CITY OF HOMER, ALASKA

Resolution No. 89-_83_ (S)

A RESOLUTION of the City Council of the City of
Homer, Alaska, providing for an assurance to the
Alaska Department of Environmental Conservation
that revenues of the City's sewer system will be
available for paying the obligations of the City
pursuant to the Loan Agreement authorized by
Resolution No. 89-76 of the City Council, which
obligations are to be evidenced by the issuance
of a junior lien sewer revenue bond in the
principal amount of not to exceed $4,750,000.

WHEREAS, on August 28, 1989 the City Council (the "Council")
of the City of Homer, Alaska (the "City") passed and approved
Resolution No. 89-76 (the "Resolution") authorizing a loan
agreement (the "Loan Agreement") between the City and the Alaska
Department of Environmental Conservation (the "Department") under
the Alaska Clean Water Fund and authorizing the issuance and sale
of the City's Junior Lien Sewer Revenue Bond, 1989 in an amount not
to exceed $4,750,000 (the "Bond") to evidence the City's obligation
to the Department under the Loan Agreement; and

WHEREAS, revenues of the City sewer system pledged to repay
the Bond are encumbered by the senior lien of certain Parity Bonds,
as defined in the Resolution, and therefore Section 4.4 of the Loan
Agreement requires the City to furnish legal assurance that the
excess of such prior encumbered revenues of System are legally
available for pledging to the Department; and

WHEREAS, the City wishes to comply with the Loan Agreement and
to provide such legal assurance to the Department;

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY
OF HOMER, ALASKA, as follows:

Section 1. Definitions. As used in this resolution,
capitalized terms shall have the meanings set forth in Resolution
No. 89-76 of the City (the "Resolution").

Section 2. Future Parity Bonds. So long as the Bond is
Outstanding, the City shall not issue any Parity Bonds or junior
lien revenue bonds on a parity with the Bond without the written
consent of the owner of the Bond, which consent shall not be
unreasonably denied based on the City's showing of its ability to
make payments on the Bond.

Section 3. **Further Actions**. The proper officials of the City are authorized and directed to execute all documents and to do everything necessary for the execution and delivery of the Loan Agreement and the preparation and delivery of the Bond in accordance with the Resolution and this resolution.

Section 4. **Ratification**. All actions and proceedings heretofore taken by the officers, agents, attorneys and employees of the City in connection with the negotiation of the Loan Agreement and the issuance of the Bond are hereby ratified, approved and confirmed.

Section 5. **Effective Date**. This resolution shall take effect immediately upon its adoption and approval.

PASSED AND ADOPTED by the City Council of the City of Homer, Alaska this 2nd day of October, 1989.

CITY OF HOMER, ALASKA

By _John P. Calhoun_
    Mayor

ATTEST:

Letta J. Whahn
City Clerk

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CERTIFICATE

I, the undersigned, Clerk of the City of Homer (the "city"), DO HEREBY CERTIFY:

1.   That the attached Resolution No. 89-83(S) (herein called the "Resolution") is a true and correct copy of a Resolution of the city passed at a special open public meeting of the City Council (the "Council") held on the 2nd day of October, 1989, and duly recorded in my office.

2.   That said meeting was duly convened and held in all respects in accordance with law; and to the extent required by law, due and proper notice of such meeting was given; that a quorum was present throughout the meeting and a legally sufficient number of Members of the Council voted in the proper manner for the passage of the Resolution; that all other requirements and proceedings incident to the proper passage of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the City of Homer this 3rd day of October, 1989.

Patti J. Whalin
City Clerk

(S E A L)