

determined it to be in the best interests of the City to sell such note to the National Bank of Alaska in accordance with the attached Purchase Agreement.

NOW, THEREFORE, BE IT RESOLVED BY THE CITY COUNCIL OF THE CITY OF BETHEL AS FOLLOWS:

Section 1. The City hereby determines to sell its City of Bethel 1994 Series A Sewer Revenue Bond Anticipation Notes (the "Notes") in the aggregate principal amount of not to exceed ONE MILLION DOLLARS (\$1,000,000) to the National Bank of Alaska (the "Purchaser") pursuant to a Purchase Agreement attached hereto and incorporated herein as Exhibit A. Said Purchase Agreement is approved and the City Manager and/or the Finance Director of the City are authorized to execute the Purchase Agreement on behalf of the City and the City Clerk is authorized to attest to the signature of the Manager or Finance Director.

Section 2. The Note shall be dated as of its delivery date and shall be substantially in the form attached hereto as Exhibit B and shall be payable from the proceeds of the 1994 Series A Sewer Revenue Bonds issued pursuant to authorization contained in the Ordinance, or from other funds legally available. The Manager and/or Finance Director are authorized to execute an assignment of said proceeds to the Bank in the form attached hereto as Exhibit C the Bank, for the purpose of securing the payment on the Note.

Section 3. The proceeds of the Note shall be used for the interim financing of the Project. The Bank will make advances on the note principal consistent with the cash flow needs of the Project and in accordance with the Purchase Agreement. Interest on the Note will be payable at the floating rate of 69% of the National Bank of Alaska's Prime Rate as adjusted from time to time and will accrue from the date of each advance.

Section 4. The Note will be subject to prepayment prior to maturity pursuant to the terms contained in the Purchase Agreement and will be due in full as to both principal and interest on or before July 1, 1994.

Section 5. The steps heretofore taken by the City Manager and Finance Director to solicit proposals for the purchase of the Note in order to obtain necessary interim financing for the Project are hereby ratified in all respects.

Section 6. The City covenants with the holder of the Note at any time outstanding that it will make no use of proceeds of the Note which will cause the Note to be "arbitrage bonds the interest on which is subject to federal income taxation by reason of Sections 103 or 148 of the Internal Revenue Code of 1954 as amended. To that end, so long as any of the Notes are outstanding, the City, with respect to the proceeds of the Notes, shall comply

with all requirements of said Sections 103 and 148 of the Code and of all regulations of the United States Department of the Treasury issued thereunder, to the extent that such requirements are, at the time, applicable and in effect.

Section 7. The City hereby designates the Note as a qualified tax exempt obligation pursuant to Section 265 of the Internal Revenue Code of 1986. The City reasonably expects that it will not issue in excess of \$10,000,000 qualified tax exempt obligations during the calendar year of 1994 (other than private activity bonds).

Section 8. The Mayor is hereby authorized and directed to execute the Notes with her manual signature to be attested by the manual signature of the City Clerk and deliver the Notes to the Purchaser. The Mayor, the Manager, Finance Director and the City Clerk are authorized to take such steps and execute such further documents as are necessary to deliver the Note.

Section 9. The Notes are not a general obligation of the City and neither the full faith and credit nor the taxing power are pledged for their payment.

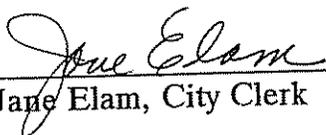
Section 10. This Resolution shall take effect immediately.

PASSED AND APPROVED THIS 25th DAY OF January, 1994.



Donna J. Chris, Mayor

ATTEST:



Jane Elam, City Clerk

NO. _____

UNITED STATES OF AMERICA
STATE OF ALASKA

CITY OF BETHEL

1994 SERIES A BOND ANTICIPATION NOTE

The City of Bethel, a municipal corporation of the State of Alaska (the "City"), acknowledges itself indebted and for value received promises to pay to National Bank of Alaska on or before the 1 st day of July, 1994, the principal sum of not to exceed ONE MILLION DOLLARS, (\$1,000,000) together with accrued interest(from date of disbursement) thereon at the floating rate of 69% of the National Bank of Alaska prime rate as adjusted from time to time. Both principal of and interest on this note are payable in lawful money of the United States of America at the office of National Bank of Alaska in Bethel, Alaska or at the option of the holder at the office of the Treasurer of the City, in Bethel, Alaska. The City will pay interest on only the actual amount without penalty.

This note is subject to prepayment by the City.

This note is issued pursuant to Chapter 58, Title 29 of Alaska Statutes, Ordinance 93-03 adopted on March 9, 1993, and Resolution #94-04 of the City duly and regularly adopted on January 25, 1994, for the purpose of providing funds for the designing, equipping and constructing of a sewer lagoon and related facilities (the "Project") within the City and to reimburse any fund of the City which may have advanced funds for construction of the Project or paid issuance costs of the bonds. Funds will be advanced by the Bank to the City pursuant to the Purchase Agreement and the Bank will record the date and amount of the advance on this note in the places noted below. The interest will only be paid on said advance from the dates advanced. The total principal owed under this note will be the amount disbursed as shown on this note.

This Note is payable from the proceeds of the \$1,000,000 1994 Series A Sewer Revenue Bonds authorized by Ordinance #93-03 and is secured by an assignment of said proceeds.

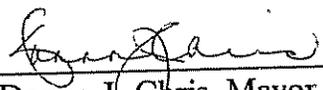
The City has pursuant to Section 7 of the Resolution designated this Note as a Qualified Tax Exempt Obligation of the City under section 265 of the Internal Revenue Code of 1986.

Presented by: Finance Director Elam
Date: January 25, 1994
Action:
Vote:

IT IS HEREBY CERTIFIED and declared that this Note is issued pursuant to and in strict compliance with the Constitution and laws of the State of Alaska and the ordinances and resolution of the City of Bethel, and that all acts, conditions and things required to happen, to be done, and performed precedent to and on the issuance of this Note have happened, been done and performed.

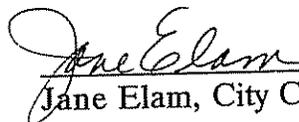
IN WITNESS WHEREOF, the City of Bethel, Alaska, has caused this Note to be executed by the manual signature of its Mayor and attested by its Clerk under the seal of the City this 25th day of January, 1994.

PASSED AND APPROVED THIS 25th DAY OF JANUARY, 1994



Donna J. Chris, Mayor

ATTEST:



Jane Elam, City Clerk

DISBURSEMENTS TO THE CITY

<u>Amount</u>	<u>Date</u>	<u>Signature of Disbursing Officer</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____

PURCHASE AGREEMENT

This agreement is by and between the City of Bethel (the "City") and the National Bank of Alaska (the "Bank") relating to the purchase and sale of the City's \$1,000,000 1994 Bond Anticipation Note.

WHEREAS, the City, on March 9, 1993 passed and adopted Ordinance 93-03 (the "Bond Ordinance") to provide in part for the financing of a sewer lagoon (the "Project") by the issuance of revenue bonds not to exceed \$1,000,000; and

WHEREAS, the Farmer's Home Administration has issued its letter of commitment to indicate its approval of a loan to the City for the purposes set forth in the Bond Ordinance; and

WHEREAS, said letter of commitment provided for the purchase of the Bonds upon completion of the Project; and

WHEREAS, pending the completion of the Project the City needs interim financing to pay the costs of construction of the Project; and

WHEREAS, the City is authorized under AS 29.47.080-.140 and Ordinance 93-03 to issue bond anticipation notes to be paid with the proceeds of the Bonds; and,

WHEREAS, the Bank has issued its letter of commitment to loan money to the City with such loan to be evidenced by a Bond Anticipation Note.

I. REPRESENTATIONS

A. The Bank

1. The Bank represents it has made whatever inquiries it deems necessary to assure itself the Notes will be repaid. It has reviewed whatever records of the City it deems necessary, including without limitation, the letter of commitment from Farmer's Home Administration, the Bond Ordinance and records of the Project, and whatever financial information it desires.
2. The Bank is authorized to purchase the Note and the official executing of this agreement is fully authorized to enter into this agreement on behalf of the Bank.

B. The City

1. The City is a municipal corporation (second class city) of the State of Alaska, authorized by law to enter into this agreement and to sell bond anticipation notes.
2. The City has designated the note as a bank qualified tax exempt obligation under Section 265 of the Internal Revenue Code.
3. The City has taken all necessary actions to enter into this agreement and the undersigned has the authority to execute this instrument on behalf of the City.
4. The Farmer's Home Administration has agreed to purchase its Sewer Revenue Bonds in the amount of \$1,000,000 and has issued its letter of commitment.
5. Neither the full faith and credit nor the taxing power of the City are pledged for the payment of the Note.

II. Mutual Obligations One To Another

A. Bank agrees to purchase and the City agrees to sell the City's Bond Anticipation Note on the following terms.

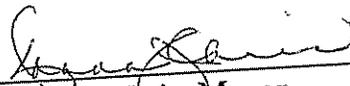
1. The Note proceeds will be disbursed upon presentation of invoices by the City. The invoices will first be submitted to the Farmer's Home Administration in Palmer for approval. The disbursements will be written in on the Note as to both date and amount.
2. The interest rate will be a floating rate of 69% of the Bank's Prime Rate as adjusted from time to time, which interest will accrue on amounts actually disbursed and from the date of said disbursements.
3. The Note will be repaid as to both principal and interest on or before July 1, 1994 from the proceeds of the Bonds to be issued and sold to the Farmer's Home Administration or from other sources legally available for such purposes.

B. The City agrees it will provide to the Bank at closing the following:

1. An opinion of nationally recognized bond counsel that the interest

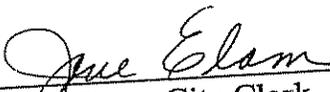
2. Certified copies of ordinances and resolutions which authorize the Bonds and the Note and which approved the issuance and sale of the Notes.
3. The City agrees as security for the repayment of the Note it will assign proceeds of the Sewer Revenue Bonds and that such assignment will be presented to Farmer's Home Administration.

PASSED AND APPROVED THIS 25th DAY OF JANUARY, 1994.



Donna J. Chris, Mayor

ATTEST:



Jane Elam, City Clerk

DATES THIS _____ DAY OF _____, 1994

NATIONAL BANK OF ALASKA

By _____

ASSIGNMENT OF PROCEEDS

WHEREAS, the City of Bethel pursuant to Ordinance 93-03 authorized the issuance of its 1994 Series A Sewer Revenue Bonds for the purposes described therein; and

WHEREAS, the Farmers Home Administration has issued its letter of commitment agreeing to purchase the Bonds upon completion of the project; and

WHEREAS, the City of Bethel desires to obtain interim financing for the project and National Bank of Alaska has agreed to provide such financing to the purchase of a Bond Anticipation Note of the City; and

WHEREAS, the City of Bethel has approved the issuance of a bond anticipation note in the amount not to exceed \$1,000,000; and

WHEREAS, the National Bank of Alaska has required as a condition of the purchase of said Note, that the City execute an assignment of the proceeds from the Bonds.

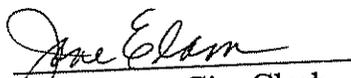
NOW THEREFORE in consideration for the purchase of the Bond Anticipation Note and to secure the payment thereof, the City hereby assigns the proceeds of the bonds purchased by the Farmers Home Administration to the National Bank of Alaska in an amount sufficient to pay the Note plus accrued interest thereon from the date of disbursement of payments on the Note

PASSED AND APPROVED THIS 25th DAY OF January, 1994.



Donna J. Chris, Mayor

ATTEST:



Jane Elam, City Clerk

The Farmers Home Administration hereby acknowledges receipt of the foregoing assignment and agrees to comply therewith.

Farmers Home Administration

By _____