

**CITY OF CORDOVA, ALASKA
RESOLUTION 12-13-65**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF CORDOVA, ALASKA,
AUTHORIZING THE RENEWAL OF THE LINE OF CREDIT WITH UBS BANK USA
IN A PRINCIPAL AMOUNT OF NOT TO EXCEED \$2,793,918.60 FOR THE PURPOSE
OF BORROWING IN ANTICIPATION OF THE RECEIPT OF REVENUES OF THE
CITY TO FINANCE PART OF THE COST OF THE CORDOVA CENTER PROJECT,
AND PROVIDING FOR RELATED MATTERS.**

WHEREAS, on January 4, 2012, the City adopted Substitute Ordinance 1091 authorizing the City to borrow in anticipation of the receipt of revenues of the City a principal amount not exceeding \$2,793,918.60 to finance part of the cost of the Cordova Center Project, with the terms and conditions of the borrowing to be determined by resolution; and

WHEREAS, the City negotiated the terms and conditions of a line of credit with UBS Bank USA under the authority of Substitute Ordinance 1091, with a maximum principal amount outstanding at any one time of \$2,793,918.60, with an expiration date of December 31, 2013, and the terms and conditions of this line of credit, as set forth in a Credit Line Account Application and Agreement, as amended by an Addendum to Credit Line Agreement, both dated as of April 3, 2012 (together, the "Agreement") were authorized by Resolution 03-12-21, adopted on March 21, 2012; and

WHEREAS, in Fiscal Year 2012 the City drew \$1,982,427.04 on the line of credit, which was timely repaid, and in Fiscal Year 2013 the City drew \$1,400,000.00 on the line of credit, which was timely repaid; and

WHEREAS, the City negotiated a renewal of the line of credit to December 31, 2015 with UBS Bank USA under the same the terms and conditions as in the Agreement authorized by Resolution 03-12-21; and

WHEREAS, in accordance with Article VI, Section 6-2 of the City Charter, the maximum principal amount of the line of credit, \$2,793,918.60, combined with the outstanding principal amount of all other revenue anticipation indebtedness of the City, does not exceed one percent of the assessed value of all real and personal property in the City; and

WHEREAS, it is necessary and in the best interest of the City that City borrow the sum of not to exceed \$2,793,918.60 in anticipation of the collection of revenues to meet the appropriation from grant funds to be received from the *Exxon Valdez* Oil Spill Trustee Council to pay costs of the Cordova Center Project.

NOW, THEREFORE BE IT RESOLVED THAT

Section 1. The City hereby is authorized (i) to renew the line of credit with UBS Bank USA with a maximum principal amount outstanding at any one time of \$2,793,918.60, with an expiration date of December 31, 2015, on the terms and conditions in the Agreement, to meet the appropriation from grant funds to be received from the Exxon Valdez Oil Spill Trustee Council

to pay costs of the Cordova Center Project, (ii) to pledge and grant a security interest in the property of the City described in Section 8 of the Agreement as security for any liability of the City to UBS Bank USA, (iii) to establish one or more loan accounts at UBS Bank USA for the benefit of the City, and (iv) to enter into such other agreements or documents as may be necessary to implement or give effect to the Agreement.

Section 2. The Mayor, Manager, Finance Director and Clerk or any other person authorized by the City each hereby is authorized, individually and without counter signature or co-signature, to execute and deliver for and on behalf of the City any and all additional agreements certificates, documents, opinions or other papers and perform all other acts as they may deem necessary or appropriate in order to implement and carry out the intent and purposes of this resolution.

Section 3. UBS Bank USA is authorized to rely upon the authority conferred by this resolution until UBS Bank USA receives a certified copy of resolutions of the City Council revoking or modifying this resolution.

Section 4. This resolution shall take effect upon passage and approval.

PASSED AND APPROVED THIS 4th DAY OF DECEMBER 2013.



Jim Kacsh, Mayor

ATTEST:



Susan Bourgeois, City Clerk

