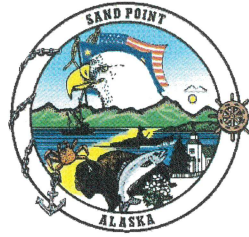


# City of Sand Point



## RESOLUTION 21-04

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF SAND POINT, ALASKA, AUTHORIZING THE ISSUANCE AND SALE OF A HARBOR REVENUE BOND OF THE CITY TO FINANCE HARBOR IMPROVEMENTS, INCLUDING REPLACEMENT OF THE EXISTING TRAVEL LIFT, TO REIMBURSE THE CITY FOR ANY EXPENDITURES ON SUCH IMPROVEMENTS, TO MAKE ANY REQUIRED DEPOSIT INTO THE RESERVE ACCOUNT FOR THE BOND, AND TO PAY THE COSTS OF ISSUANCE OF THE BOND; ESTABLISHING THE TERMS OF THE BOND; AND AUTHORIZING THE SALE OF THE BOND.**

**WHEREAS**, the City of Sand Point, Alaska (the “City”), is a first-class city and under the provisions of Alaska Statutes 29.47 has the power to issue revenue bonds for a public enterprise of the City where the only security is the revenue of the public enterprise, for which an election is not required; and

**WHEREAS**, the City has authorized the issuance of harbor revenue bonds in one or more series pursuant to Resolution No. 21-03, adopted on April 13, 2021 (the “Master Resolution”); and

**WHEREAS**, it is necessary and in the best interest of the City and its residents that the City issue and sell its harbor revenue bond to finance improvements to the Harbor Enterprise (as defined in the Master Resolution), including replacement of the existing travel lift, to reimburse the City for any expenditures on such improvements, to make any required deposit into the reserve account for the bond, and to pay the costs of issuance of the bond; and

**WHEREAS**, the Council finds that it is necessary and appropriate to delegate to each City Representative (as defined in the Master Resolution) authority to determine the principal amount, annual principal payment dates and amounts, semiannual interest payment dates, interest rates to be borne by the bond, and other details of the bond, and to determine other matters that are not provided for in this resolution; and

**WHEREAS**, the City intends to sell the bond to the Alaska Municipal Bond Bank (the “Bond Bank”), which has indicated its intent purchase the bond with the proceeds of an issue of its general obligation bonds; and

**WHEREAS**, the Bond Bank has indicated its intent to enter into a loan agreement between the Bond Bank and the City, which will provide for the Bond Bank to purchase the bond on the

terms and conditions set forth therein and in this resolution, and it is in the best interest of the City that the City sell the bond to the Bond Bank under such terms and conditions;

**NOW, THEREFORE, BE IT RESOLVED BY THE SAND POINT CITY COUNCIL:**

Section 1. Definitions. Terms used in this Series Resolution that are defined in the Master Resolution shall have the meanings set forth in the Master Resolution. In addition, the following terms shall have the following meanings in this Series Resolution:

“Bond Bank Bonds” means general obligation bonds issued by the Bond Bank after the date of this Series Resolution, all or a part of the proceeds of which are used to purchase the 2021 Bond.

“Code” means the Internal Revenue Code of 1986, as amended from time to time, together with all regulations applicable thereto.

“Continuing Disclosure Certificate” means a certificate relating to the 2021 Bond executed and delivered by the City with respect to compliance with paragraph (b)(5) of Rule 15c2-12 of the Securities and Exchange Commission, as such certificate may be amended or supplemented from time to time in accordance with its terms.

“Government Obligations” means noncallable direct obligations of, or obligations the payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

“Loan Agreement” means the Loan Agreement between the City and the Bond Bank relating to the 2021 Bond.

“Project” means improvements to the Harbor Enterprise, including replacement of the existing travel lift.

“2021 Bond Fund” means the Harbor Revenue Bond Fund, 2021, established by Section 11.

“2021 Bond” means the Bond authorized by this Series Resolution.

“2021 Debt Service Account” means the account of that name created in the 2021 Bond Fund by Section 11(a).

“2021 Reserve Account” means the account of that name created in the 2021 Bond Fund by Section 11(b).

“2021 Reserve Requirement” means, as of any date, an amount equal to the least of (1) Maximum Annual Debt Service on the principal of the 2021 Bond then Outstanding; (2) 125 percent of Average Annual Debt Service on the principal of the 2021 Bond then Outstanding; and (3) 10 percent of the initial principal amount of the 2021 Bond.

Section 2. Authorization of 2021 Bond and Purpose of Issuance. For the purpose of providing part of the funds to pay the Costs of Construction of the Project, to reimburse the City for any expenditures on such Costs of Construction, to make any required deposit into the 2021 Reserve Account, and to pay all costs incidental thereto and to the issuance of the 2021 Bond, the City hereby authorizes and determines to issue and sell the 2021 Bond under the Master Resolution.

Section 3. Obligation of 2021 Bond. The 2021 Bond shall be an obligation only of the 2021 Bond Fund and shall be payable and secured as provided herein and in the Master Resolution. The 2021 Bond shall not in any manner or to any extent constitute a general obligation of the City or the State of Alaska or of any political subdivision of the State of Alaska. Neither the faith and credit nor the taxing power of the City is pledged for the payment of the 2021 Bond.

Section 4. Description of 2021 Bond. The 2021 Bond may have endorsed thereon such legends or text as may be necessary or appropriate to conform to the rules and regulations of any governmental authority or any usage or requirement of law with respect thereto. The 2021 Bond shall be issued in the principal amount specified in the Loan Agreement, which shall not exceed the amount necessary to provide net proceeds for the Project of \$1,200,000. The 2021 Bond shall mature on the date specified in the Loan Agreement, which shall not be later than 20 years after the date of initial delivery. The 2021 Bond shall be dated the date of its initial delivery, shall be in the denomination of \$5,000 or any integral multiple thereof and shall be numbered in such manner and with any additional designation as the Registrar deems necessary for purposes of identification. Subject to Section 2 and this Section, the initial date of delivery, the principal amount, annual principal payment dates and amounts, semiannual interest payment dates, and interest rates to be borne by the 2021 Bond shall be determined by the City Representative and set forth in the Loan Agreement, and such determination shall be conclusively evidenced by the execution of the Loan Agreement under Section 15 by the City Representative. Interest on the 2021 Bond shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

Section 5. Place and Medium of Payment. Both principal of and interest on the 2021 Bond shall be payable in lawful money of the United States of America which, on the respective dates of payment thereof, shall be legal tender for the payment of public and private debts. For so long as the Bond Bank is the Registered Owner of the 2021 Bond, payments of principal thereof and interest thereon shall be made as provided in the Loan Agreement. In the event that the Bond Bank is no longer the Registered Owner of the 2021 Bond, payments of principal thereof and interest thereon will be made by check or draft mailed by first-class mail to the Registered Owner at the address for such Registered Owner appearing on the Bond Register on the 15th day of the month preceding the payment date, provided that the final installment of principal of and interest on the 2021 Bond will be payable at the office of the Registrar upon surrender of the 2021 Bond to the Registrar. If any principal installment of the 2021 Bond is not paid when due, the City shall pay interest on such principal installment at the same rate provided therein from and after its due date (but only out of the sources mentioned herein) until such principal installment is paid in full or provision for payment thereof has been made.

Section 6. Optional Prepayment. The principal installments of the 2021 Bond, if any, subject to optional prepayment by the City, the date or dates on which the 2021 Bond is subject to optional prepayment, the terms upon which the 2021 Bond may be prepaid and the prepayment price or prices for the 2021 Bond, shall be determined by the City Representative and set forth in the Loan Agreement, and such determination shall be conclusively evidenced by the execution of the Loan Agreement under Section 15 by the City Representative. If fewer than all of the principal installments of the 2021 Bond are to be prepaid, the principal installments to be prepaid shall be determined by the City. Notice of any such prepayment shall be sent by the City not less than 50 days prior to the date fixed for prepayment by first class mail to the registered owner of the 2021 Bond at such Registered Owner's address as it then appears on the Bond Register. Notice of prepayment having been duly given and money for prepayment being held by the City, interest on the principal installments to be prepaid shall cease to accrue on the date fixed for prepayment.

Section 7. Form of 2021 Bond. The 2021 Bond shall be in substantially the following form, with such variations, omissions, and insertions as may be required or permitted by this Series Resolution or the Master Resolution:

UNITED STATES OF AMERICA  
STATE OF ALASKA  
CITY OF SAND POINT

No. \_\_\_\_\_

\$ \_\_\_\_\_

HARBOR REVENUE BOND

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Sand Point, a municipal corporation of the State of Alaska (the "City"), acknowledges itself indebted and for value received promises to pay (but only out of the sources mentioned herein) to the Registered Owner set forth above, or its registered assigns, the principal amount set forth above in the following installments on \_\_\_\_\_ 1 of each of the following years, and to pay interest on each such principal installment from the date hereof until paid or provision for payment thereof has been made, payable on \_\_\_\_\_ 1, 20\_\_ and semiannually thereafter on \_\_\_\_\_ 1 and \_\_\_\_\_ 1 of each year, at the following rates per annum:

Year	Principal Installment	Interest Rate	Year	Principal Installment	Interest Rate
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For so long as the Alaska Municipal Bond Bank (the "Bond Bank") is the Registered Owner, payments of principal hereof and interest thereon shall be made as provided in the loan agreement between the Bond Bank and the City relating to this bond (the "Loan Agreement"). In the event that the Bond Bank is no longer the Registered Owner, payments of principal hereof and interest thereon will be made by check or draft mailed by first class mail to the Registered Owner at the address for such Registered Owner appearing on the Bond Register on the 15th day of the month preceding the payment date, provided that the final installment of principal of and interest on this bond will be payable at the office of the City Administrator (the "Registrar") upon surrender of this bond to the Registrar. Interest on this bond shall be computed on the basis of a 360-day year consisting of twelve 30-day months.

This bond is a special obligation of the City and is one of the duly authorized harbor revenue bonds of the City designated "City of Sand Point, Alaska, Harbor Revenue Bonds" (the "Bonds") issued and to be issued in various series under Resolution No. 21-03 (the "Master Resolution"), adopted on April 13, 2021, and Resolution No. 21-04 (the "Series Resolution," and together with the Master Resolution, as it may be amended and supplemented from time to time, the "Resolution,"), adopted on April 13, 2021. As provided in the Master Resolution, the Bonds may be issued from time to time pursuant to Series Resolutions in one or more series, in various principal amounts, may mature at different times, may bear interest at different rates, and, subject to the provisions thereof, may otherwise vary. The aggregate principal amount of Bonds that may be issued under the Master Resolution is not limited, and all Bonds issued and to be issued under the Master Resolution are and will be equally and ratably secured by the pledges and covenants made therein, except as otherwise expressly provided or permitted in the Master Resolution.

This bond is the Bond (as defined in the Series Resolution, the "2021 Bond") issued in the principal amount of \$ \_\_\_\_\_ under the Resolution for the purpose of providing part of the funds required to finance improvements to the Harbor Enterprise, including replacement of the existing travel lift, to reimburse the City for any expenditures on such improvements, to make any required deposit into the 2021 Reserve Account, and to pay the costs of issuance of the 2021 Bond.

Reference is made to the Resolution for a description of the rights of the Registered Owner and of the rights and obligations of the City thereunder, to all of the provisions of which Resolution the Registered Owner, by acceptance hereof, assents and agrees.

This bond is subject to prepayment at the option of the City in accordance with the applicable provisions of the Resolution and the applicable provisions of the Loan Agreement.

This bond shall be an obligation only of the 2021 Bond Fund and shall be payable and secured as provided in the Resolution. This bond shall not in any manner or to any extent constitute a general obligation of the City or the State of Alaska or of any political subdivision of the State of Alaska. Neither the faith and credit nor the taxing power of the City is pledged for the payment of this bond.

The City has irrevocably obligated and bound itself to set aside and pay out of Net Revenue into the 2021 Bond Fund, on or before the due date, the amount necessary to pay principal or interest coming due on this bond. The City has declared such amounts so pledged to be paid into the 2021 Bond Fund to be a lien on Gross Revenue superior to all other liens and charges of any kind or nature whatsoever except for Operating Expenses and except for parity liens that may be made to secure payment of any series of Bonds issued in accordance with the provisions of the Master Resolution.

This bond may be transferred only upon the Bond Register. Upon surrender for transfer or exchange of this bond at the office of the Registrar, with a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner or its duly authorized attorney, the City shall execute and the Registrar shall deliver a 2021 Bond of the same series, maturity, and interest rate or rates, in equal principal amount, subject to such reasonable regulations as the Registrar may prescribe and upon payment sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid in connection with such transfer or exchange. The City may treat and consider the person in whose name this bond is registered as the absolute owner hereof for the purpose of receiving payment of, or on account of, the principal or prepayment price, if any, hereof and interest due hereon and for all other purposes whatsoever.

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

**IN WITNESS WHEREOF, THE CITY OF SAND POINT, ALASKA**, has caused this bond to be signed in its name and on its behalf by the manual or facsimile signature of its Mayor and its

corporate seal (or a facsimile thereof) to be impressed or otherwise reproduced hereon and attested by the manual or facsimile signature of its Clerk, all as of the \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.  
CITY OF SAND POINT, ALASKA

\_\_\_\_\_/specimen/\_\_\_\_\_  
Mayor

ATTEST:

\_\_\_\_\_/specimen/\_\_\_\_\_  
City Clerk

[SEAL]

Section 8. Execution. The 2021 Bond shall be executed in the name of the City by the manual or facsimile signature of the Mayor, and its corporate seal (or a facsimile thereof) shall be impressed or otherwise reproduced thereon and attested by the manual or facsimile signature of the Clerk. The execution of the 2021 Bond on behalf of the City by any person who at the time of the execution is duly authorized to hold the proper office shall be valid and sufficient for all purposes, although any such person shall have ceased to hold office at the time of delivery of the 2021 Bond or shall not have held office on the date of the 2021 Bond.

Section 9. Registration.

(a) The 2021 Bond shall be issued only in registered form as to both principal and interest. The City designates the City Administrator as Registrar for the 2021 Bond. The Registrar shall keep, or cause to be kept, the Bond Register at the office of the City.

(b) The City, in its discretion, may deem and treat the Registered Owner of the 2021 Bond as the absolute owner thereof for all purposes, and neither the City nor the Registrar shall be affected by any notice to the contrary. Each payment made as described in Section 5 shall be valid and shall satisfy and discharge the liability of the City on the 2021 Bond to the extent of the amount or amounts so paid.

(c) The 2021 Bond may be transferred only upon the Bond Register. Upon surrender for transfer or exchange of the 2021 Bond at the office of the Registrar, with a written instrument of transfer or authorization for exchange in form and with guaranty of signature satisfactory to the Registrar, duly executed by the Registered Owner or its duly authorized attorney, the City shall execute and the Registrar shall deliver a 2021 Bond of the same series, maturity, and interest rate or rates, in equal principal amount, subject to such reasonable regulations as the Registrar may prescribe and upon payment sufficient to reimburse it for any tax, fee, or other governmental charge required to be paid in connection with such transfer or exchange. The 2021 Bond surrendered for transfer or exchange shall be canceled by the Registrar.

(d) The City covenants that the City will maintain a system for recording the ownership of the 2021 Bond that complies with the provisions of Section 149 of the Code.

Section 10. 2021 Bond Destroyed, Stolen, or Lost. Upon filing with the Registrar of evidence satisfactory to the City that the 2021 Bond has been destroyed, stolen, or lost and of the ownership thereof, and upon furnishing the City with indemnity satisfactory to it, the City shall execute and deliver a new 2021 Bond identical in all respects to the 2021 Bond destroyed, stolen, or lost. The person requesting the execution and delivery of the new 2021 Bond under this Section shall comply with such other reasonable regulations as the City may prescribe and pay such expenses as the City may incur in connection therewith.

Section 11. 2021 Bond Fund. A special fund of the City designated the “Harbor Revenue Bond Fund, 2021” is hereby created for the purpose of paying and securing the payment of the 2021 Bond. The 2021 Bond Fund shall be held separate and apart from all other funds and accounts of the City and shall be a trust fund for the Registered Owner, from time to time, of the 2021 Bond.

(a) 2021 Debt Service Account. The 2021 Debt Service Account is hereby created in the 2021 Bond Fund for the purpose of paying the principal of and interest on the 2021 Bond. The City hereby irrevocably obligates and binds itself, for so long as the 2021 Bond remains Outstanding, to set aside and pay into the 2021 Debt Service Account from Net Revenue or money in the Harbor Revenue Fund available under the Resolution, on or prior to the respective dates on which the same become due, the amounts required to pay when due the principal of and interest on the Outstanding 2021 Bond.

(b) 2021 Reserve Account. The 2021 Reserve Account is hereby created in the 2021 Bond Fund for the purpose of securing the payment of the principal of and interest on the 2021 Bond. The 2021 Reserve Account shall be held by the trustee for the Bond Bank Bonds and applied in accordance with this subsection. Each City Representative is authorized to execute and deliver a reserve account agreement to the trustee for the Bond Bank Bonds pursuant to the Loan Agreement, and the terms and conditions thereof shall be conclusively deemed approved by the execution and delivery of the reserve account agreement by the City Representative. On the date of issuance of the 2021 Bond, the City shall deposit money in the 2021 Reserve Account equal to the 2021 Reserve Requirement. If a deficiency occurs in the 2021 Debt Service Account, the trustee for the Bond Bank Bonds shall withdraw from the 2021 Reserve Account the amount sufficient to make up the deficiency and transfer such amount to the City for deposit in the 2021 Debt Service Account. The City shall make up any deficiency in the 2021 Reserve Account resulting from such a withdrawal within one year out of Net Revenue or out of any other money legally available for such purpose, after providing for the payments required to be made into the 2021 Debt Service Account within such year.

The money in the 2021 Reserve Account shall never be invested at a yield in excess of the yield on the Bond Bank Bonds.

Any amount in the 2021 Reserve Account in excess of the 2021 Reserve Requirement for the 2021 Bond may be transferred to the 2021 Debt Service Account and used to pay when due the principal of and interest on the 2021 Bond. Whenever there is a sufficient amount in the 2021 Bond Fund, including the 2021 Reserve Account and the 2021 Debt Service Account, to pay all principal of and interest on the 2021 Bond then Outstanding, the amount in the 2021 Reserve Account may be used to pay such principal and interest, and no further deposits need be made into the 2021 Bond Fund.

(c) Pledge and Lien. The amounts so pledged to be paid into the 2021 Bond Fund are hereby declared to be a lien on Gross Revenue superior to all other liens and charges of any kind or nature whatsoever except for Operating Expenses and except for parity liens that may be made to secure payment of any series of Bonds issued in accordance with the provisions of the Master Resolution.

Section 12. Disposition of the Sale Proceeds of the 2021 Bond.

(a) Sale proceeds of the 2021 Bond in an amount sufficient to make the balance in the 2021 Reserve Account equal to the 2021 Reserve Requirement shall be deposited in the 2021 Reserve Account.

(b) The remaining sale proceeds of the 2021 Bond shall be used to pay Costs of Construction of the Project, to reimburse the City for any expenditures on such Costs of Construction, and to pay all costs incidental thereto and to the issuance of the 2021 Bond.

Section 13. Tax Covenants. The City covenants to comply with any and all applicable requirements set forth in the Code in effect from time to time to the extent that such compliance shall be necessary for the exclusion of the interest on the 2021 Bond from gross income for federal income tax purposes. The City covenants that it will make no use of the proceeds of the 2021 Bond that will cause the 2021 Bond to be an "arbitrage bond" subject to federal income taxation by reason of Section 148 of the Code.

Section 14. Defeasance. Payment of all or any principal installments of the 2021 Bond may be provided for by the irrevocable deposit in trust of cash, Government Obligations, or any combination thereof. The cash and the maturing principal and interest income on such Government Obligations, if any, must be sufficient and available without reinvestment to pay when due such principal, whether at maturity or upon fixed prepayment dates, together with interest thereon. The cash and Government Obligations shall be held irrevocably in trust for the Registered Owner of the 2021 Bond solely for the purpose of paying such principal and interest as the same shall mature or become payable upon prepayment, and, if applicable, upon the giving of notice of prepayment and notification to the Registered Owner that the deposit required by this Section has been made and that such principal is deemed to be paid in accordance with this Series Resolution. Such principal shall no longer be deemed Outstanding hereunder. The obligation of the City in respect of such principal and interest shall nevertheless continue but the Registered Owner shall thereafter be entitled to payment only from the cash and Government Obligations deposited in trust to provide for the payment of such principal and interest.

Section 15. Sale of 2021 Bond. The 2021 Bond shall be sold by negotiated sale to the Bond Bank as provided in the Loan Agreement. The preliminary official statement relating to the Bond Bank Bonds, a final official statement relating to the Bond Bank Bonds in substantially the form of such preliminary official statement, and the distribution of each in connection with the sale of the Bond Bank Bonds are approved. Each City Representative is authorized to provide such information for inclusion in such preliminary official statement and final official statement as the City Representative may deem necessary or desirable in connection with the sale of the Bond Bank Bonds. The Loan Agreement is approved. Each City Representative is authorized to execute and deliver the Loan Agreement, and the terms and conditions thereof shall be conclusively deemed approved by the execution and delivery of the Loan Agreement by the City Representative.



Section 16. Authority of Officers. Each City Representative, the City Clerk, the City Attorney, and bond counsel to the City is authorized and directed to do and perform all things and determine all matters not determined by the Master Resolution or this Series Resolution, to the end that the City may carry out its obligations under the 2021 Bond, the Master Resolution, and this Series Resolution. No recourse shall be had for the payment of the principal of or the interest on the 2021 Bond or for any claim based thereon or on the Master Resolution or this Series Resolution against any member of the Council or officer of the City or any person executing the 2021 Bond.

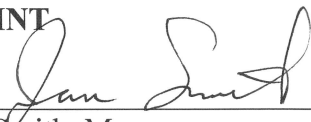
Section 17. Continuing Disclosure Certificate. Each City Representative is authorized to execute and deliver a Continuing Disclosure Certificate pursuant to the Loan Agreement, and the terms and conditions thereof shall be conclusively deemed approved by the execution and delivery of the Loan Agreement by the City Representative.

Section 18. Severability. If any one or more of the covenants or agreements set forth in this Series Resolution to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants or agreement or agreements shall be null and void and shall be deemed separable from the remaining covenants and agreements in the Master Resolution and this Series Resolution and shall in no way affect the validity of the other provisions of the 2021 Bond or of the Master Resolution or this Series Resolution.

Section 19. Effective Date. This Master Resolution shall take effect immediately upon its passage and adoption.

**PASSED AND APPROVED BY A DULY CONSTITUTED QUORUM OF THE CITY COUNCIL  
FOR THE CITY OF SAND POINT ON THIS 13<sup>th</sup> DAY OF APRIL, 2021.**

**CITY OF SAND POINT**

  
\_\_\_\_\_  
James Smith, Mayor

**ATTEST:**

  
\_\_\_\_\_  
Shannon Sommer, City Clerk