

CITY OF BETHEL, ALASKA

ORDINANCE NO. 99

AN ORDINANCE OF THE CITY OF BETHEL, PROVIDING FOR THE ISSUANCE AND SALE OF GENERAL OBLIGATION BONDS OF THE CITY OF BETHEL IN THE PRINCIPAL AMOUNT OF SEVEN HUNDRED NINETY-FIVE THOUSAND DOLLARS FOR THE PURPOSE OF PAYING THE COSTS OF PLANNING, DESIGNING, CONSTRUCTING, AND EQUIPPING THE BETHEL COURT BUILDING LOCATED WITHIN THE CITY OF BETHEL; FIXING THE DATE, FORM, TERMS AND MATURITIES OF SUCH BONDS; AND PROVIDING FOR CERTAIN OTHER COVENANTS AND PROTECTIVE FEATURES.

WHEREAS, at a special municipal election held in the City of Bethel, Alaska, on May 17, 1977, pursuant to Ordinance No. 96, passed and approved April 21, 1977, the provisions of the Code of Ordinances of the City of Bethel, and other proceedings of Council duly and regularly had, the qualified electors of the City authorized the issuance of general obligation bonds of the City in the total principal sum not to exceed \$795,000 for the purpose of planning, designing, constructing, and equipping the Bethel Court Building located within the City of Bethel, and

WHEREAS, pursuant to Resolution No. 198, passed and approved May 26, 1977, the City Manager is authorized to enter into a Loan Agreement with the Alaska Bond Bank Authority (the "Authority") providing for the purchase of General Obligation Bethel Court Building Bond or Bonds in the aggregate amount of \$795,000 by said Authority, and

WHEREAS, the City has entered into a lease with the State Court System the rental income from which will provide the necessary funds to service the debt.

NOW, THEREFORE, BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF BETHEL, ALASKA:

Section 1. As used in this ordinance, the following words shall have the following meanings:

a. The word "City" means the City of Bethel, a municipal corporation duly organized and existing under the laws of the State of Alaska.

b. The word "Bond" means the fully registered general obligation bond of the City in the principal amount of \$795,000, issued pursuant to this ordinance, or the coupon bonds of \$5,000 denominations into which such single fully registered bond may be converted pursuant to the provisions of Section 10 hereof.

c. The word "Authority" means the Alaska Municipal Bond Bank Authority, a body corporate and politic constituted as an instrumentality of the State of Alaska.

d. The words "Government Obligations" mean direct obligations of the United States of America or obligations, the payment of which is guaranteed by the United States of America.

Section 2. For the purpose of paying the costs of planning, designing, constructing, and equipping the Bethel Court Building, the City shall issue its fully registered general obligation Court Building construction bond (the "Bond") in the principal amount of \$795,000 authorized by the qualified electors of the City at a special municipal election held in the City of Bethel, Alaska, on May 17, 1977, pursuant to Ordinance No. 96, passed and approved April 21, 1977.

The Bond shall be registered as to both principal and interest, shall be dated \_\_\_\_\_, shall be in the principal amount of \$795,000 and shall be numbered R-1.

The Bond shall be payable in installments on \_\_\_\_\_ of each year as follows:

<u>Maturity Year</u>	<u>Amount</u>
1978	\$30,000
1979	30,000
1980	35,000
1981	35,000
1982	40,000
1983	45,000
1984	45,000
1985	50,000
1986	55,000
1987	55,000
1988	65,000
1989	70,000
1990	75,000
1991	80,000
1992	85,000

Such installments shall bear interest at a rate or rates not greater than 7 1/2% per annum, payable on the first day of \_\_\_\_\_, and semiannually thereafter on the first days of \_\_\_\_\_ and \_\_\_\_\_ 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 at the address appearing on the registration certificate.

Section 3. The City hereby reserves the right (subject to any applicable provisions of the agreement with the Authority described in Section 9 hereof) to prepay any or all unpaid installments or portions thereof, in inverse chronological order and in multiples of \$5,000 on \_\_\_\_\_, \_\_\_\_\_, or on any interest payment date thereafter, at a price, calculated with respect to each installment or portion thereof to be prepaid, equal to the par amount thereof plus a premium of 1/4 of 1% of such amount for each year, or fraction thereof, from the date of redemption to the due date of the installment to be prepaid, 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 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 4. The Bond and the Registration Certificate shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. \_\_\_\_\_

\$795,000

STATE OF ALASKA

CITY OF BETHEL

GENERAL OBLIGATION BOND, 1977

The City of Bethel, 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

SEVEN HUNDRED NINETY-FIVE THOUSAND DOLLARS in the following installments on \_\_\_\_\_, \_\_\_\_\_, of each of the following years, together with interest on such installments, payable \_\_\_\_\_, \_\_\_\_\_, and semiannually thereafter on the first days of \_\_\_\_\_ and \_\_\_\_\_ of each year from the date hereof until such installments become due or have been prepaid, as follows:

<u>Maturity Year</u>	<u>Amount</u>
1978	\$30,000
1979	30,000
1980	35,000
1981	35,000
1982	40,000
1983	45,000
1984	45,000
1985	50,000
1986	55,000
1987	55,000
1988	65,000
1989	70,000
1990	75,000
1991	80,000
1992	85,000

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 registration certificate. 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 to prepay any or all unpaid installments, or portions thereof, in inverse chronological order and in multiples of \$5,000, on \_\_\_\_\_, 1987, or on any interest payment date thereafter, at a price, calculated with respect to each installment or portion thereof to be prepaid, equal to the par amount thereof plus a premium of 1/4 of 1% of such amount for each year, or fraction thereof, from the date of redemption to the due date of the installment to be prepaid, 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 costs of planning, designing, constructing and equipping the Bethel Court Building.

This bond is payable both principal and interest out of the special fund of the City entitled "1977 General Obligation Bond Redemption Fund" created by Ordinance No. 99 of the Council of the City (the "Bond Ordinance").

The City has agreed, pursuant to the Loan Agreement, to cause rental payments from the State of Alaska to be deposited in a restricted account. The Trustee of such account shall determine the portion of such rental payments which is necessary to meet the principal and interest payments on the bonds and shall transfer such amount to the 1977 General Obligation Bond Redemption Fund.

In the event that the rental revenues from the State of Alaska are insufficient to pay the principal of and interest on this bond as the same shall become due, the City has fully obligated and bound itself to transfer such portion of its sales tax revenues as may be necessary to the said Redemption Fund to pay the balance of such principal and interest due at any given due date. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy of taxes as provided in Alaska Statutes 29.53.410.

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 bonds in a total principal amount equal to the unpaid principal amount of the 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 Bethel, 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 \_\_\_\_\_

CITY OF BETHEL, ALASKA

By \_\_\_\_\_

*Gene J. Hill*  
Mayor

ATTEST:

\_\_\_\_\_  
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 City Clerk 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 City Finance Director's check, or by warrant of the City drawn on the Finance Director, 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.

<u>Date of Registration</u>	<u>Name and Address of Registered Holder</u>	<u>Signature of Registrar</u>
---------------------------------	--	-----------------------------------

_____	_____	_____
_____	_____	_____
_____	_____	_____

A fully registered bond 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 5. 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 impressed thereon.

Section 6. There is hereby created a special fund of the City to be known as the "1977 General Obligation Bond Redemption Fund" which Fund is created for the sole purpose of paying the principal of and interest on the Bond.

The City hereby irrevocably covenants and pledges that it will cause the rental payments made under that certain lease of the Bethel Court Building to be deposited in a restricted account. The Trustee of such account shall determine the portion of such rental payments which is

necessary to meet the principal and interest payments on the Bond as the same shall become due and shall transfer such amount to the 1977 General Obligation Bond Redemption Fund. Only the Authority shall have the right to draw on said Fund.

The City hereby further irrevocably covenants and pledges for as long as the Bond is outstanding that it will levy such taxes as are allowable under Alaska Statutes 29.53.410 without limitation as to rate or amount in amounts sufficient to pay the principal and interest on the Bond as the same shall become due in the event that the rentals from the Bethel Court Building are not sufficient to meet such principal and interest. Such amount of taxes necessary to meet such principal and interest shall be transferred to the 1977 General Obligation Bond Redemption Fund.

The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of taxes as provided in Alaska Statutes 29.53.410, and for the prompt payment of such principal and interest as the same shall become due.

Section 7. The City Manager is hereby authorized and directed to negotiate with the Authority and to enter into an agreement with the Authority for the sale of the Bond to the Authority, 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 and provided that the Bond is purchased by the Authority at a price equal to par plus accrued interest. Said agreement shall be substantially in the form attached hereto, designated "Exhibit A" and incorporated by reference herein. The provisions of said agreement shall be applicable to the Bonds as if set forth herein in full. No rate of interest specified by said agreement for the Bond shall exceed 7 1/2%.

Section 8. 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 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 for the payment of the principal of and interest on the Bond and it shall cease to be entitled to any lien, benefit or security of this ordinance except that right to receive the funds so set aside and pledged, and shall be deemed not to be outstanding hereunder.

Section 9. 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 book of the City.

Section 10. Upon ninety days' written notice by the holder of the 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.

Coupon bonds shall correspond to \$5,000 increments of the unpaid installments of the Bond 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 at the same times and the same prices 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 sixty nor less than fifty days prior to said redemption date, and by mailing a like notice at the same time to the holder of the Bond at the time of its conversion into coupon bonds at its last address as it appeared on the registration

books of the City. From and after the date fixed for redemption, interest on any coupon bond so called for redemption shall cease to accrue, provided funds for such redemption are on such date on deposit in the 1977 General Obligation Bond Redemption Fund.

Coupon bonds shall be in substantially the following form:

UNITED STATES OF AMERICA

No. \_\_\_\_\_ \$5,000

STATE OF ALASKA  
CITY OF BETHEL  
GENERAL OBLIGATION BOND, \_\_\_\_\_

The City of Bethel, 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 \_\_\_\_\_ the principal sum of

FIVE THOUSAND DOLLARS

together with interest thereon payable \_\_\_\_\_, and semiannually thereafter on the first days of \_\_\_\_\_ and \_\_\_\_\_ of each year from date of issue 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 Finance Director, Bethel, Alaska.

The City has reserved the right to redeem any or all of the outstanding bonds of this issue in whole, or in part in inverse numerical order, on \_\_\_\_\_, or on any interest payment date thereafter, at a price calculated with respect to each bond to be redeemed, equal to the part amount thereof plus a premium of 1/4 of 1% of such amount for each year, or portion thereof, from the date of redemption to the maturity date of the bond to be redeemed, 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 sixty nor less than fifty 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 purpose of providing funds to pay the costs of planning, designing, constructing and equipping the Bethel Court Building located within

the City of Bethel.

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 "1977 General Obligation Bond Redemption Fund" created by Ordinance No. 99 of the Council of the City (the "Bond Ordinance").

In the event that the rental revenues from the State of Alaska are insufficient to pay the principal of and interest on this bond as the same shall become due, the City has fully obligated and bound itself to levy such taxes as are allowable under Alaska Statutes 29.53.410 to pay the principal and interest on the bond due at any given due date. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy of taxes as provided in Alaska Statutes 29.53.410, 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 Bethel, Alaska, has caused this bond to be signed with the 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

signature of said City Clerk this first day of \_\_\_\_\_  
\_\_\_\_\_.

CITY OF BETHEL, ALASKA

By \_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_  
City 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 Bethel, Alaska, will pay to bearer at the office of the Finance Director of the City of Bethel, Alaska, the amount shown hereon in lawful money of the United States of America, said amount being the semiannual interest due that date on its general obligation bond, Series 1977, dated \_\_\_\_\_, and numbered \_\_\_\_\_.

CITY OF BETHEL, ALASKA

By \_\_\_\_\_  
City Clerk

The coupon bonds shall be signed on behalf of the City with the signature of its Mayor, shall be attested by its City 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 City Clerk.

Section 13. After the sale, the proper Municipal officials are hereby authorized and directed to do everything necessary to complete such sale and delivery of the Bond to the purchaser thereof upon payment of the purchase price thereof. The proceeds of such sale shall be used to plan, design, construct and equip the Bethel Court Building located within the City of Bethel, or, if proper, to reimburse any fund of the Municipality which may have advanced or borrowed money for such purposes.

Section 14. 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 at the date the Bond is issued, would have caused the Bond to be an arbitrage bond within the meaning of Section 103(d) of the United States Internal Revenue Code of 1954, as amended, and applicable regulations thereunder.

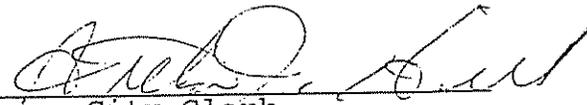
Section 15. All dates relating to the maturity of the bond provided for herein, the issuance of such bond, the due dates for interest on such bonds and the dates upon which redemption can occur prior to the due date shall be provided for by resolution of the Council of the City of Bethel.

PASSED by the Council of the City of Bethel,  
Alaska, and approved by its Mayor at a Special meeting of  
said Council held this 26th day of May, 1977.

CITY OF BETHEL, ALASKA

By   
Mayor

ATTEST:

  
City Clerk

FIRST READING May 20, 1977

SECOND READING AND PASSAGE DATE May 26, 1977

EFFECTIVE DATE May 26, 1977

EXHIBIT "A"

PROPOSED FORM OF LOAN AGREEMENT

Agreement, dated the \_\_ day of \_\_\_\_\_, 1976, between the Alaska Municipal Bond Bank Authority, a body corporate and politic constituted as an instrumentality of the State of Alaska exercising public and essential governmental functions (hereinafter referred to as the "Authority"), created pursuant to the provisions of Chapter 58, Title 44, Alaska Statutes, as amended, (hereinafter referred to as the "Act"), having its principal place of business at Anchorage, Alaska, and \_\_\_\_\_, a duly constituted political subdivision of the State (hereinafter referred to as the "Municipality"):

WITNESSETH:

Whereas, pursuant to the Act, the Authority is authorized to make loans of money (hereinafter referred to as the "Loan" or "Loans") to governmental units; and

Whereas, the Municipality is a Governmental Unit as defined in the General Bond Resolution of the Authority hereinafter mentioned and pursuant to the Act is authorized to accept a Loan from the Authority to be evidenced by its municipal bonds purchased by the Authority; and

Whereas, the Municipality is desirous of borrowing money from the Authority in the amount of \$\_\_\_\_\_ and has submitted an application to the Authority for a Loan in such amount and the Municipality has duly authorized the issuance of serial bonds in the principal amount of \$\_\_\_\_\_ of which serial bonds in the amount of \$\_\_\_\_\_ (the "Municipal Bonds") are to be purchased by the Authority as evidence of the Loan in accordance with this Agreement; and

Whereas, the application of the Municipality contains the information required by the Authority; and

Whereas, to provide for the issuance of bonds of the Authority in order to obtain from time to time monies with which to make such Loans, the Authority has adopted the General Bond Resolution on May 27, 1976 (herein referred to as the "Bond Resolution") and will adopt a resolution authorizing the making of such Loan to the Municipality and the purchase of the Municipal Bonds,

NOW, THEREFORE, the parties agree:

1. The Authority hereby makes the Loan and the Municipality accepts the Loan in the amount of \$\_\_\_\_\_. As evidence of the Loan made to the Municipality and such money borrowed from the Authority by the Municipality, the Municipality hereby sells to the Authority the Municipal Bonds in the amount of \$\_\_\_\_\_. The Municipal Bonds shall bear interest from the date of their delivery to the Authority at such rate or rates per annum as will result in an interest cost rate to the Municipality of \_\_\_\_\_ per centum (\_\_\_\_%) [as calculated by the "IBA" or "Interest Cost per Annum" method] or at such rate or rates per annum as will result in a lesser interest cost rate to the Municipality (or, if stated thereon, the rates per annum stated on Exhibit A appended hereto). The interest cost rate for purposes of this Loan Agreement will be computed without regard to Section 3 and 4 hereof which require that the Municipality make funds available to the Trustee acting under the Bond Resolution for the payment of principal and interest at least \_\_\_\_\_ business days prior to each respective principal and interest payment date. Subject to any applicable legal limitations, the rate or rates of interest borne by the Municipal Bonds shall be the same rate or rates of interest borne by the bonds sold by the Authority (for corresponding maturities) in order to obtain the monies with which to make the Loan and to purchase the Municipal Bonds.

2. The Municipality has duly adopted or will adopt all necessary ordinances and resolutions and has taken or will take all proceedings required by law to enable it to enter into this Loan Agreement and issue its binding obligations to the Authority.

3. The amount to be paid by the Municipality pursuant to this Loan Agreement representing interest due on its Municipal Bonds (hereinafter referred to as the "Municipal Bonds Interest Payments") shall be not less than the interest the Authority is required to pay on the bonds issued by the Authority to obtain the funds from which this Loan is made and shall be scheduled by the Authority in such manner and at such times (notwithstanding the dates of payment as stated in the Municipal Bonds) as to provide funds sufficient to pay interest as the same becomes due on the proportionate amount of bonds issued by the Authority for the purpose of obtaining funds to make the loan to the Municipality (hereinafter referred to as the "Municipality's Loan Obligation") and the Municipality shall make such funds available to the Trustee acting under the Bond Resolution at least \_\_\_\_ business days prior to each interest payment date.

4. The amount to be paid by the Municipality pursuant to this Loan Agreement representing principal due on its Municipal Bonds (hereinafter referred to as the "Municipal Bonds Principal Payments") shall be scheduled by the Authority in such manner and at such times (notwithstanding the dates of payment as stated in the Municipal Bonds) as to provide funds sufficient to pay the principal of the Municipality's Loan Obligation as the same matures (based upon the maturity schedule provided by and for the Municipality and appended hereto as Exhibit A) and the Municipality shall make such funds available to the Trustee acting under the Bond Resolution at least \_\_\_\_ business days prior to each principal payment date. In the event the amounts referred to in paragraphs (3) and (4) to be paid by the Municipality pursuant to this Loan Agreement are not made available at any time specified therein, the Municipality agrees that any money payable to it by any department or agency of the State be withheld from it and paid over directly to the Trustee acting under the Bond Resolution and this Agreement shall be full warrant, authority and direction to make such payment to any official of the State responsible for such payment upon notice to such official by the Authority as provided in the Act.

5. The Municipality is obligated to pay Fees and Charges to the Authority. Such Fees and Charges actually collected from the Municipality shall be in an amount sufficient, together with the Municipality's Allocable Proportion of other monies available therefor under the provisions of the Bond Resolution, and other monies available therefor, including any specific grants made by the United States of America or any agency or instrumentality thereof or by the State or any agency or instrumentality thereof and amounts applied therefor from amounts transferred to the Operating Fund pursuant to paragraph (3) of Section 603:

(a) to pay, as the same become due, the Municipality's Allocable Proportion of the Administrative Expenses (as defined in the Bond Resolution) of the Authority; and

(b) to pay, as the same become due, the Municipality's Allocable Proportion of the fees and expenses of the trustee and paying agents for the bonds of the Authority.

Municipality's Allocable Proportion as used herein shall mean the proportionate amount of the total requirement in respect of which the term is used determined by the ratio that the total of the Municipality's Loan Obligation outstanding bears to the total of that portion of the bonds issued by the Authority to obtain funds with which to make loans which are outstanding as certified by the Authority.

6. The Municipality is obligated to make the Municipal Bonds Principal Payments scheduled by the Authority on an annual basis and is obligated to make the Municipal Bonds Interest Payments scheduled by the Authority and to pay the Fees and Charges imposed by the Authority on a semi-annual basis.

7. The Authority shall not sell and the Municipality shall not redeem prior to maturity any of the Municipal Bonds with respect to which the Loan is made in an amount greater than the bonds sold by the Authority to obtain the funds from which the Loan is made which are then outstanding and which are then redeemable, and in the event of any such sale or redemption, the same shall be in an amount not less than the aggregate of (i) the principal amount of the Municipality's Loan Obligation so to be redeemed, (ii) the interest to accrue on the Municipality's Loan Obligation so to be redeemed to the next redemption date thereof not previously paid, (iii) the applicable premium, if any, payable on the Municipality's Loan Obligation so to be redeemed, and (iv) the costs and expenses of the Authority in effecting the redemption of the Municipality's Loan Obligation so to be redeemed; provided, however, that, in the event the bonds of the Authority issued to provide the funds with which the Authority made the Loan under this Loan Agreement with respect to which the sale or redemption prior to maturity of such Municipal Bonds is being made (herein called the "Authority Loan Obligation") have been refunded and the refunding bonds of the Authority issued for the purpose of refunding such Authority Loan Obligations were issued in a principal amount in excess of or less than the Municipality's Loan Obligation remaining unpaid at the date of issuance of such refunding bonds, the amount which the Municipality shall be obligated to pay or the Authority shall receive under item (i) above shall be the principal amount of such refunding bonds outstanding.

In the event the Authority Loan Obligations have been refunded and the interest the Authority is required to pay on the refunding bonds is less than the interest the Authority was required to pay on the Authority Loan Obligations, the amount which the Municipality shall be obligated to pay or the Authority shall receive under item (ii) above shall be the amount of interest to accrue on such refunding bonds outstanding.

The Municipality shall give the Authority at least fifty (50) days notice of intention to redeem its Municipal Bonds.

8 Simultaneously with the delivery of the Municipality's Bond or Bonds to the Authority, the Municipality shall furnish to the Authority evidence satisfactory to the Authority which shall set forth among other things, that said Bond or Bonds will constitute valid general obligations of the Municipality.

9. The Municipality shall be obligated to inform in writing the Authority and the corporate trust office of the trustee for the Authority's bonds at least 30 days prior to each interest payment date on the Municipal Bonds of the name of the official to whom invoices for the payment of interest and principal should be addressed.

10. Notwithstanding Paragraph 14 hereof, prior to payment of the amount of the Loan, or any portion thereof, and the delivery of the Municipality's Bond or Bonds to the Authority or its designee, the Authority shall have the right to cancel all or any part of its obligations hereunder if:

(a) Any representation, warranty or other statement made by the Municipality to the Authority in connection with its application to the Authority for a Loan shall be incorrect or incomplete in any material respect.

(b) The Municipality has violated commitments made by it in its application and supporting documents or has violated any of the terms of this Loan Agreement.

(c) The financial position of the Municipality has, in the opinion of the Authority suffered a materially adverse change between the date of this Loan Agreement and the scheduled time of delivery of the Municipal Bonds to the Authority.

- 11. The obligation of the Authority under this Loan Agreement is contingent upon delivery of its \_\_\_\_\_ Series \_\_\_\_\_ Bonds and receipt of the proceeds thereof.
- 12. If any provision of this Loan Agreement shall for any reason be held to be invalid or unenforceable, the invalidity or unenforceability of such provision shall not affect any of the remaining provisions of this Loan Agreement and this Loan Agreement shall be construed and enforced as if such invalid or unenforceable provision had not been contained herein.
- 13. This Loan Agreement may be executed in one or more counterparts, any of which shall be regarded for all purposes as an original and all of which constitute but one and the same instrument. Each party agrees that it will execute any and all documents or other instruments, and take such other actions as is necessary to give effect to the terms of this Loan Agreement.
- 14. No waiver by either party of any term or condition of the Loan Agreement shall be deemed or construed as a waiver of any other terms or conditions, nor shall a waiver of any breach be deemed to constitute a waiver of any subsequent breach, whether of the same or of a different section, subsection, paragraph, clause, phrase, or other provision of this Loan Agreement.
- 15. This Loan Agreement merges and supersedes all prior negotiations, representations, and agreements between the parties hereto relating to the subject matter hereof and constitutes the entire agreement between the parties hereto in respect thereof.

IN WITNESS WHEREOF, the parties hereto have executed this agreement the day and year first above-written.

ALASKA MUNICIPAL BOND BANK  
AUTHORITY

(Seal)

By \_\_\_\_\_  
*Chairman*

ATTEST:

\_\_\_\_\_

MUNICIPALITY

(Seal)

By \_\_\_\_\_

ATTEST:

\_\_\_\_\_

Addendum to Loan Agreement

AMBBA - Bethel Financing

New paragraphs 10 and 11:

10. (a) As long as the Loan is outstanding the Municipality shall maintain and keep in full force and effect the provisions of that certain Lease Agreement between the Municipality and the State of Alaska, dated September 28, 1976 (Lease No. 1090) (the "Lease") insofar as the same affect the obligation of the State to pay the agreed rental thereunder; shall not release or modify the obligations of the State to pay said rental and shall take all reasonable measures to enforce prompt payment of said rental.
- (b) Municipality further agrees to extend the Lease for a period at least equal to the period the Loan is outstanding.
- (c) The right of the Municipality to receive and collect from the State the portion of the rental equal to the pro rata monthly portion of the Municipal Bonds Interest Payments as determined by the Authority, is hereby assigned to the Authority.

(d) Pursuant to such assignment, Municipality further agrees to direct the State irrevocably to make payment of said portion of the rental directly to the Authority or to the Trustee.

11. (a) In the event of a deficiency of available funds of the City to meet Municipal Bonds Interest Payments and Municipal Bonds Principal Payments as the same become due hereunder, such deficiency shall be made up from revenues derived from the sales tax of the City.

(b) As long as the Loan is outstanding, Municipality hereby irrevocably obligates and binds itself to set aside and pay over to the Trustee such amounts from sales tax revenues as are necessary to make up such deficiency at the times provided hereunder for payment principal and interest to the Trustee acting under the Bond Resolution.