

RESOLUTION NO. 2019-34

RESOLUTION OF THE MAYOR AND COUNCIL OF THE TOWN OF HUACHUCA CITY, ARIZONA REVOKING RESOLUTION NO. 2019-33 AND INSTEAD (1) PROVIDING FOR THE SALE AND EXECUTION AND DELIVERY PURSUANT TO A FIRST EXCISE TAX TRUST AGREEMENT OF AN EXCISE TAX REVENUE OBLIGATION, TAXABLE SERIES 2019, EVIDENCING ALL OF THE INTERESTS OF THE HOLDER THEREOF IN INSTALLMENT PAYMENTS OF THE PURCHASE PRICE TO BE PAID BY THE TOWN OF HUACHUCA CITY, ARIZONA, PURSUANT TO A FIRST EXCISE TAX PURCHASE AGREEMENT; (2) AUTHORIZING THE COMPLETION, EXECUTION AND DELIVERY WITH RESPECT THERETO OF AGREEMENTS NECESSARY OR APPROPRIATE AS PART OF THE FINANCING AND PAYING RELATED FINANCING COSTS; (3) DELEGATING TO THE MAYOR, THE TOWN MANAGER AND THE FINANCE DIRECTOR CERTAIN AUTHORITY WITH RESPECT TO THE PURPOSES HEREOF; (4) AUTHORIZING THE FINANCE DIRECTOR TO EXPEND ALL NECESSARY FUNDS THEREFOR; AND (5) DECLARING AN EMERGENCY

WHEREAS, by Resolution No. 2019-33 adopted on November 14, 2019 (the "Prior Resolution"), the Mayor and Council of the Town of Huachuca City, Arizona (the "Town"), determined that it was necessary, advisable and expedient to finance the costs of acquiring a building (the "Project"), and that the execution and delivery of certain obligations was necessary and advisable; and

WHEREAS, the Mayor and Council of the City has now determined that the Prior Resolution should be revoked and this Resolution should be adopted as it remains necessary, advisable and expedient to finance the costs of the Project but with the modified parameters provided in Section 1(a) hereof; and

WHEREAS, the Town will finance the costs of the Project by entering into a First Excise Tax Purchase Agreement, to be dated as of the first day of the month of the dated date of the hereinafter described Series 2019 Obligation (the "Purchase Agreement"), in substantially the form presented at the meeting at which this Resolution was adopted, by which the Town will agree to purchase the Project; and

WHEREAS, the acquisition of the Project will be financed through the sale and execution and delivery of all of the interests (the "Series 2019 Obligation") in the Purchase Agreement pursuant to, and secured by, a First Excise Tax Trust Agreement, to be dated as of the date of the Purchase Agreement (the "Trust Agreement"), from the Town to a trustee appointed as provided herein (including any successor appointed and acting in such capacity, the "Trustee"), in substantially the form presented at the meeting at which this Resolution was adopted; and

WHEREAS, the Mayor and Council of the Town will receive a proposal from Stifel, Nicolaus & Company, Incorporated, serving in the capacity of and designated as the placement

agent (the "Placement Agent"), and not acting as a municipal advisor as defined in the "Registration of Municipal Advisors" rule promulgated by the United States Securities and Exchange Commission, and has determined that the Series 2019 Obligation should be placed by the Placement Agent pursuant to the Strategic Alliance of Volume Expenditures (SAVE) Cooperative Response Proposal #C-005-1718; and

WHEREAS, the Placement Agent will submit such proposal to place the Series 2019 Obligation pursuant to a Placement Agent Agreement, in substantially the form presented at the meeting at which this Resolution was adopted, to be dated the date of placement of the Series 2019 Obligation (the "Placement Contract"), by and between the Town and the Placement Agent; and

WHEREAS, there have been presented to the Mayor and Council of the Town at the meeting at which this Resolution was considered the proposed forms of: (i) the Purchase Agreement; (ii) the Trust Agreement; and (iii) the Placement Contract; and

WHEREAS, the Town has the requisite power and authority to execute and deliver the Purchase Agreement and to cause the sale and execution and delivery of the Series 2019 Obligation, and all acts, conditions and things required by the Constitution and laws of the State of Arizona and the requirements of the Town to happen, exist and be performed precedent to and as a condition to the adoption of this Resolution have happened, exist and been performed in the time and manner required to make the Purchase Agreement a valid and binding limited, special obligation of the Town;

NOW, THEREFORE, BE IT RESOLVED BY THE MAYOR AND COUNCIL OF THE TOWN OF HUACHUCA CITY, ARIZONA THAT THE PRIOR RESOLUTION IS REVOKED FOR ALL PURPOSES, and as follows:

Section 1. Authorization and Execution and Delivery of Documents and Obligation.

(a) For the purpose of providing funds to finance the costs of the Project and the related costs of the sale and execution and delivery of the Series 2019 Obligation, the Series 2019 Obligation shall be sold and executed and delivered. The Series 2019 Obligation shall be dated the date of its initial authentication and delivery and shall be issued in such form and denomination, shall be executed in such manner and shall have such other provisions as set forth in the form of the Trust Agreement, with such additions, deletions and modifications consistent with this Resolution as shall be approved by the officers of the Trustee executing and delivering the same on behalf of the Trustee, the execution and delivery thereof to constitute conclusive evidence of their approval and of such additions, deletions or modifications. The identity of the Trustee, the aggregate principal amount of the Series 2019 Obligation (but not to exceed \$390,000) and the dates the same shall be payable and prepayable, the period over which the Series 2019 Obligation shall become payable (but not later than August 1, 2034), the date on and price at which the Series 2019 Obligation shall be sold (including provisions for any premium or discount) and the entity or entities to which the Series 2019 Obligations shall be sold (the "Purchaser"), the provision of reserves for payment of the Series 2019 Obligation and the rates of interest the Series 2019 Obligation shall bear (but, except in the case of default, not greater than 6.25%) and the dates the same shall be payable shall be determined by the Mayor, the Town

Manager or the Finance Director of the Town or the designees of any of them (collectively, the "Authorized Representatives") to which such authority is hereby delegated.

(b) The Mayor or, in the absence thereof, the Vice Mayor are hereby authorized to execute, and the Clerk is hereby authorized to attest and deliver, respectively, the Purchase Agreement, the Trust Agreement and the Placement Contract, which are hereby approved, with such additions, deletions and modifications as shall be approved by those officers executing and delivering the same on behalf of the Town, the execution and delivery thereof to constitute conclusive evidence of their approval, and of such additions, deletions and modifications.

(c) The Trustee is hereby requested to execute and deliver the Series 2019 Obligation, the Purchase Agreement and the Trust Agreement to accomplish the purposes hereof.

(d) The Authorized Representatives are hereby authorized to cause the sale and execution and delivery of the Series 2019 Obligation pursuant to the Placement Contract and are hereby delegated the authority to complete any information missing in, or necessary for the consummation of the transactions contemplated by, the Purchase Agreement, the Trust Agreement and the Placement Contract. The Finance Director is hereby authorized to receive and expend such funds as necessary to accomplish the purposes of this Resolution, including payment of installment payments related to debt service on the Series 2019 Obligation.

Section 2. Pledge of Excise Taxes and State Shared Revenues. The covenants and agreements contained in the Purchase Agreement as to the pledge of and the lien on the revenues from the Excise Taxes and the State Shared Revenues and the restriction on the issuance of further parity obligations secured by such source are approved and confirmed.

Section 3. Severability. If any section, paragraph, clause or phrase of this Resolution shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such section, paragraph, clause or phrase shall not affect any of the remaining provisions of this Resolution. All orders, resolutions and ordinances or parts thereof inconsistent herewith are hereby waived to the extent only of such inconsistency. This waiver shall not be construed as reviving any order, resolution or ordinance or any part thereof.

Section 4. Ratification of Actions. All actions of the officers, employees and agents of the Town including the Council conform to the purposes and intent of this Resolution and which further the actions contemplated by this Resolution, whether taken before or after adoption of this Resolution, are hereby ratified, confirmed and approved. The proper officers and agents of the Town are hereby authorized and directed to do all such acts and things and to execute and deliver all such documents on behalf of the Town as may be necessary to carry out the terms and intent of this Resolution (including entering into any agreements for administrative or procedural requirements requested by the Purchaser).

Section 5. Emergency. The immediate operation of this Resolution is necessary for the preservation of the public health and welfare, particularly to be able to finance the capital needs of the Town on the most advantageous terms presently available, and an emergency is hereby declared to exist, and this Resolution shall be in full force and effect from and after its passage

and approval by the Mayor and Council of the Town, as required by law, and it is hereby exempt from the referendum provisions of the Constitution and laws of the State of Arizona.

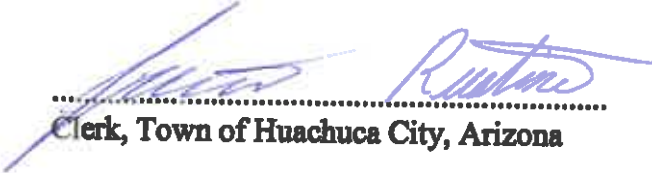
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PASSED, ADOPTED, AND APPROVED this 5th day of December 2019.



Mayor, Town of Huachuca City, Arizona

ATTEST:



Clerk, Town of Huachuca City, Arizona

APPROVED AS TO FORM:



Town Attorney, Town of Huachuca City, Arizona

CERTIFICATION

I hereby certify that the foregoing Resolution No. 2019-34 was duly passed and adopted by the Mayor and Council of the Town of Huachuca City, Arizona, at a regular meeting held on the 5th day of December 2019, and the vote was ayes and nays and that the Mayor and Councilmembers were present thereat.

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Clerk, Town of Huachuca City, Arizona