

FILED

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CITY CLERK

SPECIAL ORDINANCE NO. 41, 2013

**COMMON COUNCIL
OF THE
CITY OF TERRE HAUTE, INDIANA**

AN ORDINANCE AUTHORIZING THE CITY OF TERRE HAUTE, INDIANA TO MAKE TEMPORARY LOANS TO MEET CURRENT RUNNING EXPENSES FOR THE USE OF THE GENERAL FUND OF THE ISSUER IN ANTICIPATION OF AND NOT IN EXCESS OF CURRENT TAXES ASSESSED IN THE YEARS 2013, 2014 AND 2015 FOR COLLECTION IN THE YEARS 2014, 2015 AND 2016, AUTHORIZING THE ISSUANCE OF TEMPORARY LOAN TAX ANTICIPATION WARRANT TO EVIDENCE SUCH LOANS AND THE SALE OF SUCH WARRANT TO THE ORIGINAL PURCHASERS; AND APPROPRIATING AND PLEDGING THE TAXES TO BE RECEIVED IN SUCH FUND TO THE PUNCTUAL PAYMENT OF SUCH WARRANT INCLUDING THE INTEREST THEREON

WHEREAS, the Common Council (the "Fiscal Body") of the City of Terre Haute, Indiana (the "Issuer") has determined that there will be an insufficient amount of money in the General Fund of the Issuer (the "Fund") to meet the current running expenses of the Issuer payable from such Fund during the current fiscal year, and prior to the respective June and December settlements and distribution of taxes levied for such Fund; and

WHEREAS, the Fiscal Body now finds that an emergency exists for the borrowing of money to pay current running expenses and that temporary loans for the Fund for such purposes should be made and that temporary loan tax anticipation Warrant evidencing such loans should be issued and sold, subject to the terms and conditions set forth herein and in accordance with the provisions of Indiana law; and

WHEREAS, the levies proposed for distribution for the Fund in 2014, 2015 and 2016 are estimated to produce in the aggregate, with respect to such Fund, an amount equal to or in excess of the principal of and interest on the temporary loans for such Fund; and

WHEREAS, a necessity exists for the making of temporary loans evidenced by temporary loan tax anticipation Warrant for the Fund in anticipation of the receipt of current revenues for such Fund assessed in the years 2013, 2014 and 2015 for collection in the years 2014, 2015 and 2016, and the Fiscal Body desires to authorize the making of temporary loans to procure the amounts necessary, in combination with other available amounts, to meet such current running expenses for such Fund and to pay necessary costs incurred in connection with the issuance and sale of temporary loan tax anticipation Warrant to evidence such temporary loans; and

WHEREAS, the Issuer has not previously issued temporary loan tax anticipation Warrant payable from 2014, 2015 and 2016 tax revenues with respect to the Fund; and

WHEREAS, the Fiscal Body seeks to authorize the issuance of such temporary loan tax anticipation Warrant with respect to the Fund and the sale of such Warrant by public sale as the provisions of Indiana Code 5-1-11 require public sale, subject to and dependent upon the terms and conditions hereinafter set forth.

NOW, THEREFORE, BE IT ORDAINED BY THE COMMON COUNCIL OF THE CITY OF TERRE HAUTE, INDIANA, AS FOLLOWS:

Section 1. It is hereby found and declared that an emergency exists for the borrowing of money and therefore the Issuer is hereby authorized to make temporary loans to meet current running expenses pursuant to the provisions of Indiana Code 36-4-6-20 for the use and benefit of the Fund of the Issuer in anticipation of estimated current tax revenues assessed in the years 2013, 2014 and 2015 for collection in the years 2014, 2015 and 2016, which loan shall be evidenced by a temporary loan tax anticipation time warrant of the Issuer (the "Warrant"). A separate Warrant shall be issued maturing 30 days following receipt of the final settlement, but no later than December 31, 2016, and the Warrant shall be dated as of the date of delivery thereto to the Purchaser of the Warrant. The Issuer is authorized to issue a Warrant maturing and payable 30 days following receipt of the final settlement, but no later than December 31, 2016, subject to prepayment, in amounts not to exceed the following for the identified fund(s):

General Fund: \$5,000,000

The Warrant shall bear interest prior to maturity at a rate or rates per annum not to exceed a maximum of 8.0%. The exact rate or rates are to be determined by public sale as the provisions of Indiana Code 5-1-11 require public sale, as determined by the fiscal officer of the City of Terre Haute, Indiana (the "Fiscal Officer"). Interest shall be calculated on a 365-day year basis using actual days lapsed. The principal amount of the Warrant, together with the interest thereon, shall for all purposes be deemed to be the face value of the Warrant. The minimum denomination represented by any Warrant shall be \$100,000 or an integral multiple thereof.

Section 2. The officers of the Issuer are authorized to deliver a principal amount of the Warrant up to or less than the maximum amount established for any such Fund and maturity date in Section 1. The Warrant will be delivered on a date fixed following an award at public sale, or otherwise as appropriate and in accordance with law.

Section 3. The principal of and interest on the Warrant shall be payable from tax revenues to be received in the Fund upon which such Warrant is issued. There is hereby appropriated and pledged to the payment of the Warrant issued with respect to the Fund, including interest and all necessary costs incurred in connection with the issuance and sale of the Warrant, a sufficient amount of the taxes, assessed in 2013, 2014 and 2015 for collection in 2014, 2015 and 2016 for such Fund and in anticipation of which the Warrant has been issued, for the punctual payment of the principal of and interest on the Warrant evidencing such temporary loans, together with such issuance costs, if any.

Section 4. The Warrant may be prepaid prior to its maturity, in whole or in part, upon three (3) days' written notice to the holder of the Warrant to be prepaid, at a prepayment price equal to one hundred percent (100%) of the principal amount of the Warrant to be prepaid, plus

accrued interest thereon to the date of prepayment, and without premium. The other specific terms relating to the prepayment of the Warrant shall be set forth in a purchase agreement entered into between the purchaser of the Warrant and the Issuer.

Section 5. The Warrant issued hereunder with respect to the Fund shall be executed in the name of the City of Terre Haute, acting for and on behalf of the Issuer by the manual or facsimile signature of the Mayor of the City of Terre Haute, and attested by the Controller of the City of Terre Haute, or such other officers of the Issuer as may be permitted by law, provided at least one of such signatures is manually affixed. The Warrant shall be payable in lawful money of the United States of America, at the office of the Controller of the City of Terre Haute, Indiana, upon presentation and surrender of the Warrant.

Section 6. The Warrant with respect to the Fund shall be issued in substantially the following form (with all blanks, changes, additions and deletions, including the appropriate amounts, dates and other information to be properly completed prior to the execution and delivery thereof, as conclusively evidenced by the signatures of the officers of the Issuer affixed thereon):

UNITED STATES OF AMERICA

STATE OF INDIANA

COUNTY OF VIGO

CITY OF TERRE HAUTE, INDIANA

TEMPORARY LOAN TAX ANTICIPATION TIME WARRANT

Warrant Fund:	General Fund
Dated Date:	_____, 2013
Due Date:	30 days following receipt of the final settlement, but no later than December 31, 2016
Principal Sum:	\$ _____
Interest Rate:	____ percent per annum
Registered Owner:	_____

FOR VALUE RECEIVED, on the Due Date set forth above (the "Due Date"), the City of Terre Haute, Indiana (the "Borrower"), shall pay to the above Registered Owner the Principal Sum set forth above, together with interest thereon at the per annum Interest Rate set forth above, at the office of the Controller of the City of Terre Haute, Indiana, upon presentation and surrender of this Warrant.

Interest shall be calculated on the basis of a 365-day year based on actual days lapsed. The principal amount set forth above, together with the interest set forth above, shall for all purposes be deemed to be the face value of this Warrant. In the event that the principal of and interest on this Warrant are not paid in full to the Registered Owner in immediately available funds on or before 12:00 noon (Terre Haute time) on the Due Date, the total amount due and owing on the Due Date (the unpaid principal and accrued interest to the Due Date) shall thereafter bear interest at the per annum rate as negotiated until paid. This Warrant may be prepaid upon three (3) days written notice. The minimum denomination represented by this Warrant shall be \$100,000 or an integral multiple thereof.

This Warrant evidences a temporary loan to provide funds to meet current expenses of the Warrant Fund set forth above (the "Fund") and has been authorized by an ordinance passed and adopted by the Common Council of the City of Terre Haute, Indiana, in accordance with Indiana Code 36-4-6-20 and all other acts amendatory thereof or supplemental thereto.

This Warrant is issued in anticipation of the tax levy which has been made for the Fund, which tax levy is now in the course of collection and distribution. There has been irrevocably appropriated and pledged to the payment in full of the principal of and interest on this Warrant a sufficient amount of the revenues to be derived from the Fund tax levy.

The Warrant has been designated as Qualified Tax-Exempt Obligation pursuant to Section 265(b)(3)(B)(i) of the Code.

It is further hereby certified, recited, and declared that all actions, conditions, and things required by law precedent to the issuance and execution of this Warrant has been properly done, have happened, and have been performed in the manner required by the constitution and statutes of the State of Indiana relating thereto; that the Fund tax levy from which (together with other amounts in the Fund) this Warrant is payable is a valid and legal levy; and that the Borrower will reserve a sufficient amount of the proceeds of the Fund tax levy currently in the course of collection for the timely payment of the principal of and interest on this Warrant in accordance with its terms.

IN WITNESS WHEREOF, the City of Terre Haute, Indiana, has caused this Warrant to be executed in the name of the City of Terre Haute, Indiana by the Mayor of the City of Terre Haute, Indiana and attested by the Controller of the City of Terre Haute, Indiana all as of the Dated Date set forth above.

CITY OF TERRE HAUTE, INDIANA

By: _____
Mayor

ATTEST:

Controller

Section 7. The Fiscal Officer is hereby authorized and directed to have the Warrant prepared, and each of the executive officers of the Issuer, or such other officers as may be permitted by law, are hereby authorized and directed to execute the Warrant in the manner and substantially the form provided in this Ordinance, as conclusively evidenced by their execution thereof.

Section 8. The Fiscal Officer, on behalf of the Issuer, is authorized to sell to the original purchaser of the Warrant by public sale as the provisions of Indiana Code 5-1-11 require public sale, as such officer may determine to be in the best interests of the Issuer. A Warrant sold hereunder shall be accompanied by an approving opinion of Bingham Greenebaum Doll LLP,

specially designated bond counsel for the Warrant; certification and guarantee of signatures; and certification as to no litigation pending as of the date of delivery of the Warrant to the original purchaser thereof challenging the validity or issuance of the Warrant.

Section 9. The proper officers of the Issuer (including, without limitation, the Fiscal Officer), are hereby authorized to deliver the Warrant to the original purchaser thereof, upon receipt from the purchaser of the payment or otherwise as appropriate and in accordance with the applicable law and this Ordinance.

Section 10. Each of the executive officers of the Issuer (including, without limitation, the Fiscal Officer); or such other officers as may be permitted by law are hereby authorized and directed to make such filings and requests, deliver such certifications, execute and deliver such documents and instruments, and otherwise take such actions as are necessary or appropriate to carry out the terms and conditions of this Ordinance and the actions authorized hereby and thereby.

Section 11. The Issuer hereby covenants that the Issuer and its officers shall not take any action or fail to take any action with respect to the proceeds of the Warrant or any investment earnings thereon which would result in constituting the Warrant as an "arbitrage bonds" under the Internal Revenue Code of 1986, as amended, and any and all final or proposed regulations or rulings applicable thereto, or which would otherwise cause the interest on the Warrant to cease to be excludable from gross income for purposes of federal income taxation; and the Fiscal Officer and all other appropriate officers are hereby authorized and directed to take any and all actions and to make and deliver any and all reports, filings, and certifications as may be necessary or appropriate to evidence, establish, or ensure such continuing exclusion of the interest on the Warrant.

Section 12. This Ordinance shall be in full force and effect from and after passage by the Common Council and signing by the Mayor. All resolutions and ordinances in conflict herewith are, to extent of such conflict, hereby repealed.

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Introduced by: John Mullican, John Mullican, Councilman

Passed in open Council this 12th day of December, 2013.

Norman Loudermilk Norman Loudermilk, President

ATTEST: Charles P. Hanley Charles P. Hanley, City Clerk

Presented by me to the Mayor this 13th day of December, 2013.

Charles P. Hanley Charles P. Hanley, City Clerk

Approved by me, the Mayor, this 13th day of DECEMBER, 2013.

Duke A. Bennett Duke A. Bennett, Mayor

ATTEST: Charles P. Hanley Charles P. Hanley, City Clerk