

CITY AND BOROUGH OF SITKA, ALASKA

RESOLUTION NO. 2012-04

A RESOLUTION OF THE ASSEMBLY OF THE CITY AND BOROUGH OF SITKA, ALASKA, APPROVING THE CITY AND BOROUGH'S PARTICIPATION IN A PROPOSED REFINANCING BY THE ALASKA MUNICIPAL BOND BANK OF CERTAIN OF ITS GENERAL OBLIGATION BONDS AND GENERAL OBLIGATION REFUNDING BONDS, WHICH PROVIDED FUNDS TO PURCHASE THE CITY AND BOROUGH'S GENERAL OBLIGATION BOND, 2004 AND GENERAL OBLIGATION REFUNDING BOND, 2005 UNDER LOAN AGREEMENTS BETWEEN THE CITY AND BOROUGH AND THE BOND BANK; AND AUTHORIZING THE CITY AND BOROUGH'S FINANCE DIRECTOR TO APPROVE A REVISED SCHEDULE OF PRINCIPAL AND INTEREST PAYMENTS ON THE CITY AND BOROUGH'S 2004 AND 2005 BONDS, IN ACCORDANCE WITH THE LOAN AGREEMENTS, IF THE BOND BANK SUCCESSFULLY REFINANCES ITS BONDS.

WHEREAS, the City and Borough of Sitka, Alaska (the "City and Borough") issued and sold its General Obligation Bond, 2004 (the "2004 Bond") to the Alaska Municipal Bond Bank (the "Bond Bank"), as authorized by Ordinance No. 03-1760 of the City and Borough (the "2004 Bond Ordinance"), on the terms and conditions set forth in the 2004 Bond Ordinance and in a loan agreement between the City and Borough and the Bond Bank dated as of February 1, 2004 (the "2004 Loan Agreement"); and

WHEREAS, the Bond Bank issued and sold its General Obligation Bonds, 2004 Series A (the "2004 Bond Bank Bonds"), to provide funds to purchase the 2004 Bond, as provided in the 2004 Loan Agreement; and

WHEREAS, the City and Borough issued and sold its General Obligation Refunding Bond, 2005 (the "2005 Bond," and together with the 2004 Bond, the "Bonds") to the Bond Bank, as authorized by Ordinance No. 2005-04 of the City and Borough (the "2005 Bond Ordinance"), on the terms and conditions set forth in the 2005 Bond Ordinance and in a loan agreement between the City and Borough and the Bond Bank dated as of May 15, 2000 (the "2005 Loan Agreement," and together with the 2004 Loan Agreement, the "Loan Agreements"); and

WHEREAS, the Bond Bank issued and sold its General Obligation Refunding Bonds, 2005 Series A (the "2005 Bond Bank Bonds," and together with the 2004 Bond Bank Bonds, the "Bond Bank Bonds"), to provide funds to purchase the 2005 Bond, as provided in the 2005 Loan Agreement; and

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

WHEREAS, the Bond Bank now intends to issue a series of its general obligation refunding bonds (the "Bond Bank Refunding Bonds") for the purpose, among others, of refunding the Bond Bank Bonds and achieving debt service savings; and

WHEREAS, the Assembly wishes to approve the City and Borough's participation in this refinancing and to authorize the City and Borough's finance director to accept a revised debt service schedule for the Bonds if the Bond Bank successfully refinances the Bond Bank Bonds;

NOW, THEREFORE, BE IT RESOLVED by the Assembly of the City and Borough of Sitka, Alaska, as follows:

Section 1. Definitions. Except as otherwise defined herein, capitalized terms used in this resolution have the meanings set forth in the Bond Ordinances.

Section 2. Approval of Refinancing. The Assembly hereby approves the City and Borough's participation in the Bond Bank's refinancing of the Bond Bank Bonds and authorizes the Finance Director to approve a revised schedule of principal payment amounts and interest rates for the Bonds, in accordance with Section 6 of the Loan Agreements, so long as the revised schedule provides reasonable debt service savings to the City and Borough. The revised schedule of debt service on the Bonds and other provisions as may be required by the Bond Bank will be set forth in an Amendatory Loan Agreement for each of the Loan Agreements and in amended Bonds. The Administrator is authorized to execute and deliver the Amendatory Loan Agreements on behalf of the City and Borough and to deliver the amended Bonds, executed in accordance with the provisions of the Bond Ordinances, to the Bond Bank in exchange for the original Bonds. The Finance Director and other appropriate officers and employees of the City and Borough are also hereby authorized to provide financial information about the City and Borough that the Bond Bank may require for the official statement for the Bond Bank Refunding Bonds.

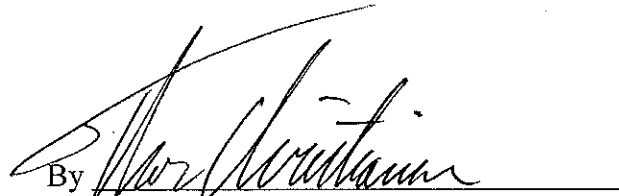
Section 3. Tax Covenants; Special Designation. The City and Borough covenants to undertake all actions required to maintain the tax-exempt status of interest on the amended Bonds under Section 103 of the Code.

Section 4. General Authorization. The Mayor, Administrator, Finance Director, Clerk, Attorney, and any other appropriate officers, agents, attorneys and employees of the City and Borough are each hereby authorized and directed to cooperate with the Bond Bank and to take such steps, do such other acts and things, and execute such letters, certificates, agreements, papers, financing statements, assignments or instruments as in their judgment may be necessary, appropriate or desirable to carry out the terms and provisions of, and complete the transactions contemplated by, this resolution.

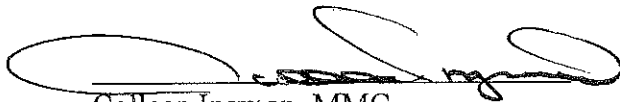
Section 5. Prior Acts. Any and all acts heretofore taken by officers, agents, attorneys and employees of the City and Borough in connection with refinancing the Bonds are hereby ratified and confirmed.

Section 6. Effective Date. This resolution will take effect immediately upon its adoption.

ADOPTED March 13, 2012.

By 
Thor Christianson, Deputy Mayor

ATTEST:



Colleen Ingman, MMC
Municipal Clerk