

ORDINANCE NO. 07.2012

BE IT ENACTED BY THE CITY COUNCIL OF THE CITY OF AUSTIN, STATE OF ARKANSAS, AN ORDINANCE TO BE ENTITLED:

AN ORDINANCE PROVIDING FOR THE ISSUANCE OF SALES AND USE TAX BONDS, SERIES 2012 IN A PRINCIPAL AMOUNT NOT TO EXCEED \$1,250,000; AUTHORIZING THE EXECUTION AND DELIVERY OF A BOND PURCHASE AGREEMENT, A CONTINUING DISCLOSURE AGREEMENT, AND A TAX REGULATORY AGREEMENT IN CONNECTION THEREWITH; APPROVING AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFER AND SALE OF THE BONDS; PROVIDING FOR CERTAIN OTHER MATTERS RELATING THERETO; AND DECLARING AN EMERGENCY.

WHEREAS, the City of Austin, Arkansas (the "City") is authorized under the Constitution and laws of the State of Arkansas (the "State"), particularly Amendment 62 of the Constitution of the State as implemented by Arkansas Code Annotated §§ 26-75-301 *et seq.*, as amended from time to time (collectively, the "Authorizing Legislation"), to issue its sales and use tax bonds to secure funds necessary for the purpose of financing betterments and improvements to the streets of the City; and

WHEREAS, the City Council finds that it is in the best interest of the City to issue bonds for the purpose of financing betterments and improvements to the streets of the City, and to issue its Sales and Use Tax Bonds, Series 2012 (the "Series 2012 Bonds") in the aggregate principal amount not to exceed \$1,250,000, with such terms as are further described in Section 1 of this Ordinance, to provide funds, together with other available funds, to finance betterments and improvements to the streets of the City, to fund a debt service reserve fund, and pay expenses in connection with the issuance of the Series 2012 Bonds; and

WHEREAS, arrangements have been made for the sale of the Series 2012 Bonds to Crews & Associates, as underwriter (the "Underwriter") pursuant to the terms of a Bond Purchase Agreement (the "Bond Purchase Agreement") to be entered into between the City and the Underwriter; and

WHEREAS, in connection with the offer and sale of the Series 2012 Bonds, there will be prepared and distributed a Preliminary Official Statement and Official Statement; and

WHEREAS, in order to accomplish the repair of the streets of the City, bonds will be issued in an amount not to exceed \$1,250,000; and

WHEREAS, copies of the Continuing Disclosure Agreement, Tax Regulatory Agreement, Preliminary Official Statement, Official Statement, and Bond Purchase Agreement (all as defined herein) will be submitted to the Mayor for review and approval;

NOW, THEREFORE, IT IS HEREBY ORDAINED by the City Council of Austin, Arkansas, as follows:

Section 1. Under the authority of the Constitution and laws of the State, including particularly Amendment 62 and the Authorizing Legislation, there is hereby authorized the issuance of bonds of the City to be designated "City of Austin, Arkansas Sales and Use Tax Bonds, Series 2012", in the principal amount not to exceed \$1,250,000 (the "Series 2012 Bonds"). The Series 2012 Bonds shall be special obligations of the City and the principal of and the interest on and any redemption premium on the Series 2012 Bonds shall be secured by a pledge of amounts received by the City from the one percent (1%) sales and use tax levied by the City pursuant to Ordinance No. 04-2012 of the City passed and approved on February 27, 2012. The Series 2012 Bonds shall bear interest at the rates specified in the Bond Purchase Agreement by and between the City and the Underwriter, but the average yield shall not exceed 4.65% per annum. The Mayor is hereby authorized and directed to approve the form of the Series 2012 Bonds with terms, conditions and provisions that are usual and customary and further approved by Williams & Anderson PLC ("Bond Counsel"). The Mayor is hereby authorized to execute and deliver the Series 2012 Bonds, and the City Clerk is hereby authorized and directed to execute and deliver the Series 2012 Bonds, and the Mayor and the City Clerk are hereby authorized and directed to cause the Series 2012 Bonds to be authenticated by a trustee to be designated by the City and the Underwriter.

Section 2. To prescribe the terms and conditions upon which the Series 2012 Bonds are to be sold to the Underwriter, the Mayor is hereby authorized and directed to execute the Bond Purchase Agreement. The Mayor is hereby authorized to confer with the Underwriter and Bond Counsel in order to complete the Bond Purchase Agreement with terms, conditions and provisions that are usual and customary as approved by the Mayor and Bond Counsel.

Section 3. In connection with the offer and sale of the Series 2012 Bonds, the Mayor and City staff are hereby authorized to assist the Underwriter in the completion of a Preliminary Official Statement and an Official Statement describing, among other matters, the City and its sales and use taxes. The Mayor is hereby authorized to "deem final" the Preliminary Official Statement for purposes of Rule 15c2-12 of the U.S. Securities and Exchange Commission. The Mayor is hereby further authorized and directed to execute the Continuing Disclosure Agreement by and between the City and Trustee (the "Continuing Disclosure Agreement"). The Mayor is hereby authorized to confer with the Underwriter and Bond Counsel in order to complete the Continuing Disclosure Agreement with terms, conditions and provisions that are usual and customary as approved by the Mayor and Bond Counsel.

Section 4. To prescribe the terms and conditions pursuant to which the Series 2012 Bonds are to be "tax-exempt" obligations, the Mayor is hereby authorized and directed to execute the Tax Regulatory Agreement by and between the City and the Trustee (the "Tax Regulatory Agreement"). The Mayor is hereby authorized to confer with the Bond Counsel in order to complete the Tax Regulatory Agreement with terms, conditions and provisions that are usual and customary as approved by the Mayor and Bond Counsel.

Section 5. All actions heretofore taken by the City and its officers and staff in connection with the offer and sale of the Series 2012 Bonds are hereby in all respects ratified and approved.

Section 6. The City hereby represents that it reasonably expects that it and all subordinate entities thereof will not issue more than \$10,000,000 of tax-exempt obligations (not counting private-activity bonds except for qualified 501(c)(3) bonds as defined in the Code) during the calendar year 2012. The City hereby designates each of the Series 2012 Bonds as a "qualified tax-exempt obligation" for the purposes of the Code.

Section 7. The Mayor and City Clerk, for and on behalf of the City, are hereby authorized and directed to do any and all things necessary to effect the execution and delivery of the Series 2012 Bonds, the Bond Purchase Agreement, the Continuing Disclosure Agreement, Tax Regulatory Agreement, the Preliminary Official Statement, the Official Statement and the performance of all other acts of whatever nature necessary to effect and carry out the authority conferred by this Ordinance. The Mayor and the City Clerk are hereby authorized and directed, for and on behalf of the City, to execute all papers, documents, certificates and other instruments that may be required for the carrying out of such authority or to evidence the exercise thereof.

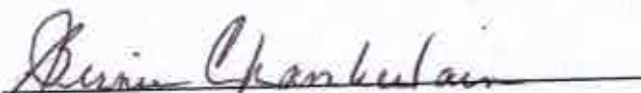
Section 8. The provisions of this Ordinance are hereby declared to be severable and, if any such provision shall for any reason be held illegal or invalid, such holding shall not affect the validity of the remainder of this Ordinance.

Section 9. All resolutions or ordinances and parts thereof in conflict herewith are hereby repealed to the extent of such conflict.

Section 10. It is hereby ascertained and declared that, in order to repair the streets of the City, the financing thereof must be accomplished and facilitated by the issuance of the Series 2012 Bonds. It is, therefore, declared that an emergency exists and this Ordinance, being necessary for the preservation of the public peace, health and safety, shall be in full force and effect from and after its adoption.


PASSED AND APPROVED this 27th day of August, 2012.

APPROVED:



Mayor

ATTEST:



Recorder/Treasurer

CERTIFICATE

The undersigned hereby certifies that the foregoing pages are a true and correct copy of an Ordinance, adopted at the regular session of the City Council of the City of Austin, Arkansas, held at the regular meeting place on the 27th day of August, 2012, and recorded in Book No. _____, Page _____, now in my possession.

Given under my hand and seal this 27th day of August, 2012.


Recorder/Treasurer

