

ORDINANCE NO. 82-5

AN ORDINANCE of the City Council of the City of Homer, Alaska, providing for the issuance of a general obligation bond of the City in the principal amount of \$400,000 for the purpose of repaying a bond anticipation note and providing the permanent financing of improvements to the Main Commercial Dock within the City, creating a bond redemption fund; fixing the date, form, terms, maturities and covenants of said bond; providing for the payment of the principal thereof and interest thereon; and providing for the sale thereof.

PASSED: March 22, 1982

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WHEREAS, at a bond election held in conjunction with the regular municipal general election held in the City of Homer, Alaska (herein called the "City"), on October 2, 1979, pursuant to Ordinance 79-9, City Council of the City, the qualified electors thereof authorized the issuance of general obligation bonds of the City in the principal amount of not to exceed \$400,000 for the purpose of constructing certain capital improvements to the Main Commercial Dock including improvements to the main pier fendering system and improvements to the deck supporting system of the warehouse portion of the dock;

WHEREAS, the City has heretofore issued its bond anticipation note in aggregate principal amount of \$400,000 in anticipation of the issuance of such bonds so authorized to provide the money necessary to carry out said plan of improvements, which note matures on March 1, 1982; and

WHEREAS, it is deemed necessary and advisable that the City now issue and sell said bonds so authorized in the form of a single fully registered general obligation bond in the total principal amount of \$400,000.

NOW, THEREFORE, the City of Homer, Alaska, ordains as follows:

Section 1. Ratification of Bond Election. The adoption and approval by the qualified voters of the City at an election held therein on October 2, 1979, of the following proposition:

PROPOSITION NO. 1

For the purpose of providing funds necessary to construct improvements to the Main Commercial Dock, shall the City of Homer, Alaska, issue its general obligation bonds in the aggregate principal amount of \$400,000, to mature within twenty-five years from date of issue, and to be paid out of annual tax levies to be made upon all the taxable property within the City without limitation as to rate or amount, all as provided in Ordinance No. 79-9 of the City?

is hereby in all respects ratified and confirmed.

Section 2. Definitions. As used in this ordinance, the following words shall have the following meanings:

(A) "Authority" means the Alaska Municipal Bond Bank Authority.

(B) "Bond" means the fully registered general obligation bond of the City in the aggregate principal amount of \$400,000 issued pursuant to this ordinance.

(C) "Bond Fund" means the "Commercial Dock Bond Redemption Fund" created by Section 8 of this ordinance.

(D) "City" means the City of Homer, a municipal corporation duly and existing under the laws of the State of Alaska.

(E) "Government Obligations" mean obligations of or insured or guaranteed by, the United States of America or its agencies or instrumentalities.

(F) "Note" means the City of Homer, Alaska General Obligation Bond Anticipation Note, 1981C dated September 3, 1981 and issued pursuant to Resolution 81-69 for the purpose of providing interim financing of the costs of the Project.

(G) "Project" means the capital improvements to the Main Commercial Dock of the City including improvements to the Main pier fendering system and improvements to the deck supporting system of the warehouse portion of the dock, all as set forth in Resolution 79-9 of the City approved by the qualified electors of the City at a bond election held on October 2, 1979.

Section 3. Authorization of Bond. For the purpose of providing funds to repay the Note and providing the permanent financing of the costs of acquiring, constructing and installing the Project, the City shall issue its fully registered general obligation bond in the principal amount of \$400,000 (the "Bond").

The Bond shall be registered as to both principal and interest and shall be dated March 1, 1982.

The Bond shall be payable in principal installments on March 1 of each year as follows:

<u>Maturity Year</u>	<u>Principal Installment Due</u>
1983	\$20,000
1984	25,000
1985	30,000
1986	30,000
1987	35,000
1988	40,000
1989	45,000
1990	50,000
1991	60,000
1992	65,000

Such installments shall bear interest at a rate producing an effective rate not greater than 12.3356% per annum, payable on September 1, 1982, and semiannually thereafter on the first days of March and September of each year from date of issue. Both principal of and interest on the Bond shall be payable in lawful money of the United States of America to the registered owner or owners at the address appearing on the registration certificate. Definitive coupon bonds issued pursuant to Section 12 hereof, shall be payable at the office of the Treasurer of the City or, at the option of the holder, at the main office of Rainier National Bank in Seattle, Washington.

Section 4. Redemption of the Bond. The City hereby reserves the right (subject to any applicable provisions of the agreement with the Authority described in Section 9 of this Ordinance) to prepay any or all unpaid installments or portions thereof, of the

Bond in inverse chronological order and in multiples of \$5,000, on March 1, 1987, or on any interest payment date thereafter, at par plus accrued interest to the date of redemption.

Notice of any such intended prepayment shall be given by mailing notice thereof to the registered owner of the Bond not more than sixty nor less than fifty days prior to said prepayment date. Interest on any installment or portion thereof so prepaid shall cease on such prepayment date.

Section 5. Form of Bond. The Bond and the Registration Certificate thereon shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. R-1

\$400,000.00

STATE OF ALASKA

CITY OF HOMER

GENERAL OBLIGATION BOND, 1982

The City of Homer, a municipal corporation of the State of Alaska (hereinafter called the "City"), hereby acknowledges itself to owe and for value received promises to pay to the registered owner hereof, the principal sum of

FOUR HUNDRED THOUSAND DOLLARS

in the following installments on March 1 of each of the following years, together with interest on such installments, payable September 1, 1982 and semiannually thereafter on the first days of March and September of each year from the date hereof until such installments have been paid, or such payment has been duly provided for, as follows:

<u>Maturity Year</u>	<u>Amount</u>	<u>Interest Rate</u>
1983	\$20,000	
1984	25,000	
1985	30,000	
1986	30,000	
1987	35,000	
1988	40,000	
1989	45,000	
1990	50,000	
1991	60,000	
1992	65,000	

Both principal of and interest on this bond are payable in lawful money of the United States of America to the registered owner hereof at the address appearing in the bond registration books of the City. Upon final payment of all installments and

interest thereon, this bond shall be submitted to the City for cancellation and surrender.

The City has reserved the right (subject to any applicable provisions of a loan agreement between the City and the Alaska Municipal Bond Bank Authority, dated _____, 1982) to prepay any or all unpaid installments, or portions thereof, in inverse chronological order and in multiples of \$5,000, on March 1, 1987, or on any interest payment date thereafter, at par plus accrued interest to the date of prepayment.

Notice of any such intended prepayment shall be given by mailing notice thereof to the registered owner, not more than sixty nor less than fifty days prior to said prepayment.

This bond is issued pursuant to the Constitution and laws of the State of Alaska, a vote of the qualified electors of the City, and duly adopted ordinances and resolutions thereof, for the purpose of providing funds to pay the cost of acquiring, constructing and installing certain capital improvements for the City.

This bond is payable, both principal and interest, out of the special fund of the City entitled "Commercial Dock Bond Redemption Fund" created by Ordinance 82-5 of the City Council of the City (the "Bond Ordinance").

The City has obligated and bound itself to make annual levies of ad valorem taxes upon all the taxable property within the City without limitation as to rate or amount and in amounts sufficient, with such other moneys of the City available for such purposes as the City Council may, from time to time, appropriate and order transferred to such Bond Redemption Fund, to pay the principal of and interest on this bond as the same shall become due. The full faith, credit and resources of the City are hereby irrevocably pledged for the levy of such taxes and the prompt payment of such principal and interest.

As provided in the Bond Ordinance, this bond is exchangeable, at the request and sole expense of the registered owner and upon ninety days' written notice thereof, for definitive coupon bonds in a total principal amount equal to the unpaid principal amount of this bond, payable to bearer, in the denomination of \$5,000 each, maturing and bearing interest at the same time and the same rate as the respective unpaid installments of principal of this bond, and with rights of redemption and in the form provided in the Bond Ordinance.

It is hereby certified and declared that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed, and that the total indebtedness of the City, including this bond, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Homer, Alaska, has caused this bond to be signed by its Mayor, to be attested by its Clerk, and the official seal of the City to be impressed hereon, this first day of March, 1982.

CITY OF HOMER, ALASKA

By /s/ manual signature
Mayor

Attest:

/s/ manual signature
City Clerk

REGISTRATION CERTIFICATE

This bond is registered in the name of the holder on the books of the City, in the office of the Treasurer of the City, as to both principal and interest as noted in the registration blank below. No transfer hereof shall be valid unless made by the registered owner or his duly authorized agent in writing, and similarly noted hereon. All payments of principal and interest on this bond shall be made by the City with full acquittance by the Treasurer's check, or by warrant of the City, made payable to the last registered holder as shown hereon and on the registration books of the City and delivered to such holder or mailed to him at his address noted hereon and on the registration books of the City.

Date of Registration	Name and Address of Registered Holder	Signature of Registrar
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

The Bond in fully registered form shall have endorsed thereon the following form of assignment:

ASSIGNMENT

FOR VALUE RECEIVED, the undersigned registered owner thereof hereby sells, assigns and transfers the within bond unto

DATED _____

In the presence of:

(Repeat this form of assignment)

Section 6. Execution of Bond. The Bond shall be signed on behalf of the City by its Mayor, shall be attested by its City Clerk, and shall have the official seal of the City and impressed thereon.

Section 7. Note Fund. There has heretofore created a special fund of the City to be known as the "1980 General Obligation Bond Anticipation Note Redemption Fund" into which shall be paid the sum of \$400,000 out of the proceeds of the sale of the Bond, together with any and all other money which the City may now or later have on hand which are necessary and legally available to pay the principal of and interest on the Note as the same respectively becomes due and payable.

Section 8. Bond Fund. There is hereby created a special fund of the City to be known as the "Commercial Dock Bond Redemption Fund" which Bond Fund is created for the sole purpose of paying the principal of and interest on the Bond. All accrued interest on the Bond received at the time of delivery of the Bond shall be paid into said Bond Fund.

The City hereby irrevocably covenants and pledges for as long as the Bond is outstanding that it will make provision for the payment of the principal of and interest on such Bond in its annual budgets and further covenants that it will make annual levies of ad valorem taxes, for payment into the Bond Fund, upon

all the property within the City subject to taxation, without limitation as to rate or amount, and in amounts sufficient, with such other money available for such purposes as the City Council from time to time may appropriate and order transferred to such Bond Fund, to pay the principal of and interest on the Bond as the same shall become due.

The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest as the same shall become due.

Section 9. Sale of Bond. The Mayor and Treasurer are hereby authorized and directed to negotiate with the Authority and to establish the terms of an agreement with the Authority for the sale of the Bond to the Authority, at a price equal to par plus accrued interest, provided that the interest rate to be borne by any installment of the Bond shall not exceed the interest rate on any corresponding bond or bonds of the Authority sold to provide funds for the purchase of the Bond by the Authority. The form and terms of said agreement shall be subject to approval by resolution of the City Council. The provisions of said agreement shall be applicable to the Bond as if set forth herein in full.

Section 10. Defeasance. In the event that money and/or Government Obligations maturing at such time or times and bearing interest to be earned thereon in amounts sufficient to redeem and retire part or all of the Bond in accordance with its terms are set aside in a special account to effect such redemption or retirement and such money 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 into the Bond Fund securing the installments of the Bond so provided for, for the payment of the principal of and interest on such installments of the Bond, and, to the extent of such installments, the

Bond shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive the funds so set aside and pledged, and shall be deemed not to be outstanding hereunder.

Section 11. Transfer of Bond. The Bond may be transferred by the registered owner thereof, provided that such transfer relates to the entire principal amount of the Bond, and such transfer is noted on the bond registration books of the City.

Section 12. Exchange for Coupon Bonds. Upon ninety days' written notice by the holder of the registered Bond, the City shall cause to be prepared and shall deliver to such holder, at the sole cost and expense of the holder, definitive coupon bonds of type composition and on bond paper of weight and strength that is customarily used for serial bonds of an issue comparable to the principal amount of the Bond.

Such definitive bonds shall be in the denomination of \$5,000 each, shall be numbered in chronological order, and shall be in the total principal sum of the unpaid installments of principal of the Bond so exchanged.

Coupon bonds shall correspond to \$5,000 increments of the unpaid installments of the Bond so exchanged and shall bear interest at the rates borne by the respective installments which they represent and shall mature at the time the respective installments become due and payable. Coupon bonds shall be callable in inverse numerical order under the same conditions, at the same times and at the same price at which installments of the Bond may be prepaid. Notice of any such intended redemption shall be given by one publication thereof in a financial journal of general circulation in the City of New York, New York, not more than 60 nor less than 50 days prior to said redemption date, and by mailing a like notice at the same time to the holder of the Bond so exchanged, at the time of its conversion into coupon bonds, at

its last address as it appeared on the registration books of the City. Interest on any coupon bond so called for redemption shall cease on such redemption date unless the same is not redeemed upon presentation made pursuant to such call.

Coupon bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

No. _____

\$5,000

STATE OF ALASKA

CITY OF HOMER

GENERAL OBLIGATION BOND, 1982

The City of Homer, a municipal corporation of the State of Alaska (hereinafter called the "City") hereby acknowledges itself to owe and for value received promises to pay to bearer on the first day of March 19__ , the principal sum of

FIVE THOUSAND DOLLARS

together with interest thereon payable September 1, 1982, and semiannually thereafter on the first days of March and September of each year from date hereof at the rate of _____% per annum to date of maturity as evidenced by coupons attached hereto, upon presentation and surrender of such interest coupons as they severally become due, or until such principal amount shall have been paid or duly provided for.

Both principal of and interest on this bond are payable in lawful money of the United States of America at the office of the Treasurer, Homer, Alaska, or, at the option of the holder, at the main office of Rainier National Bank, Seattle, Washington.

The City has reserved the right (subject to any applicable provisions of a loan agreement between the City and the Alaska Municipal Bond Bank Authority, dated _____, 1982) to redeem any or all of the outstanding bonds of this issue in whole, or in part in inverse numerical order, on March 1, 1987, or on any interest payment date thereafter, at par plus accrued interest to the date of redemption.

Notice of any such intended redemption shall be given by one publication thereof in a financial journal of general circulation in the City of New York, New York, not more than 60 nor less than 50 days prior to said redemption date, and by mailing a like notice at the same time to _____

This bond is one of an issue of general obligation bonds of the City of like amount, date and tenor except as to number, interest rate and date of maturity and is issued pursuant to the Constitution and laws of the State of Alaska, a vote of the qualified electors of the City, and duly adopted ordinances and resolutions thereof, for the purposes of providing funds to pay

part of the cost of acquiring, constructing and installing certain capital improvements for the City.

This bond and the bonds of the issue of which it is one are payable both principal and interest out of the special fund of the City entitled "Commercial Dock Bond Redemption Fund" created by Ordinance 82-5 of the City Council of the City (the "Bond Ordinance").

The City has obligated and bound itself to make annual levies of ad valorem taxes upon all the taxable property within the City, without limitation as to rate or amount and in amounts sufficient, with such other moneys of the City available for such purposes as the City Council may, from time to time, appropriate and order transferred to such Bond Redemption Fund, to pay the principal of and interest on this bond and the bonds of this issue as the same shall become due. The full faith, credit and resources of the City are hereby irrevocably pledged for the levy of such taxes and the prompt payment of such principal and interest.

It is hereby certified and declared that all acts, conditions and things required to be done precedent to and in the issuance of this bond have happened, been done and performed, and that the total indebtedness of the City, including this bond and the bonds of this issue, does not exceed any constitutional or statutory limitation.

IN WITNESS WHEREOF, the City of Homer, Alaska, has caused this bond to be signed with the facsimile signature of its Mayor, to be attested by its Clerk, the official seal of the City to be impressed hereon, and the interest coupons pertaining hereto to be signed with the facsimile signatures of said officials, this first day of March, 1982.

CITY OF HOMER, ALASKA

By /s/ facsimile signature
Mayor

ATTEST:

Madeline F. Hensch
/s/ manual signature
Clerk

The interest coupons attached to the coupon bonds shall be in substantially the following form:

No. _____ \$ _____

ON THE FIRST DAY OF _____, the City of Homer, Alaska will pay to bearer at the office of the Treasurer of the City of Homer, Alaska, or at the option of the holder, at the main office of Rainier National Bank, Seattle, Washington, the amount shown hereon in lawful money of the United States of America, said amount being the interest due that date on its general obligation bond, dated March 1, 1982 and numbered _____.

CITY OF HOMER, ALASKA

By /s/ facsimile signature
Mayor

ATTEST:

/s/ facsimile signature
Clerk

The coupon bonds shall be signed on behalf of the City with the facsimile signature of its Mayor, shall be attested by its Clerk, and shall have the official seal of the City impressed thereon. Each of the attached interest coupons shall be signed with the facsimile signature of said officials.

Section 13. Arbitrage Covenant. The City covenants to the purchaser of the Bond that it will make no use of the proceeds of the Bond at any time during the term thereof which, if such use had been reasonably expected on the date the Bond is issued, would have caused the Bond to be an arbitrage bond within the meaning of Section 103(c) of the United States Internal Revenue Code of 1954, as amended, and applicable regulations thereunder.

Section 14. Effective Date. This ordinance shall be effective from and after its final passage and publication as required by law.

Read for the first time on March 8, 1982, and finally PASSED by the City Council of the City of Homer, Alaska and approved by its Mayor at a regular meeting of said City Council held this 22nd day of March, 1982.

CITY OF HOMER, ALASKA

By
Mayor

ATTEST:

Clerk