

Fiscal Year	Current Outstanding Debt		Series 2025B Bonds		Total Outstanding	
	Principal	Principal & Interest	Principal*	Principal & Interest*	Principal*	Principal & Interest*
2024-25	\$155,000	\$204,325 ¹⁾	\$0	\$0	\$155,000	\$204,325 ¹⁾
2025-26	165,000	255,900	115,000	277,071	280,000	532,971
2026-27	170,000	252,650	120,000	269,013	290,000	521,663
2027-28	180,000	254,150	125,000	268,013	305,000	522,163
2028-29	190,000	255,150	130,000	266,763	320,000	521,913
2029-30	200,000	255,650	140,000	270,263	340,000	525,913
2030-31	205,000	252,650	145,000	268,263	350,000	520,913
2031-32	215,000	256,500	150,000	266,013	365,000	522,513
2032-33	215,000	252,200	160,000	268,513	375,000	520,713
2033-34	220,000	252,900	165,000	265,513	385,000	518,413
2034-35	225,000	253,500	175,000	267,263	400,000	520,763
2035-36	230,000	254,000	185,000	268,513	415,000	522,513
2036-37	235,000	254,400	190,000	265,650	425,000	520,050
2037-38	240,000	254,700	200,000	267,575	440,000	522,275
2038-39	245,000	254,900	210,000	269,075	455,000	523,975
2039-40	<u>250,000</u>	255,000	220,000	270,150	470,000	525,150
2040-41			225,000	265,800	225,000	265,800
2041-42			235,000	266,238	235,000	266,238
2042-43			245,000	266,250	245,000	266,250
2043-44			<u>255,000</u>	265,838	<u>255,000</u>	265,838
	\$3,340,000		\$3,390,000*		\$6,730,000*	

1) Excludes the December 1, 2024 interest payment in the amount of \$49,325.

* Preliminary; subject to change.

OUTSTANDING WATER REVENUE DEBT

The City has revenue debt outstanding payable solely from net revenues of the Water Utility as follows:

Date of Issue	Original Amount	Purpose	Final Maturity	Principal Outstanding As of 05/14/25
7/13	\$2,147,019	Water Improvements (SRF)	6/33	\$0 ¹⁾
9/16	561,556	Water Improvements (SRF)	6/36	0 ¹⁾
3/19-1	3,872,355	Water Improvements (SRF)	6/39	0 ¹⁾
4/19-2	3,489,323	Water Improvements (SRF)	6/40	2,856,000
6/19-3	1,539,596	Water Improvements (SRF)	6/39	0 ¹⁾
1/20	21,636,156	Water Improvements (SRF)	6/42	0 ¹⁾
11/23	4,566,000 ¹⁾	Water Improvements (SRF)	6/44	<u>4,566,000</u> ²⁾
Total				\$7,422,000

1) On January 1, 2025, the City transferred ownership of and all debt related to its water producing assets to the newly established Central Iowa Waterworks. Amounts listed represent the City's remaining portion of water revenue debt related to the City's water storage and distribution system. See "CENTRAL IOWA WATERWORKS" section herein for more information.

2) Preliminary subject to change based on the preliminary debt service schedule established prior to final draws. The City has drawn \$4,286,110 as of February 26, 2025.

Annual Fiscal Year Debt Service Payments of Water Revenue Debt ¹⁾

<u>Fiscal Year</u>	<u>Principal</u>	<u>Principal and Interest</u>
2024-25	\$508,000	\$572,332 ²⁾
2025-26	341,000	482,360
2026-27	350,000	481,460
2027-28	357,000	481,460
2028-29	363,000	480,320
2029-30	370,000	480,060
2030-31	377,000	479,660
2031-32	384,000	479,120
2032-33	392,000	479,440
2033-34	399,000	478,600
2034-35	407,000	478,620
2035-36	414,000	477,480
2036-37	421,000	476,200
2037-38	430,000	476,780
2038-39	438,000	476,180
2039-40	447,000	476,420
2040-41	248,000	268,480
2041-42	253,000	268,520
2042-43	259,000	269,460
2043-44	<u>264,000</u>	269,280
Total	\$7,422,000	

1) Based on preliminary debt service schedules for SRF loans not fully drawn; and includes SRF fiscal fees.

2) Excludes December 1, 2024 interest payments and SRF fiscal fees in the amount of \$276,110.

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CENTRAL IOWA WATERWORKS

The City is one of twelve parties that are founding member agencies of Central Iowa Waterworks (“CIWW”). CIWW will act as a regional water wholesale production and supply provider exclusively to the member agency utilities. As of January 1, 2025, the City transferred ownership of all water producing assets to CIWW, including the transfer of all debt related to such water producing assets. The City now buys its water solely and only from CIWW as a wholesale customer. Water is purchased at a variable unit cost per kgal (the “Volumetric Rate”). In addition, each member is charged a monthly fixed unit cost at a dollar per MGD rate (the “Fixed Unit Cost”). Both the Volumetric Rate and the Fixed Unit Cost are set annually for all members effective each January 1. The Volumetric Rates are intended to pay for the operation and maintenance of the CIWW water production and distribution operations, while the monthly fixed unit costs are intended to pay for debt and capital expenses of CIWW.

The City’s Volumetric Rate for 2025 is \$2.04 and the City’s Fixed Unit Cost is \$199,960 per month.

OUTSTANDING SEWER REVENUE DEBT

The City has revenue debt outstanding payable solely from net revenues of the Sewer Utility as follows

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 05/14/25</u>
11/16	\$3,648,000	Sewer Improvements (SRF)	6/36	\$2,364,000
5/22	36,573,000	Sewer Improvements (SRF)	6/43	<u>36,373,000</u> ¹⁾
Total				\$38,737,000

1) Preliminary subject to change based on the preliminary debt service schedule established prior to final draws. The City has drawn \$36,568,000 as of February 26, 2025.

Annual Fiscal Year Debt Service Payments of Sewer Revenue Debt ¹⁾

<u>Fiscal Year</u>	<u>Principal</u>	<u>Principal and Interest</u>
2024-25	\$436,000	\$811,550 ²⁾
2025-26	688,000	1,432,240
2026-27	940,000	1,672,360
2027-28	1,192,000	1,907,460
2028-29	1,444,000	2,137,540
2029-30	1,696,000	2,362,600
2030-31	2,318,000	2,952,640
2031-32	2,362,000	2,952,260
2032-33	2,408,000	2,953,020
2033-34	2,454,000	2,952,880
2034-35	2,501,000	2,952,840
2035-36	2,549,000	2,952,880
2036-37	2,387,000	2,741,980
2037-38	2,435,000	2,742,240
2038-39	2,484,000	2,742,540
2039-40	2,534,000	2,742,860
2040-41	2,584,000	2,742,180
2041-42	2,636,000	2,742,500
2042-43	<u>2,689,000</u>	2,742,780
Total	\$38,737,000	

1) Based on preliminary debt service schedules for SRF loans not fully drawn; and includes SRF fiscal fees.
 2) Excludes December 1, 2024 interest payments and SRF fiscal fees in the amount of \$375,550.

DES MOINES METROPOLITAN WASTEWATER RECLAMATION AUTHORITY
WRA Issued Revenue Debt Supported by Sewer Utility Revenues

The City is a member of the Des Moines Metropolitan Wastewater Reclamation Authority (the “WRA”) and has entered into a financing agreement with the WRA to provide for the City’s share of capital contribution for the construction and ongoing expansion of a metropolitan wastewater system. The WRA amounts below represent the City’s share of the principal payments of the various issues. Other participating communities within the WRA area pay the remaining amounts. Flow-based allocations are subject to change on an annual basis; as such the amount outstanding may be greater than the amount issued due to fluctuations in flow. The amounts listed are based on Fiscal Year 2024-25 WRA flows as taken from the WRA Allocation Model on February 26, 2025.

City of Grimes WRA Outstanding Debt Allocations

<u>Principal Outstanding</u> <u>As of 05/14/25</u>	<u>Principal & Interest Budgeted</u> <u>Fiscal Year 2024-25</u>	<u>Principal & Interest Budgeted</u> <u>Fiscal Year 2025-26</u>
\$17,347,324	\$1,190,355	\$1,214,612

WRA Proposed Payment Obligations

WRA has authorized and is planning to issue Sewer Revenue Bonds and State Revolving Fund Loans in Fiscal Year 2024-25 and Fiscal Year 2025-26. The amounts below represent the City’s anticipated share of the debt service payments of the proposed issues. Other participating communities of the WRA pay the remaining amount. Flow-based allocations are subject to change on an annual basis; as such the amount outstanding may be greater than the amount issued due to fluctuations in flow. The amounts listed are based on Fiscal Year 2024-25 WRA flows as taken from the WRA Allocation Model on February 26, 2025.

City of Grimes WRA Proposed Debt Allocations

<u>Principal Outstanding</u> <u>As of 05/14/25</u>	<u>Principal & Interest Budgeted</u> <u>Fiscal Year 2024-25</u>	<u>Principal & Interest Budgeted</u> <u>Fiscal Year 2025-26</u>
\$3,681,910	\$55,147	\$111,666 ¹⁾

1) The City’s allocation of the Fiscal Year 2024-25 interest payments are included in the City’s Fiscal Year 2024-25 principal and interest budgeted in outstanding debt table above.

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TIF-BACKED DEVELOPMENT AGREEMENTS

From time to time the City, pursuant to Section 403.9 of the Code of Iowa and the City’s urban renewal plans, has entered into development agreements which contain payment obligations from the City to an external party. The City’s payment requirements under these contracts are not structured as general liabilities of the City, but rather are exclusively secured by and payable from a pledge of the City’s incremental property tax revenues (“TIF”) to be derived from the taxable properties (or some subset thereof) contained within an urban renewal area of the City pursuant to Section 403.19 of the Code of Iowa. The City’s payment obligations under these contracts are routinely contingent upon development or redevelopment performance requirements of the external party and are typically made subject to annual appropriation rights by the City Council. TIF Payments under these contracts are typically due and owing semi-annually on December 1 and June 1 of each fiscal year of the City.

The following table contains information on the City’s more significant Development Agreements, each subject to annual appropriation by the City:

	Total Estimated TIF Rebate	Estimated Final Payment Date	Total Estimated Obligation Outstanding ¹⁾	Total Estimated Obligation Subject to Debt Limit for Fiscal Year 2024-25	Total Estimated Obligation Subject to Debt Limit for Fiscal Year 2025-26
<u>TIF Rebate Agreements</u>					
Prairie Business Park	\$1,830,234	6/30/26	\$749,980	\$510,755 ²⁾	\$239,225 ³⁾
PMR Realty	1,800,000	6/30/27	539,173	223,169 ²⁾	210,670 ³⁾
Thieleke Trust	12,500,000	6/30/28	1,223,625	305,906 ²⁾	305,906 ³⁾
Destination Market	12,500,000	6/30/28	2,555,229	627,225 ²⁾	642,668 ³⁾
Hy-Vee #2 2018	3,200,000	6/30/28	2,473,861	704,594 ²⁾	704,859 ³⁾
Hope K Farms	5,000,000	6/30/35	1,562,346	139,107 ²⁾	142,324 ³⁾
Signature Ernst Holdings	8,000,000	6/30/36	8,000,000	0 ⁴⁾	0 ⁵⁾
Hope K Farms Agreement #2	25,000,000	6/30/38	6,862,350	547,737 ²⁾	587,412 ³⁾
Rock Creek (Iowa Ortho) Phase #1 & #2	19,900,000	6/30/42	<u>19,857,189</u>	<u>140,000</u> ²⁾	<u>0</u> ⁵⁾
Total			\$43,823,753	\$3,198,493	\$2,833,064

- 1) Amounts outstanding are prior to any Fiscal Year 2024-25 payments that may have already been made.
- 2) This TIF rebate agreement is subject to annual appropriation. Amount listed represents the payment that has been appropriated for Fiscal Year 2024-25.
- 3) This TIF rebate agreement is subject to annual appropriation. Amount listed represents the payment that has been appropriated for Fiscal Year 2025-26.
- 4) This TIF rebate agreement is subject to annual appropriation. No payments have been appropriated for Fiscal Year 2024-25.
- 5) This TIF rebate agreement is subject to annual appropriation. No payments have been appropriated for Fiscal Year 2025-26.

OVERLAPPING DEBT ¹⁾

<u>Taxing District</u>	<u>1/1/2023 Taxable Valuation</u> ²⁾	<u>Valuation within the City</u> ³⁾	<u>Percent In City</u>	<u>G.O. Debt</u> ⁴⁾	<u>City's Proportionate Share</u>
Polk County	\$36,021,746,937	\$1,567,871,146	4.35%	\$307,887,000	\$13,393,085
Dallas County	10,055,960,846	\$4,263,322	0.04%	18,760,000	7,504
Dallas Center-Grimes CSD	1,785,735,574	1,237,622,612	69.31%	62,015,000	42,982,597
Johnston CSD	3,401,980,025	333,774,133	9.81%	0	0
Urbandale CSD	1,773,064,546	737,723	0.04%	74,340,000	29,736
Des Moines Area Comm. College	67,526,147,035	1,572,134,468	2.33%	82,485,000	<u>1,921,901</u>
City's share of total overlapping debt					\$58,334,823

1) Does not include Area Education Agencies.

2) Taxable Valuation excludes military exemption and includes Ag. Land & Buildings, Taxable TIF Increment and all Utilities.

3) Valuation excludes military exemption and includes Ag. Land & Buildings, Taxable TIF Increment, all Utilities, and City exempt valuations.

4) Includes general obligation bonds, PPEL notes, certificates of participation and new jobs training certificates. Estimated as of February 13, 2025 based on publicly available data.

FINANCIAL SUMMARY

Debt Ratios

	<u>G.O. Debt</u>	<u>Debt/Actual Market Value</u> ¹⁾	<u>Debt/Taxable Value</u> ²⁾	<u>Debt Per Capita</u> ³⁾
City Total G. O. Debt	\$97,455,000*	3.56%*	6.20%*	\$6,331.54*
City's share of Overlapping Debt	<u>\$58,334,823</u>	<u>2.13%</u>	<u>3.71%</u>	<u>\$3,789.94</u>
Total City and Overlapping Debt	\$155,789,823*	5.69%*	9.91%*	\$10,121.48*

1) Based on the City's 2023 actual valuation of property; includes Ag. Land, Ag. Buildings, all Utilities and TIF Increment.

2) Based on the City's 2023 taxable valuation of property; includes Ag. Land, Ag. Buildings, all Utilities and TIF Increment.

3) Based on the 2020 U.S. Census.

* Preliminary; subject to change.

THE CITY

CITY GOVERNMENT

The City operates under a mayor-council form of government having five Council members elected at large. The City has an excellent fire and rescue department with modern fire-fighting equipment, 13 full-time fire fighters, a City-owned fire station, and also a shared station with the City of Johnston. Police protection is provided to the community by the Polk County Sheriff's department.

The City owns and operates an excellent library containing several thousand volumes and many periodicals for the use and enjoyment of its citizens.

The City has seven parks containing playground equipment, baseball diamonds, tennis courts, picnic facilities and shelter houses. There are also two sports complexes housing baseball, softball, soccer fields, tennis, volleyball and a skate park.

TAX RATES

Fiscal Year	General Fund	Outside	Emergency Fund	Debt Service	Employee Benefits	Total Levy	Ag. Levy
2020-21	8.10000	0.20371	0.00000	2.31430	1.09483	11.71284	3.00375
2021-22	8.10000	0.03181	0.00000	2.18408	1.09695	11.41284	3.00375
2022-23	7.79218	0.00000	0.00000	2.40000	0.99690	11.18908	3.00375
2023-24	7.65636	0.00000	0.00000	2.50000	0.91917	11.07553	3.00375
2024-25	7.43336	0.00000	0.00000	2.65000	0.76182	10.84518	3.00375

COMBINED HISTORIC TAX RATES ¹⁾

	FY 2020-21 <u>\$/1,000</u>	FY 2021-22 <u>\$/1,000</u>	FY 2022-23 <u>\$/1,000</u>	FY 2023-24 <u>\$/1,000</u>	FY 2024-25 <u>\$/1,000</u>
City of Grimes	11.71284	11.41284	11.18908	11.07553	10.84518
Polk County	7.30880	7.13383	6.77099	6.77099	6.77099
County Assessor	0.24836	0.19192	0.22542	0.22070	0.25772
Ag Extension	0.03502	0.03486	0.03328	0.03346	0.03175
Dallas Center-Grimes CSD	17.60801	17.86800	18.76435	18.12857	18.70359
Johnston CSD	17.75113	17.76219	17.75152	13.00519	13.88867
Urbandale CSD	17.94483	17.98941	17.99500	17.99523	17.94026
DMACC	0.63533	0.67789	0.69448	0.74410	0.75916
Hospital	2.67405	2.57740	2.57722	2.63945	2.39364
DART	0.60700	0.58765	0.57016	0.55469	0.57359
State of Iowa	<u>0.00270</u>	<u>0.00260</u>	<u>0.00240</u>	<u>0.00180</u>	<u>0.00180</u>
Total Tax Rate:					
Dallas Center-Grimes CSD	40.83211	40.48699	40.82738	40.16929	40.33742
Johnston CSD	40.97523	40.38118	39.81455	35.04591	35.52250
Urbandale CSD	41.16893	40.60840	40.05803	40.03595	39.57409

1) Tax rates are for Polk County only.

2) Includes Urbandale Sanitary Sewer District and Urbandale-Windsor Heights Sanitary Sewer District.

TAX COLLECTION HISTORY

<u>Collection Period</u>	<u>Levy</u> ¹⁾	<u>Collected During Collection Year</u> ²⁾	<u>Percent Collected</u>
2020-21	\$11,081,704	\$11,059,756	99.80%
2021-22	11,463,580	11,194,197	97.65%
2022-23	12,493,451	12,280,432	98.29%
2023-24	13,383,046	13,593,441	101.57%
2024-25	14,552,302	----- In Process of Collection -----	

1) Based on the City’s annual “Adoption of Budget & Certification of City Taxes” and does not include TIF.

2) As provided by the Dallas and Polk County Auditors and does not include TIF.

Taxes in Iowa are delinquent each October 1 and April 1 and a late payment penalty of 1.5% per month of delinquency is enforced as of those dates. If delinquent taxes are not paid, the property may be offered at the regular tax sale on the third Monday 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 taxes. A property owner may redeem from the regular tax sale but, failing redemption within three years, the tax sale purchaser is entitled to a deed, which in general conveys the title free and clear of all liens except future tax installments.

LEVY LIMITS

On May 4, 2023, the Governor signed House File 718 (“HF 718”), a property tax reform law aimed at reducing property tax growth in Iowa. Among other things, HF 718 permanently consolidates several existing city property tax levies and creates a new adjusted city general fund levy (“ACGFL”). To control the growth of property taxes, the new ACGFL is subject to potential limitation or reduction by constraining growth each year depending on if certain growth triggers are met or exceeded during the prior year. The levy limitation is only applicable Fiscal Year 2024-25 through Fiscal Year 2027-28 and will be specific to each city. For Fiscal Year 2023-24, the City calculated the new ACGFL as the baseline rate and the first annual ACGFL adjustment began in Fiscal Year 2024-25. The ACGFL rates for Fiscal Years 2024-25 through 2027-28 are based on growth in city taxed value and the previous year’s city tax rate. Beginning in Fiscal Year 2028-29, all cities go to a \$8.10 ACGFL maximum and the levy limitation calculation ceases. Certain levies like debt service, pensions, employee benefits and capital improvement reserve fund are not included in the new ACGFL limitation.

The City’s recent property valuation growth has, on occasion, exceeded the new legislative caps. Assuming the City exceeds the legislative caps in the future, the City’s general fund levies will lag its relative valuation growth. For Fiscal Year 2024-25, the City’s non TIF tax valuation growth was 9.32% requiring the City’s property tax revenue to be reduced by 3% of its revenues. The City’s Budget for Fiscal Year 2024-25 incorporated this adjustment.

On May 1, 2024, new legislation (“SF 2442”) was signed by the Governor adjusting the growth triggers and the calculation of the ACGFL for Fiscal Year 2025-2026 and beyond. For Fiscal Year 2025-26, the City’s non-TIF tax valuation growth was 4.55% mitigating the City’s property tax revenue from the ACGFL by 2% pursuant to the calculations imposed by SF 2442. The City’s Budget for Fiscal Year 2025-26 will accommodate this reduction of tax revenues relative to its non-TIF tax valuation growth.

FUNDS ON HAND (CASH AND INVESTMENTS AS OF January 2025).

<u>Fund</u>	
General Fund	\$6,547,841.00
Water Enterprise Fund	7,923,110.27
Sewer Enterprise Fund	4,993,360.96
Debt Service Fund	3,038,886.35
Solid Waste Fund	683,203.42
Storm Water Fund	3,103,151.17
Employee Benefit Fund	1,355,365.40
TIF Fund	2,093,001.49
Other Funds	<u>28,642,850.37</u>
Total Funds on Hand	\$58,380,770.43

INVESTMENT OF PUBLIC FUNDS (AS OF JANUARY 31, 2025)

The City held investments in the following amounts:

	<u>Amount on Deposit</u>
Local Bank Checking	\$44,775,359.31
Local Bank Savings and CD's	14,411,712.49
Outstanding transactions	<u>(806,301.37)</u>
Total	\$58,380,770.43

EMPLOYEES AND PENSIONS

The City participates in a statewide employee retirement system, the Iowa Public Employees Retirement System ("IPERS) administered by the State of Iowa. All full-time employees not covered by another retirement system must participate in IPERS. The City currently has 63 full-time employees, 36 part-time employees (including seasonal).

Iowa Public Employees Retirement System: The City contributes to IPERS, which is a cost-sharing, multiple-employer, contributory defined benefit public employee retirement system. IPERS provides retirement and death benefits, which are established by state statute, to plan members and beneficiaries. IPERS is authorized to adjust the total contribution rate up or down each year, by no more than 1 percentage point, based upon the actuarially required contribution rate.

City and City Employees' Contributions to IPERS

The City contributed the required amount to IPERS for the last five fiscal years as follows:

<u>Fiscal Year</u>	<u>City Contribution</u>		<u>City Employees' Contribution</u>	
	<u>Amount Contributed</u>	<u>% of Covered Payroll</u>	<u>Amount Contributed</u>	<u>% of Covered Payroll</u>
2020	\$387,409	9.44%	N/A	6.29%
2021	400,795	9.44%	N/A	6.29%
2022	425,862	9.44%	N/A	6.29%
2023	558,456	9.44%	N/A	6.29%
2024	559,956	9.44%	N/A	6.21%

IPERS Net Pension Liability

Pursuant to Governmental Accounting Standards Board ("GASB") Statement No. 68, the City reported a liability of \$2,128,345 within its Independent Auditor's Report as of June 30, 2024 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of contributions to the pension plan relative to the contributions of all IPERS participating employers. At June 30, 2023, the City's proportionate share was 0.047153% which was an increase of 0.012068% from its proportion measured as of June 30, 2022.

Additional Pension Plan Information

For additional information on the City's pension plan, refer to Note 4, PENSION PLAN, beginning on page 27 of the City's Independent Auditor's Reports for the Fiscal Year ended June 30, 2024 contained in APPENDIX C to this Preliminary Official Statement.

The IPERS Annual Comprehensive Financial Report is available on the IPERS website, or by contacting IPERS at 7401 Register Drive P.O. Box 9117, Des Moines, IA 50321.

Bond Counsel, Disclosure Counsel, the City and the Municipal Advisor undertake no responsibility for and make no representations as to the accuracy or completeness of the information available from the 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.

OTHER POST EMPLOYMENT BENEFITS ("OPEB")

The City operates a single-employer health benefit plan which provides medical and prescription drug benefits for employees, retirees and their spouses. The City finances the benefit plan on a pay-as-you-go basis. As of June 30, 2024, member monthly premiums for the City and plan members range from \$412 for single coverage to \$1,032 for family coverage, depending upon age. For the Fiscal Year ended June 30, 2024, the City contributed \$747,866 and plan members eligible for benefits contributed \$86,712 to the plan. As of June 30, 2024, no assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

OPEB Benefits: Individuals who are employed by the City and are eligible to participate in the group health plan are eligible to continue healthcare benefits upon retirement. Retirees under age 65 pay the same premium for the medical and prescription drug benefits as active employees, which results in an implicit rate subsidy. Retired participants must be age 55 or older at retirement, with the exception of special service participants who must be age 50 with 22 years of services. As of June 30, 2024, there were 55 active employees and no inactive members in the plan.

For additional information on the City's OPEB, refer to Note 5, OTHER POST-EMPLOYMENT BENEFITS, beginning on page 31 of the City's Independent Auditor's Report for the Fiscal Year ended June 30, 2024 contained in APPENDIX C to this Preliminary Official Statement.

INSURANCE

The City is a member of Iowa Communities Assurance Pool and has insurance coverage for various types of issues, including property damage, equipment breakdown, crime, automobile physical damage, valuable paper and records, water and sewer backup, cyber security and cyber breach.

GENERAL INFORMATION

LOCATION AND TRANSPORTATION

The City is located in both Polk and Dallas Counties, approximately nine miles northwest of Des Moines, in Jefferson and Webster Townships, with over 99% of the City’s valuation located within Polk County. The proximity of the City to the capital city of Des Moines places it in a position of serving both a suburban residential area and a trading center for the surrounding agricultural area. Many residents living in the City work in Des Moines and other nearby communities. Rail transportation is furnished by the Norfolk Southern Railroad. The City is served by Iowa Highways 44 and 141 which interchange with Interstates 35 and 80, adjacent to the City’s southern boundary. The City is within the Greater Des Moines Metropolitan Area and is easily accessible to the Des Moines International Airport and associated air transportation facilities.

LARGER EMPLOYERS

A representative list of larger employers for the City is as follows:

<u>Employer</u>	<u>Type of Business</u>	<u>Number of Employees</u>
Amazon	Delivery Service	250+
Helpful Smile Technologies (HST Hy-Vee)	Internet Technology	250+
Hy-Vee Grocery	Grocery/Retail/Food Service	250+
Walmart Supercenter	Retail	250+
Dallas Center-Grimes CSD	Education	175+
National Carwash Solution	Car Wash Equipment	150+
Cramer & Associates	Bridge Construction	100+
FedEx Ground	Delivery Service	100+
Menards	Retail	100+
Toyota of Des Moines	Car Dealership	100+
City of Grimes	Municipality	75+
Golden Rule Plumbing, Heating & Cooling	Plumbing, HVAC Services/Supply	75+
Ace Construction	Prefabricated/Conventional Steel Const.	50+
Beisser Lumber Co.	Lumber & Wood Products	50+
Communications Data Link	Information Technology/Services	50+
Continental Fire Sprinkler Co.	Fire Sprinkler Sales/ Services	50+
Corteva	Agricultural Production Technology	50+
Daimler Trucks North America	Warehouse Distribution	50+
Dormark Construction	Concrete Construction	50+
Edge Commercial, LLC	Commercial Construction	50+
Fareway	Grocery Store	50+
Frito Lay Food Distribution	Food Distributer	50+
Heartland Heating & Cooling	HVAC Services/Supply	50+
Insta-Pro International	Manufacturing	50+
Kennybrook Village	Residential/Healthcare	50+
Koester Construction	Commercial Construction	50+
Owens & Minor	Warehouse Distribution	50+
Performance Display Huston Mfg.	Retail Design/Installation/Assembly	50+
Right Stuff, Inc.	Catalog Shopping	50+

1) Includes full-time and part-time employees.

Source: The City

BUILDING PERMITS

City officials report the following construction activity as of December 31, 2024. Permits for the City are reported on a calendar year basis.

<u>Single Family Homes:</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
No. of New Homes:	164	181	62	36	44
Valuation:	\$21,909,758	\$64,692,787	\$24,465,233	\$39,264,446	\$17,531,407
<u>Home Remodeling, Improvements, & Garages</u>					
No. of Permits Issued:	51	56	53	45	44
Valuation:	\$790,935	\$716,266	\$546,532	\$2,380,569	\$2,043,074
<u>Multiple-Family Dwellings & Duplexes:</u>					
No. of New Buildings:	4	28	5	23	59
Valuation:	\$4,450,834	\$3,021,235	\$3,689,077	\$32,496,548	\$19,716,597
<u>Commercial/Industrial/Other:</u>					
No. of New Buildings:	19	24	25	5	4
Valuation:	\$69,579,804	\$25,120,877	\$109,812,850	\$57,454,320	\$15,838,820
<u>Commercial/Industrial/Other Additions & Alterations:</u>					
No. of Permits Issued:	32	72	54	45	33
Valuation:	<u>\$8,838,721</u>	<u>\$15,470,284</u>	<u>\$21,533,164</u>	<u>\$16,594,799</u>	<u>\$7,892,755</u>
Total Permits:	270	361	199	154	184
Total Valuations:	\$105,570,052	\$109,021,449	\$160,046,856	\$148,190,682	\$63,022,653

U.S. CENSUS DATA

Population Trend

<u>Census Year</u>	<u>City of Grimes</u>
2000	5,098
2010	8,246
2015 ¹⁾	11,423
2020	15,392

1) Special City Census

Source: State of Iowa – State Data Center

UNEMPLOYMENT RATES

	<u>Greater Des Moines Metropolitan</u>	<u>Dallas County</u>	<u>Polk County</u>	<u>State of Iowa</u>	
Annual Averages:	2020	5.4%	3.5%	5.9%	5.2%
	2021	3.8%	2.7%	4.1%	3.8%
	2022	2.7%	2.1%	2.8%	2.8%
	2023	2.8%	2.2%	2.9%	2.9%
	2024	3.0%	2.8%	3.0%	2.9%

Source: U.S. Bureau of Labor Statistics

EDUCATION

Public education is provided to residents of the City by the Dallas Center-Grimes Community School District, Johnston Community School District, and the Urbandale Community School District. The Dallas Center-Grimes Community School District provides public education, with an October 2024 certified enrollment for the 2025-26 school year of 3,446.3. The district owns and operates one preschool, four elementary schools grades K-4, one middle school grades 5-6, one middle school grades 7-8, and one high school, grades 9-12.

Continuing education centers within commuting distance include Iowa State University in Ames; Drake University and Grand View University in Des Moines, Des Moines Area Community College in Ankeny, and Simpson College in Indianola.

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APPENDIX B

FORMS OF BOND COUNSEL OPINIONS

Form of Bond Counsel Opinion for Series 2025A Bonds*

We hereby certify that we have examined certified copies of the proceedings (the “Proceedings”) of the City Council of the City of Grimes (the “Issuer”), in Dallas and Polk Counties, Iowa, passed preliminary to the issue by the Issuer of its General Obligation Corporate Purpose Bonds, Series 2025A (the “Bonds”) in the amount of \$11,080,000, in the denomination of \$5,000 each, or any integral multiple thereof, dated May 14, 2025, in evidence of the Issuer’s obligation under a certain loan agreement (the “Loan Agreement”), dated as of May 14, 2025. The Bonds mature on June 1 in each of the respective years and in the principal amounts and bear interest payable semiannually, commencing December 1, 2025, at the respective rates as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate Per Annum</u>
2026	\$ 745,000	____%	2034	\$ 675,000	____%
2027	\$ 545,000	____%	2035	\$ 710,000	____%
2028	\$ 505,000	____%	2036	\$ 745,000	____%
2029	\$ 530,000	____%	2037	\$ 775,000	____%
2030	\$ 555,000	____%	2038	\$ 810,000	____%
2031	\$ 585,000	____%	2039	\$ 845,000	____%
2032	\$ 615,000	____%	2040	\$ 880,000	____%
2033	\$ 645,000	____%	2041	\$ 915,000	____%

Principal of the Bonds maturing in the years 2034 to 2041, inclusive is subject to optional redemption prior to maturity on June 1, 2033, 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 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 Bonds without constitutional or statutory limitation as to rate or amount.
4. The interest on the 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 on noncorporate taxpayers 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 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 Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

We express no opinion regarding other federal tax consequences arising with respect to the Bonds. We note, however, that interest on the Bonds may be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code).

The rights of the owners of the 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 Bonds contemplated herein.**

Form of Bond Counsel Opinion for Series 2025B Bonds*

We hereby certify that we have examined certified copies of the proceedings (the “Proceedings”) of the City Council of the City of Grimes (the “Issuer”), in Dallas and Polk Counties, Iowa, passed preliminary to the issue by the Issuer of its General Obligation Local Option Sales, Services and Use Tax Bonds, Series 2025B (the “Bonds”), in the amount of \$3,390,000, in the denomination of \$5,000 each, or any integral multiple thereof, dated May 14, 2025, in evidence of the Issuer’s obligation under a certain loan agreement (the “Loan Agreement”), dated as of May 14, 2025, and pursuant to a resolution (the “Resolution”) of the Issuer adopted on April 22, 2025. The Series 2025B Bonds mature on June 1 in each of the respective years and in the principal amounts and bear interest payable semiannually, commencing June 1, 2026, 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>
2026	\$115,000	___%	2036	\$185,000	___%
2027	\$120,000	___%	2037	\$190,000	___%
2028	\$125,000	___%	2038	\$200,000	___%
2029	\$130,000	___%	2039	\$210,000	___%
2030	\$140,000	___%	2040	\$220,000	___%
2031	\$145,000	___%	2041	\$225,000	___%
2032	\$150,000	___%	2042	\$235,000	___%
2033	\$160,000	___%	2043	\$245,000	___%
2034	\$165,000	___%	2044	\$255,000	___%
2035	\$175,000	___%			

Principal of the Bonds maturing in the years 2034 to 2044, inclusive is subject to optional redemption prior to maturity on June 1, 2033, or on any date thereafter on terms of par plus accrued interest, and principal of the Bonds is subject to mandatory redemption in accordance with the schedules set out in the Resolution.

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

The Proceedings show lawful authority for such issue under the laws of the State of Iowa.

The Bonds and the Loan Agreement are valid and binding general obligations of the Issuer.

The Bonds are and will continue to be payable as to both principal and interest from certain local option sales and services tax revenues which have been pledged by the Issuer for such purpose in accordance with Chapter 423B of the Code of Iowa. In addition, 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 Bonds without constitutional or statutory limitation as to rate or amount.

The interest on the 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 on noncorporate taxpayers 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 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 Bonds in gross income for federal income tax purposes to be retroactive to the date of issuance of the Bonds.

We express no opinion regarding other federal tax consequences arising with respect to the Bonds. We note, however, that interest on the Bonds may be taken into account in determining adjusted financial statement income for purposes of the federal alternative minimum tax imposed on applicable corporations (as defined in Section 59(k) of the Code).

The rights of the owners of the 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 Bonds contemplated herein.**

APPENDIX C

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”) is executed and delivered by the City of Grimes, Iowa (the “Issuer”), in connection with the issuance of \$11,080,000 General Obligation Corporate Purpose Bonds, Series 2025A and \$3,390,000 General Obligation Local Option Sales, Services and Use Tax Bonds, Series 2025B (collectively the “Bonds”), dated May 14, 2025. The Bonds are being issued pursuant to a resolution of the Issuer approved on April 22, 2025 (the “Resolution”). 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) Not later than June 30 (the “Submission Deadline”) of each year following the end of the 2024-2025 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 **Audited Financial Statements** of the Issuer for the prior fiscal year, 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.

(b) Tables, schedules or other information contained in the official statement for the Bonds, under the following captions:

- **LOSST Revenues**
- **History of Taxable Retail Sales**
- **Property Tax Valuations**
- **Property Valuations**
- **Larger Taxpayers**
- **Debt Limit**
- **Outstanding General Obligation Debt**
- **Outstanding Water Revenue Debt**
- **Outstanding Sewer Revenue Debt**
- **TIF-Backed Development Agreements**
- **Financial Summary**
- **Tax Rates**
- **Combined Historic Tax Rates**
- **Tax Collection History**
- **Investment of Public Funds (as of June 30)**
- **Employees and Pensions – City and City Employees' Contribution to IPERS**
- **Building Permits**

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 the Issuer.

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: May 14, 2025

CITY OF GRIMES, IOWA

By _____
Mayor

Attest:

By _____
City Clerk

APPENDIX D

AUDITED FINANCIAL STATEMENTS OF THE ISSUER FOR FISCAL YEAR 2024

The financial statements are prepared on the basis of cash receipts and disbursements, which is a basis of accounting other than U.S. generally accepted accounting principles.

APPENDIX E

BOOK-ENTRY SYSTEM

The information in this Appendix concerning The Depository Trust Company, New York, New York (“DTC”) and DTC’s book-entry system has been obtained from DTC. Neither the Underwriter nor the Issuer take responsibility for the accuracy or completeness thereof, or for any material changes in such information subsequent to the date hereof, or for any information provided at the web sites referenced below. Beneficial Owners should confirm the following with DTC or the Direct Participants (as hereinafter defined). So long as Cede & Co. is the Registered Owner of the Bonds, as nominee of DTC, references in the Official Statement to the Bondowners or Registered Owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds.

Book-Entry System

The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the Bonds. The Bonds 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 Bond certificate will be issued for the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

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 Standard & Poor’s 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.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

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 Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults and proposed amendments to the Security documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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.

Redemption notices shall be sent to DTC. If less than all of the Bonds 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to Issuer 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions and dividend payments on the Bonds 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 Issuer or 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, Agent or Issuer, 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 Issuer or 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.

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

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer does not take any responsibility for the accuracy thereof.