

**CITY OF CORDOVA, ALASKA  
RESOLUTION 01-15-05**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,  
AUTHORIZING THE CITY TO ISSUE GENERAL OBLIGATION REFUNDING BONDS IN  
THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$950,000 TO REFUND CERTAIN  
OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY, FIXING CERTAIN  
DETAILS OF SUCH BONDS AND AUTHORIZING THEIR SALE**

**WHEREAS**, the City of Cordova, Alaska (the "City") is a home rule city and under Section 11 of Article X of the Alaska Constitution may exercise all legislative power not prohibited by law or the charter of the City; and

**WHEREAS**, there are now outstanding General Obligation Refunding Bonds, 2005 Series A of the City maturing on October 1 in the years 2015 through 2019 in the aggregate principal amount of \$905,000 (the "2005 Bonds") issued under Resolution No. 02-05-11 of the City; and

**WHEREAS**, the Council finds that it is in the best interest of the City to provide for the refunding, including the payment of principal of, and premium and interest on, those maturities of the 2005 Bonds (the "Refunded Bonds") whose refunding the Manager or the Finance Director determines will produce the percentage debt service savings specified in this resolution, by the issuance of general obligation refunding bonds (the "Bonds") in the aggregate principal amount of not to exceed \$950,000; and

**WHEREAS**, Article IX, Section 11 of the Alaska Constitution and Cordova Charter Section 6-1 provide that general obligation refunding bonds may be issued without an election, and Section 29.47.410 of the Alaska Statutes provides that the Council by resolution may provide for the form and manner of sale of bonds and notes; and

**WHEREAS**, the Alaska Municipal Bond Bank and the City intend to enter into an Amendatory Loan Agreement, which amends the Loan Agreement dated as of August 1, 2000, as previously amended by an Amendatory Loan Agreement dated as of March 1, 2005, between the Alaska Municipal Bond Bank and the City, to provide for the refunding of the Refunded Bonds through their exchange for the Bonds, and related matters; and

**WHEREAS**, the Council finds that it is necessary and appropriate to delegate to the Manager and the Finance Director authority to determine the maturity amounts, interest rates and other details of the Bonds, and to determine other matters that are not provided for in this resolution;

**NOW, THEREFORE, BE IT RESOLVED:**

Section 1. Definitions. The following terms shall have the following meanings in this resolution:

A. "Amendatory Loan Agreement" means the Amendatory Loan Agreement between the City and the Bond Bank, amending the 2000 Loan Agreement to provide for the refunding of the Refunded Bonds through their exchange for the Bonds, and related matters.

B. "Bond" or "Bonds" means any of the "General Obligation Refunding Bonds" of the City of Cordova, the issuance and sale of which are authorized herein.

C. "Bond Bank" means the Alaska Municipal Bond Bank, a public corporation of the State of Alaska.

D. "Bond Bank Bonds" means general obligation bonds issued by the Bond Bank to refund all or part of its outstanding General Obligation Refunding Bonds, 2005 Series A.

E. "Bond Register" means the registration books maintained by the Registrar, which include the names and addresses of the Registered Owners of the Bonds or their nominees.

F. "City" means the City of Cordova, a municipal corporation of the State of Alaska, organized as a home rule City under Title 29 of the Alaska Statutes.

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

H. "Council" means the Council of the City of Cordova, as the general legislative authority of the City of Cordova, as the same shall be duly and regularly constituted from time to time.

I. "Government Obligations" means obligations that are either (i) direct obligations of the United States of America, or (ii) obligations of an agency or instrumentality of the United States of America the timely payment of the principal of and interest on which are unconditionally guaranteed by the United States of America

J. "Loan Agreement" means the 2000 Loan Agreement, as amended by the Amendatory Loan Agreement.

K. "Refunded Bonds" means the maturities of the 2005 Bonds whose refunding is approved by the Manager or the Finance Director under Section 12.

L. "Registered Owner" means the person named as the registered owner of a Bond in the Bond Register.

M. "Registrar" means the Finance Director, or any successor that the City may appoint by resolution.

N. "Resolution" means this Resolution 01-15-05 of the City.

O. "2000 Loan Agreement" means the Loan Agreement between the City and the Bond Bank dated as of August 1, 2000, as amended by an Amendatory Loan Agreement dated as of March 1, 2005.

Section 2. Authorization of Bonds and Purpose of Issuance. For the purpose of effecting the refunding by exchange of the Refunded Bonds in the manner set forth in this Resolution and the Amendatory Loan Agreement, and to pay all costs incidental thereto and to the issuance of the Bonds, the City hereby authorizes and determines to issue and sell the Bonds in the aggregate principal amount of not to exceed \$950,000.

Section 3. Obligation of Bonds. The Bonds shall be direct and general obligations 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 Bonds. 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 Bonds as the same become due and payable.

Section 4. Designation, Maturities, Interest Rates, and Other Details of Bonds. The Bonds shall be designated "City of Cordova, Alaska, General Obligation Refunding Bonds." The Bonds shall be in the denomination of \$5,000 or any integral multiple thereof, shall be numbered separately in the manner and with such additional designation as the Registrar deems necessary for purposes of identification, and may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the rules and regulations of any governmental authority or any usage or requirement of law with respect thereto.

The Bonds shall mature in one or more years commencing no earlier than 2015 and ending no later than 2020. The Bonds shall bear interest from their date, payable commencing on or after July 1, 2015, and semiannually thereafter. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months.

Subject to Section 2 and the remainder of this section, the aggregate principal amount, the principal amount of each maturity, the interest rates, the dated date, the principal and interest payment dates and the record dates for principal and interest payments on the Bonds shall be determined at the time of execution of the Amendatory Loan Agreement under Section 16.

Section 5. Optional Redemption. The Bonds shall not be subject to optional redemption by the City prior to maturity.

Section 6. Form of Bond. Each Bond shall be in substantially the following form, with such variations, omissions and insertions as may be required or permitted by this Resolution:

UNITED STATES OF AMERICA  
STATE OF ALASKA  
CITY OF CORDOVA  
(A Municipal Corporation of the State of Alaska)

NO. \_\_\_\_\_ \$ \_\_\_\_\_

GENERAL OBLIGATION REFUNDING BOND, 2015 SERIES \_\_\_\_

Registered Owner

Principal Amount DOLLARS

The City of Cordova (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 identified above, or registered assigns, the principal amount shown above in the following installments on \_\_\_\_\_ 1 of each of the following years, and to pay interest on such installments from the date hereof, payable on \_\_\_\_\_, 2015 and semiannually thereafter on the \_\_\_ days of \_\_\_\_\_ and \_\_\_\_\_ of each year, at the rates per annum as follows:

<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Year</u>	<u>Principal Amount</u>	<u>Interest Rate</u>
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When this Bond is owned by the Alaska Municipal Bond Bank (the "Bond Bank"), payment of principal and interest shall be made as provided in the Loan Agreement between the Bond Bank and the City dated as of August 1, 2000, as amended. When this Bond is not owned by the Bond Bank, installments of principal and interest on this Bond shall be paid by check or draft mailed by first class mail to the Registered Owner as of the close of business on the 15<sup>th</sup> day of the month preceding each installment payment date; provided that the final installment of principal and interest on this Bond shall be payable upon presentation and surrender of this Bond by the Registered Owner at the office of the Registrar. Interest will be computed on the basis of a 360-day year consisting of twelve 30-day months. Both principal of and interest on this Bond are 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.

This Bond is one of the General Obligation Refunding Bonds, 2015 Series \_\_\_ of the City of Cordova, Alaska, of like tenor and effect except as to interest rate, serial number and maturity, aggregating \$ \_\_\_\_\_ in principal amount, and constituting Bonds authorized for the purpose of refunding certain general obligation bonds issued by the City, and is issued under Resolution 01-15-05 of the City entitled:

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA, AUTHORIZING THE CITY TO ISSUE GENERAL OBLIGATION REFUNDING BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED \$950,000 TO REFUND CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS OF THE CITY, FIXING CERTAIN DETAILS OF SUCH BONDS AND AUTHORIZING THEIR SALE.

(the "Resolution").

Installments of principal of this Bond shall not be subject to prepayment at the option of the City prior to maturity.

This Bond is transferable as provided in the Resolution, (i) only upon the bond register of the City, 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 or Bonds in the same aggregate principal amount and maturity shall be issued to the transferee in exchange therefor as provided in the Resolution and 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 redemption price, if any, hereof and interest due hereon and for all other purposes whatsoever.

This Bond is a general obligation of the City of Cordova and the full faith and credit of the City are pledged for the payment of the principal of and interest on this Bond as the same shall become due.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts or things required by the constitution or statutes of the State of Alaska and the home rule charter 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 the series of Bonds of which this is one, together with all other indebtedness of the City, is within every debt and other limit prescribed by said constitution, statutes or charter.

IN WITNESS WHEREOF, THE CITY OF CORDOVA, ALASKA, has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of its Mayor and its corporate seal (or a facsimile thereof) to be impressed or otherwise reproduced hereon and attested by the manual or facsimile signature of its Clerk, all as of the \_\_\_\_ day of \_\_\_\_\_ 2015.

\_\_\_\_\_  
Mayor

A T T E S T:

\_\_\_\_\_  
Clerk

[ S E A L ]

ASSIGNMENT

For value received, the undersigned sells, assigns and transfers to (print or typewrite name, address, zip code and Social Security number or other tax identification number of Transferee) \_\_\_\_\_

\_\_\_\_\_ this Bond and irrevocably constitutes and appoints \_\_\_\_\_ attorney to transfer this Bond on the Bond Register, with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed: \_\_\_\_\_

Notice: The assignor's signature to this assignment must correspond with the name as it appears upon the face of this Bond.

Section 7. Execution. The Bonds shall be executed in the name of the City by the manual or facsimile signature of the Mayor, and its corporate seal (or a facsimile thereof) shall be impressed or otherwise reproduced thereon and attested by the manual or facsimile signature of the City Clerk. The execution of a Bond on behalf of the City by persons who 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 8. Payment of Principal and Interest. The Bonds shall be payable in lawful money of the United States of America which at the time of payment is legal tender for the payment of public and private debts. When the Bond Bank is the Registered Owner of the Bonds, payment of principal and interest on the Bonds shall be made as provided in the Loan Agreement. When the Bond Bank is not the Registered Owner of the Bonds, installments of principal and interest on the Bonds shall be paid by check mailed by first class mail to the Registered Owner as of the record date for the installment payment at the address appearing on the Bond Register; provided that the final installment of principal and interest on a Bond shall be payable upon presentation and surrender of the Bond by the Registered Owner at the office of the Registrar.

Section 9. Registration. The Bonds shall be issued only in registered form as to both principal and interest. The City designates the Finance Director as Registrar for the Bonds. The Registrar shall keep, or cause to be kept, the Bond Register at the principal office of the City. The City covenants that, until all Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code. The City and the Registrar may treat the person in whose name any Bond shall be registered as the absolute owner of such Bond for all purposes, whether or not the Bond shall be overdue, and all payments of principal of and interest on a Bond made to the Registered Owner thereof or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the City nor the Registrar shall be affected by any notice to the contrary.

Section 10. Transfer and Exchange. Bonds shall be transferred only upon the books for the registration and transfer of Bonds kept at the office of the Registrar. Upon surrender for transfer or exchange of any Bond at such office, 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 the duly authorized attorney of the Registered Owner, the City shall execute and deliver an equal aggregate principal amount of Bonds of the same maturity of any authorized denominations, subject to such reasonable regulations as the City 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. All Bonds surrendered for transfer or exchange shall be canceled by the Registrar.

Section 11. Bonds Mutilated, Destroyed, Stolen or Lost. Upon surrender to the Registrar of a mutilated Bond, the City shall execute and deliver a new Bond of like maturity and principal amount. Upon filing with the Registrar of evidence satisfactory to the City that a 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 of like maturity and principal amount. The person requesting the execution and delivery of a 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 12. Designation of Refunded Bonds. The Manager and the Finance Director each is authorized to designate which, if any, maturities of the 2005 Bonds authorized to be refunded in this Resolution shall be refunded, provided that the refunding of the 2005 Bonds so designated shall realize a debt service savings in the aggregate of at least three percent of their principal amount, net of all issuance costs and underwriting discount, on a present value basis.

Section 13. 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 Bonds from gross income for federal income tax purposes. Without limiting the generality of the foregoing, the City covenants that it will make no use of the proceeds of the Bonds that will cause the Bonds to be "arbitrage bonds" subject to federal income taxation by reason of section 148 of the Code, and that it will not take or permit any action that would cause the Bonds to be "private activity bonds" as defined in Section 141 of the Code.

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 resolution or resolutions 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.

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 adversely affect the interests of the Registered Owners of the Bonds.

Any such supplemental resolution may be adopted without the consent of the Registered Owner of any of the Bonds at any time outstanding, notwithstanding any of the provisions of subsection B of this section.

B. With the consent of the Registered Owners of not less than 60 percent in aggregate principal amount of the Bonds at the time outstanding, 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 supplemental resolution; provided, however, that no such supplemental resolution shall:

1. Extend the fixed maturity of any of the Bonds, or reduce the rate of interest thereon, or extend the time of payments of interest from their due date, or reduce the amount of the principal thereof, or reduce any premium payable on the redemption thereof, without the consent of the Registered Owners of each Bond so affected; or

2. Reduce the aforesaid percentage of Registered Owners of Bonds required to approve any such supplemental resolution without the consent of the Registered Owners of all of the Bonds then outstanding.

It shall not be necessary for the consent of the Registered Owners of the Bonds under this subsection to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent approves the substance thereof.

C. Upon the adoption of any supplemental resolution 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 all Registered Owners of outstanding Bonds shall thereafter be subject in all respects to such modification and amendment, and all the terms and conditions of the supplemental resolution shall be deemed to be part of the terms and conditions of this Resolution for any and all purposes.

D. Bonds executed and delivered after the execution of any supplemental resolution adopted under this section may bear a notation as to any matter provided for in such supplemental resolution, and if such supplemental resolution shall so provide, new Bonds modified so as to conform, in the opinion of the City, to any modification of this Resolution contained in any such supplemental resolution may be prepared by the City and delivered without cost to the Registered Owners of the Bonds then outstanding, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

Section 15. Defeasance. In the event money and/or non-callable Government Obligations maturing at such times and bearing interest to be earned thereon in amounts sufficient to redeem and retire any or all of the Bonds in accordance with their terms are set aside in a special trust account to effect such redemption or retirement and such moneys and the principal of and interest on such Government Obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made to pay or secure the payment of the principal of and interest on such Bonds and such Bonds shall be deemed not to be outstanding.

Section 16. Exchange of Bonds; Amendatory Loan Agreement. The Bonds shall be delivered to the Bond Bank in exchange for the Refunded Bonds. Subject to the limitations provided in Sections 2 and 4, each of the Manager and the Finance Director is hereby authorized to determine the aggregate principal amount, maturity amounts, interest rates, yields, dated date, principal and interest payment dates, record dates for principal and interest payments, and other details of the Bonds; provided that: (i) the principal amount of each maturity of the Bonds shall not exceed the principal amount of the portion of the corresponding maturity of the Bond Bank Bonds that is allocated to the making of a loan to the City; and (ii) the interest rate on each maturity of the Bonds shall not exceed the interest rate on the corresponding maturity of the Bond Bank Bonds. Based upon the foregoing determinations, the Manager and the Finance Director are each authorized to negotiate and execute the Amendatory Loan Agreement.

Section 17. Authority of Officers. The Mayor, the acting Mayor, the Manager, the acting Manager, the Finance Director, the acting Finance Director, the Clerk and the acting Clerk each is authorized and directed to do and perform all things and determine all matters not determined by this Resolution, to the end that the City may carry out its obligations under the Bonds, the Loan Agreement and this Resolution.

Section 18. Prohibited Sale of Bonds. No person, firm or corporation, or any agent or employee thereof, acting as financial consultant to the City under an agreement for payment in connection with the sale of the Bonds, is eligible to purchase the Bonds as a member of the original underwriting syndicate either at public or private sale.

Section 19. Ongoing Disclosure. The City acknowledges that, under Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), the City may now or in the future be an "obligated person" with respect to the Bond Bank Bonds. In accordance with the Rule and as the Bond Bank may require, the City shall enter into a continuing disclosure agreement and undertake to provide certain annual financial information and operating data as shall be set forth in the Amendatory Loan Agreement.

Section 20. Miscellaneous.

A. All payments made by the City of, or on account of, the principal of or interest on the Bonds shall be made on the several Bonds ratably and in proportion to the amount due thereon, respectively, for principal or interest as the case may be.


B. No recourse shall be had for the payment of the principal of or the interest on the Bonds 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 Bonds. The Bonds are 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 do not and shall not create or constitute an indebtedness or obligation, either legal, moral or otherwise, of said state or of any political subdivision thereof, except the City.

Section 21. 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 Bonds.

Section 22. Effective Date. This resolution shall become effective upon adoption by the Cordova City Council.

**PASSED AND APPROVED THIS 21<sup>st</sup> DAY OF JANUARY 2015.**



  
\_\_\_\_\_  
Jim Kacsh, Mayor

ATTEST:

  
\_\_\_\_\_  
Susan Bourgeois, CMC, City Clerk