

CITY OF UNALASKA  
UNALASKA, ALASKA

RESOLUTION 2020-23

A RESOLUTION OF THE COUNCIL OF THE CITY OF UNALASKA, AUTHORIZING THE ISSUANCE OF A GENERAL OBLIGATION REFUNDING BOND OF THE CITY TO REFUND CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY; AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN ACCORDANCE THEREWITH; AND PLEDGING THE FULL FAITH AND CREDIT OF THE CITY TO THE PAYMENT THEREOF.

WHEREAS, pursuant to Resolution No. 2010-04 of the City, passed and approved on January 6, 2010 (the "2010 Bond Resolution"), the City issued its General Obligation Harbor Improvement Bond, 2010 Series A (Tax Exempt) (the "2010A Bond"), in the original principal amount of \$2,270,000, of which \$245,000 is now outstanding; and

WHEREAS, pursuant to the 2010 Bond Resolution, the City issued its General Obligation Harbor Improvement Bond 2010 Series B (Taxable) (the "2010B Bond"), in the original principal amount of \$2,730,000, all of which is now outstanding; and

WHEREAS, pursuant to Alaska Statutes 29.47.300, if the City has outstanding general obligation bonds and the Council determines it would be financially advantageous to refund those bonds, the City may provide by resolution for the issuance of general obligation refunding bonds, and pursuant to Alaska Statutes 29.47.320, no election is required to authorize the issuance and sale of refunding bonds; and

WHEREAS, pursuant to Alaska Statutes 29.47.340, refunding bonds may be exchanged for the bonds being refunded; and

WHEREAS, the City sold the 2010A Bond and the 2010B Bond to the Alaska Municipal Bond Bank (the "Bond Bank"), as authorized by the 2010 Bond Resolution, on the terms and conditions set forth in, among others, the 2010 Bond Resolution and the loan agreement between the City and the Bond Bank dated as of May 1, 2010 (the "2010 Loan Agreement"); and

WHEREAS, the Bond Bank issued its General Obligation Bonds, 2010A Series One (Tax-Exempt Bank Qualified) (the "2010A Bond Bank Bonds"), among other purposes, to provide funds to purchase the 2010A Bond, as provided in the 2010 Loan Agreement; and

WHEREAS, the Bond Bank issued its General Obligation Bonds, 2010B Series One (Taxable) (the "2010B Bond Bank Bonds"), among other purposes, to provide funds to purchase the 2010B Bond, as provided in the 2010 Loan Agreement; and

WHEREAS, the Bond Bank has expressed its intent to issue refunding bonds (the “Bond Bank Refunding Bonds”) for the purpose of refunding a portion of the 2010A Bond Bank Bonds and the 2010B Bond Bank Bonds to achieve a debt service savings; and

WHEREAS, Section 6 of the 2010 Loan Agreement provides that payments of principal of and interest on the 2010A Bond and the 2010B Bond may be adjusted to reduce debt service on the 2010A Bond and the 2010B Bond if the Bond Bank is able to achieve debt service savings by refunding the 2010A Bond Bank Bonds and the 2010B Bond Bank Bonds; and

WHEREAS, the Bond Bank has offered to enter into an Amendatory Loan Agreement (the “Amendatory Loan Agreement”) to effect a reduction in debt service on the outstanding principal installments of the 2010A Bond and the 2010B Bond (the “Refundable Principal Installments”); and

WHEREAS, the Council wishes to effect a reduction in debt service on all or a portion of the Refundable Principal Installments by entering into the Amendatory Loan Agreement, issuing its general obligation refunding bond (and, if necessary, a replacement 2010B Bond) in exchange for the 2010A Bond and the 2010B Bond and participating in the refunding of a portion of the 2010A Bond Bank Bonds and the 2010B Bond Bank Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF UNALASKA, ALASKA:

Section 1. Definitions. In addition to the definitions specified elsewhere in this resolution, the following terms shall have the following meanings in this resolution:

“Bond” means the general obligation refunding bond of the City, the issuance of which is authorized herein.

“Bond Register” means the registration books maintained by the Registrar, which include the name and address of the owner of the Bond or the nominee of such owner.

“City” means the City of Unalaska, Alaska, a first-class city organized and existing under the Constitution and laws of the State of Alaska.

“City Representative” means the City Manager or the Finance Director, or such other person as may be designated from time to time by resolution of the Council.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, together with all regulations applicable thereto.

“Continuing Disclosure Certificate” means a certificate relating to the Bond executed and delivered by the City with respect to compliance with paragraph (b)(5) of Rule 15c2-12 of the Securities and Exchange Commission, as such certificate may be amended or supplemented from time to time in accordance with its terms.

“Council” means the general legislative authority of the City, as the same may be constituted from time to time.

“Registered Owner” means the person named as the registered owner of the Bond in the Bond Register.

“Registrar” means the Finance Director of the City, or any other person that the Council may appoint from time to time by resolution, to act as registrar for the Bond.

Section 2. Authorization of Bond and Purpose of Issuance. The Council hereby determines it would be financially advantageous to refund all or a portion of the Refundable Principal Installments by issuing the Bond (and, if necessary, a replacement 2010B Bond) on the terms and conditions provided in this resolution. For the purpose of providing the funds required to refund all or a portion of the Refundable Principal Installments and to pay all costs incidental thereto and to the issuance of the Bond, the City hereby authorizes and determines to issue and to sell the Bond. The Bond shall be designated “City of Unalaska General Obligation Refunding Bond,” with such additional series and year designation as the City Representative may fix and determine. The City Representative is authorized to fix and determine which of the Refundable Principal Installments are to be refunded by issuing the Bond (and, if necessary, a replacement 2010B Bond) in exchange therefor.

The City has ascertained and hereby determines that each and every matter and thing as to which provision is made in this resolution is necessary in order to carry out and effectuate the purpose of the City in accordance with the constitution and the statutes of the State of Alaska and to incur the indebtedness and issue the Bond.

Section 3. Obligation of Bond. The Bond shall be a direct and general obligation of the City, and the full faith and credit of the City are hereby pledged to the payment of the principal of and interest on the Bond. The City hereby irrevocably pledges and covenants that it will levy and collect taxes upon all taxable property within the City without limitation as to rate or amount, in amounts sufficient, together with other funds legally available therefor, to pay the principal of and interest on the Bond as the same become due and payable.

Section 4. Description of Bond. The Bond shall be dated the date of its initial delivery, and each principal installment of the Bond shall be in the denomination of \$5,000 or any integral multiple thereof, or such other date and denominations as may be determined by the City Representative, and shall be numbered in such manner and with any additional designation as the Registrar deems necessary for purposes of identification. The Bond shall bear interest payable semi-annually on the dates and shall mature on the date and each principal installment shall be payable annually in the amount and on the dates, all as shall be set forth in the Amendatory Loan Agreement. Interest on the Bond shall be computed on the basis of a 360-day year composed of twelve 30-day months. The City Representative is authorized to fix and determine the principal amount, maturity date, principal installments, and payment dates and the rate or rates of interest to be borne by such principal installments, provided that (i) no rate of

interest on any principal installment shall exceed the rate of interest on the corresponding maturity of the Bond Bank Refunding Bonds; (ii) the net present value of the savings to the City effected by issuing the Bond (and, if necessary, a replacement 2010B Bond) and refunding the Refundable Principal Installments that are refunded shall be at least three percent (3%) of the aggregate principal amount of the Refundable Principal Installments that are refunded; and (iii) the Bond shall mature on or before the date that is six months after the date on which the last Refundable Principal Installment that is refunded is payable.

Section 5. Place and Medium of Payment. Both principal of and interest on the Bond shall be payable in lawful money of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. For so long as the Bond Bank is the Registered Owner, payments of principal thereof and interest thereon shall be made as provided in the 2010 Loan Agreement, as amended by the Amendatory Loan Agreement (the "Amended Loan Agreement"). In the event that the Bond Bank is no longer the Registered Owner, payments of principal thereof and interest thereon will be made by check or draft mailed by first class mail to the Registered Owner at the address for the Registered Owner appearing on the Bond Register on the 15th day of the month preceding the payment date, provided that the final installment of principal of and interest on the Bond will be payable at the office of the Registrar upon surrender of the Bond to the Registrar. If any principal installment of the Bond is not paid when due, the City shall pay interest on such principal installment at the same rate provided in the Bond from and after its due date until such principal installment is paid in full or provision for payment thereof has been duly made.

Section 6. Optional Prepayment. The principal installments of the Bond shall be subject to prepayment, at the City's option, on the dates and at the prices to be set forth in the Amendatory Loan Agreement. If fewer than all of the principal installments of the Bond are to be prepaid, the principal installments to be prepaid shall be determined by the City. Notice of any such prepayment shall be sent by the City not less than 50 days prior to the date fixed for prepayment by first class mail to the Registered Owner at the Registered Owner's address as it then appears on the Bond Register. Notice of prepayment having been duly given and the prepayment having been duly effected, interest on the principal installments to be prepaid shall cease to accrue on the date fixed for prepayment.

Section 7. Form of Bond. The Bond shall be in substantially the following form, subject to the provisions of the Amended Loan Agreement, and with such changes as the City Representative approves:

No. \_\_\_\_\_

\$ \_\_\_\_\_

UNITED STATES OF AMERICA

STATE OF ALASKA

CITY OF UNALASKA

GENERAL OBLIGATION REFUNDING BOND

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Unalaska, Alaska (the "City"), a municipal corporation of the State of Alaska, hereby acknowledges itself to owe and for value received promises to pay to the registered owner set forth above (the "Registered Owner"), or its registered assigns, the principal amount set forth above in the following installments on \_\_\_\_\_ 1 of each of the following years, and to pay interest on each such principal installment from the date hereof until paid or provision for payment thereof has been made, payable on \_\_\_\_\_ 1, 20\_\_ and semiannually thereafter on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year, at the following rates per annum:

<u>Year</u>	<u>Principal Installment</u>	<u>Interest Rate</u>
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For so long as the Alaska Municipal Bond Bank (the "Bond Bank") is the Registered Owner, payments of principal hereof and interest hereon shall be made as provided in the loan agreement between the Bond Bank and the City relating to this bond, as amended. In the event that the Bond Bank is no longer the Registered Owner, payments of principal hereof and interest hereon will be made by check or draft mailed by first class mail to the Registered Owner at the address for the Registered Owner appearing on the Bond Register on the 15th day of the month preceding the payment date, provided that the final installment of principal of and interest on this bond will be payable at the office of the Finance Director (the "Registrar") upon surrender of this bond to the Registrar. Interest on this bond shall be computed on the basis of a 360-day year composed of twelve 30-day months.

This bond is issued for the purpose of refunding certain principal installments of outstanding general obligation bonds of the City under Resolution \_\_\_\_\_ of the City titled:

A RESOLUTION OF THE COUNCIL OF THE CITY OF UNALASKA, AUTHORIZING THE ISSUANCE OF A GENERAL OBLIGATION REFUNDING BOND OF THE CITY TO REFUND CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY; AUTHORIZING THE EXECUTION OF CERTAIN DOCUMENTS IN

ACCORDANCE THEREWITH; AND PLEDGING THE FULL FAITH AND CREDIT OF THE CITY TO THE PAYMENT THEREOF.

(the "Resolution").

The principal installments of this bond due on or after \_\_\_\_\_ 1, 20\_\_\_\_, shall be subject to prepayment, at the City's option, on and after \_\_\_\_\_ 1, 20\_\_\_\_ in whole or in part, at a prepayment price of 100% of the principal amount to be prepaid, plus accrued interest to the date fixed for prepayment. If fewer than all of the principal installments of this bond are to be prepaid, the principal installments to be prepaid shall be determined by the City. Notice of any such prepayment shall be sent by the City not less than 50 days prior to the date fixed for prepayment by first class mail to the Registered Owner at the Registered Owner's address as it then appears on the Bond Register. Notice of prepayment having been duly given and the prepayment having been duly effected, interest on the principal installments to be prepaid shall cease to accrue on the date fixed for prepayment.

This bond is transferable as provided in the Resolution, (i) only upon the Bond Register, and (ii) upon surrender of this bond together with a written instrument of transfer duly executed by the Registered Owner or the duly authorized attorney of the Registered Owner, and thereupon a new fully registered Bond in the same unpaid principal amount shall be issued to the transferee in exchange therefor as provided in the Resolution upon the payment of charges, if any, as therein prescribed. The City may treat and consider the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or prepayment price, if any, hereof and interest due hereon and for all other purposes whatsoever.

This bond is a direct and general obligation of the City, and the full faith and credit of the City are pledged to the payment of the principal hereof and interest hereon. The City has irrevocably pledged and covenanted that it will levy and collect taxes upon all taxable property within the City without limitation as to rate or amount, in amounts sufficient, together with other funds legally available therefor, to pay the principal of and interest on this bond as the same become due and payable.

Reference is hereby made to the Resolution and any resolution supplemental thereto for a description of the rights of the Registered Owner of this bond and of the rights and obligations of the City thereunder, to all of the provisions of which Resolution the Registered Owner of this bond, by acceptance hereof, assents and agrees.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts or things required by the constitution or statutes of the State of Alaska or the ordinances or resolutions of the City to exist, to have happened, or to have been performed precedent to or in the issuance of this bond, exist, have happened, and have been performed, and that this bond, together with all other indebtedness of the City, is within every debt and other limit prescribed by said constitution, statutes, ordinances, or resolutions.

IN WITNESS WHEREOF, THE CITY OF UNALASKA, ALASKA, has caused this bond to be signed in its name and on its behalf by its Mayor and its corporate seal to be hereunto impressed or otherwise reproduced and attested by its Clerk, all as of the \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

CITY OF UNALASKA, ALASKA

\_\_\_\_\_/specimen/\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_/specimen/\_\_\_\_\_  
City Clerk

Section 8. Execution. The Bond shall be executed in the name of the City by the Mayor, and its corporate seal shall be impressed or otherwise reproduced thereon and attested by the City Clerk. The execution of the Bond on behalf of the City by persons that at the time of the execution are duly authorized to hold the proper offices shall be valid and sufficient for all purposes, although any such person shall have ceased to hold office at the time of delivery of the Bond or shall not have held office on the date of the Bond.

Section 9. Registration.

(a) The Bond shall be issued only in registered form as to both principal and interest. The City designates the Finance Director as Registrar for the Bond. The Registrar shall keep, or cause to be kept, the Bond Register at the office of the City.

(b) The City, in its discretion, may deem and treat the Registered Owner of the Bond as the absolute owner thereof for all purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary. Each payment made as described in Section 5 shall be valid and shall satisfy and discharge the liability of the City on the Bond to the extent of the amount or amounts so paid.

(c) The Bond may be transferred only upon the Bond Register. Upon surrender for transfer or exchange of the Bond at the office of the Registrar, with a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner or its duly authorized attorney, the City shall execute and the Registrar shall deliver a Bond of equal principal amount, subject to such reasonable regulations as the Registrar may prescribe and upon payment sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid in connection with such transfer or exchange. If the Bond is surrendered for transfer or exchange it shall be canceled by the Registrar.

(d) The City covenants that, until the Bond has been surrendered and canceled, it will maintain a system for recording the ownership of the Bond that complies with the provisions of Section 149 of the Code.

Section 10. Bond Destroyed, Stolen, or Lost. Upon filing with the Registrar of evidence satisfactory to the City that the Bond has been destroyed, stolen, or lost and of the ownership thereof, and upon furnishing the City with indemnity satisfactory to it, the City shall execute and deliver a new Bond identical in all respects to the Bond destroyed, stolen, or lost. The person requesting the execution and delivery of the new Bond under this Section shall comply with such other reasonable regulations as the City may prescribe and pay such expenses as the City may incur in connection therewith.

Section 11. Tax Covenants. The City covenants to comply with any and all applicable requirements set forth in the Code in effect from time to time to the extent that such compliance shall be necessary for the exclusion of the interest on the Bond from gross income for federal income tax purposes. The City covenants that it will make no use of the proceeds of the Bond which will cause the Bond to be an “arbitrage bond” subject to federal income taxation by reason of Section 148 of the Code. The City covenants that it will not take or permit any action that would cause the Bond to be a “private activity bond” as defined in Section 141 of the Code. The City hereby determines and certifies that the Bond is not a “private activity bond” within the meaning of Section 141 of the Code.

Section 12. Exchange of the Bond; Amendatory Loan Agreement; Continuing Disclosure Certificate. The exchange of the Bond for all the Refundable Principal Installments that are refunded (and, if necessary, the issuance of a replacement 2010B Bond), as provided in the Amended Loan Agreement and this resolution, is hereby authorized and approved. The Amendatory Loan Agreement and the Continuing Disclosure Certificate in substantially the form filed with this resolution are hereby approved. The Mayor and the City Manager are each individually authorized to execute and deliver the Amendatory Loan Agreement and the Continuing Disclosure Certificate in such forms, together with such changes not inconsistent herewith as may be approved by the Mayor or the City Manager (such approval to be conclusively evidenced by such official’s execution and delivery of such document).

Section 13. Authority of Officers. The Mayor, the City Manager, the Finance Director, the City Clerk, the City Attorney, and bond counsel to the City are each authorized and directed execute such documents, agreements, certificates, and opinions and to do and perform such things and determine such matters necessary and desirable for the City to carry out its obligations under the Bond, the Amended Loan Agreement, the Continuing Disclosure Certificate, and this resolution.

Section 14. Amendatory and Supplemental Resolutions.

(a) The Council from time to time and at any time may adopt a resolution or resolutions supplemental hereto, which supplement thereafter shall become a part of this resolution, for any one or more of the following purposes:

(1) to add to the covenants and agreements of the City in this resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the City; or

(2) to make such provisions for the purpose of curing any ambiguities or of curing, correcting, or supplementing any defective provision contained in this resolution or in regard to matters or questions arising under this resolution as the Council may deem necessary or desirable and not inconsistent with this resolution and which shall not materially adversely affect the interest of the Registered Owner.

Any such supplement may be adopted without the consent of the Registered Owner, notwithstanding any of the provisions of subsection (b) of this Section.

(b) With the consent of the Registered Owner, the Council may adopt a resolution or resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this resolution or of any such supplement. It shall not be necessary for the consent of the Registered Owner under this subsection to approve the particular form of any proposed supplement, but it shall be sufficient if such consent approves the substance thereof.

(c) Upon the adoption of any supplement under this Section, this resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties, and obligations under this resolution of the City and the Registered Owner shall thereafter be subject in all respects to such modification and amendment, and all the terms and conditions of such supplement shall be deemed to be part of the terms and conditions of this resolution for any and all purposes.

Section 15. Defeasance. Payment of any or all of the principal installments of the Bond may be provided for by the irrevocable deposit in trust of cash, noncallable Governmental Obligations, or any combination thereof. The cash and the maturing principal and interest income on such Government Obligations, if any, must be sufficient and available without reinvestment to pay when due such principal, whether at maturity or upon fixed prepayment dates, together with interest thereon. The cash and Government Obligations shall be held irrevocably in trust for the Registered Owner solely for the purpose of paying such principal and interest as the same shall mature or become payable upon prepayment, and, if applicable, upon the giving of notice of prepayment and notification to the Registered Owner that the deposit required by this Section has been made and that such principal is deemed to be paid in accordance with this resolution. Such principal shall no longer be deemed outstanding hereunder. The obligation of the City in respect of such principal and interest shall nevertheless continue but the Registered Owner shall thereafter be entitled to payment only from the cash and Government Obligations deposited in trust to provide for the payment of such principal and interest.

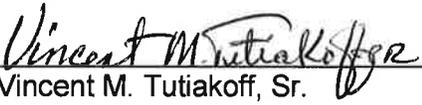
Section 16. Limitations on Recourse. No recourse shall be had for the payment of the principal of or the interest on the Bond or for any claim based thereon or on this resolution against any member of the Council or officer of the City or any person executing the Bond. The Bond is not and shall not be in any way a debt or liability of the State of Alaska or of any political subdivision thereof, except the City, and does not and

shall not create or constitute an indebtedness or obligation, either legal, moral, or otherwise, of the State of Alaska or of any political subdivision thereof, except the City.

Section 17. Severability. If any one or more of the provisions of this resolution shall be declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bond.

Section 18. Effective Date. This resolution shall take effect immediately upon its passage and adoption.

PASSED AND ADOPTED by a duly constituted quorum of the Council of the City of Unalaska this 28<sup>th</sup> day of April 2020.

  
\_\_\_\_\_  
Vincent M. Tutiakoff, Sr.  
Mayor

ATTEST:

  
\_\_\_\_\_  
Marjie Veeder, CMC  
City Clerk

