Meeting Date: April 15, 2019

CITY OF DILLINGHAM, ALASKA

RESOLUTION NO. 2019-13

A RESOLUTION OF THE DILLINGHAM CITY COUNCIL AUTHORIZING THE CITY OF DILLINGHAM TO ISSUE GENERAL OBLIGATION BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED $4,053,941 TO FINANCE THE CONSTRUCTION OF ROADS, AND FOR THE CONSTRUCTION OF AN ADDITION TO THE LAKE ROAD FIRE HALL; FIXING CERTAIN DETAILS OF SUCH BONDS; AND AUTHORIZING THEIR SALE

WHEREAS, pursuant to Ordinance No. 2019-01, the Council of the City of Dillingham (the "City") submitted to the qualified voters of the City the question of whether to issue general obligation bonds in the principal amount of not to exceed $4,053,941 (the "Bonds") to finance the construction of roads, and for the construction of an addition to the Lake Road Fire Hall, at the election held in the City on March 26, 2019; and

WHEREAS, the qualified voters of the City approved the issuance of the Bonds at the election held in the City on March 26, 2019; and

WHEREAS, the Council finds that it is in the best interest of the City to issue the Bonds; and

WHEREAS, the Alaska Municipal Bond Bank has agreed to purchase the Bonds pursuant to the terms of one or more loan agreements relating to the Bonds;

NOW, THEREFORE, BE IT RESOLVED BY THE DILLINGHAM CITY COUNCIL:

Section 1. The following terms shall have the following meanings in this resolution:

(a) "Bond" means each bond issued by the City pursuant to this resolution as evidence of the indebtedness of the indebtedness authorized pursuant to Ordinance No. 2019-01.

(b) "Bond Bank" means the Alaska Municipal Bond Bank.

(c) "Bond Bank Bonds" means the bonds issued by the Bond Bank to provide funds to purchase the Bonds.

(d) "Bond Register" means the registration books maintained by the Registrar, which include the names and addresses of the owners or nominees of the Registered Owners of the Bonds.

(e) "City" means the City of Dillingham, a municipal corporation duly organized as a first class city under Title 29 of the Alaska Statutes.

(f) "Code" means the Internal Revenue Code of 1986, as amended from time to time, together with all regulations applicable thereto.

(g) "Continuing Disclosure Certificate" means a certificate 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.

(h) "Costs" means the costs of planning, designing, site preparation, construction, acquiring, renovating, installing, and equipping the Project, including interest on the Bonds during the period of planning, designing, site preparation, constructing, acquiring, renovating, installing, and equipping the Project; the cost, whether incurred by the City or by another, of field surveys and advance planning undertaken in connection with the Project properly allocable to the Project; the cost of acquisition of any land or interest therein required as the site or sites of the Project or for use in connection therewith; the cost of any indemnity and surety bonds and premiums on insurance incurred in connection with the Project prior to or during construction thereof; all related direct administrative and inspection expenses, whether incurred by the City or by another, in connection with the Project prior to or during construction thereof and allocation of portions of direct costs of the City; legal fees and other costs of issuance of the Bonds by the City, including financing charges and fees and expenses of bond counsel, financial advisors, and consultants in connection therewith; the cost of any bond insurance premium; the cost of audits; the cost of all machinery, apparatus, and equipment, engineering, architectural services, designs, plans, specifications and surveys, estimates of cost, and reimbursement of all money advanced from whatever source for the payment of any item or items of cost of the Project; expenses necessary or incidental to determining the feasibility or practicability of the Project; and such other expenses not specified herein as may be necessary or incidental to the acquisition and development of the Project, the financing thereof, and the putting of the same in use and operation.

(i) "Government Obligations" means direct obligations of, or obligations the timely payment of principal of and interest on which are unconditionally guaranteed by, the United States of America.

(j) "Loan Agreement" means each loan agreement between the City and the Bond Bank relating to the Bonds.

(k) "Project" means the construction of roads and the construction of an addition to the Lake Road Fire Hall, all as further described in Ordinance No. 2019-01.

(l) "Registered Owner" means the person named as the registered owner of a Bond in the Bond Register.

(m) "Registrar" means the Clerk of the City, or any successor that the City may appoint by resolution.

Section 2. For the purpose of providing the funds required to pay Costs of the Project, the City hereby authorizes and determines to issue and to sell the Bonds in the aggregate principal amount of not to exceed $4,053,941. The Bonds shall be designated "City of Dillingham General Obligation Bonds, 2019," together with such other designation as may be determined by the City Manager.

Section 3. The Bonds shall be direct and general obligations of the City, and the full faith and credit of the City are hereby pledged to the payment of the principal of and interest on the Bonds. The City hereby irrevocably pledges and covenants that it will levy and collect taxes upon all taxable property within the City without limitation as to rate or amount, in amounts sufficient, together with other funds legally available therefor, to pay the principal of and interest on the Bonds as the same become due and payable.

Section 4. The Bonds shall be dated the date of their initial delivery, shall be in the denomination of $5,000 or any integral multiple thereof, or such other date and denominations as may be determined by the City Manager, and shall be numbered separately in such manner and

with any additional designation as the Registrar deems necessary for purposes of identification. The Bonds shall bear interest payable semi-annually and shall mature and become due and payable in each of the years and in the principal amounts to be set forth in the Loan Agreement. Interest on the Bonds shall be calculated on the basis of a 360-day year composed of twelve 30-day months. The City Manager is authorized to fix and determine the principal amount, principal amount per series, prepayment rights, maturity date, principal installments and payment dates, and the rate or rates of interest to be borne by such principal installments, provided that (a) no rate of interest on any principal installment shall exceed the rate of interest on the corresponding maturity of the Bond Bank Bonds; (b) the true interest cost of the Bonds shall not exceed 6.00% unless approved by resolution of the Council; and (c) all of the Bonds shall mature on or before the day that is 30 years after the date of their initial delivery.

Section 5. Both principal of and interest on the Bonds 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 all outstanding Bonds, payments of principal thereof and interest thereon shall be made as provided in the Loan Agreement. If the Bond Bank is no longer the Registered Owner of all outstanding Bonds, payments of principal thereof and interest thereon will be made by check or draft mailed by first class mail to the Registered Owner of each Bond at the addresses for such Registered Owners 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 each Bond will be payable at the office of the Registrar upon surrender of the Bond to the Registrar. If the principal installment of any 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 until such principal installment is paid in full or provision for payment thereof has been made.

Section 6. Principal installments of the Bonds may be subject to prepayment, at the City's option, on the dates and at the prices to be set forth in the Loan Agreement. If less than all of the principal installments of the Bonds 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 each Bond to be prepaid 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. Each Bond shall be in substantially the following form, subject to the provisions of the Loan Agreement, and together with such changes not inconsistent herewith as may be approved by the Mayor or the City Manager (such approval to be conclusively evidenced by the execution and delivery of the Bond):

No. _____ $_____

UNITED STATES OF AMERICA
STATE OF ALASKA

CITY OF DILLINGHAM
GENERAL OBLIGATION BOND, 2019

REGISTERED OWNER:

PRINCIPAL AMOUNT:

The City of Dillingham, Alaska (the "City"), a municipal corporation of the State of Alaska, hereby acknowledges itself to owe and for value received promises to pay to the registered owner set forth above (the "Registered Owner"), 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, _____, and semiannually thereafter on _____ 1 and _____ 1 of each year, at the following rates per annum:

Year	Principal Installment	Interest Rate

For so long as the Alaska Municipal Bond Bank (the "Bond Bank") is the Registered Owner, payments of principal hereof and interest hereon 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 hereon 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 Clerk (the "Registrar") upon surrender of this bond to the Registrar. Interest on this bond shall be calculated on the basis of a 360-day year composed of twelve 30-day months.

This bond is one of the Obligation Bonds, 2019 of the City (the "Bonds"), together aggregating $_____ in principal amount and constituting bonds authorized for the purpose of paying the Costs of the Project, and issued under Resolution No. 2019-_____ of the City titled:

> A RESOLUTION AUTHORIZING THE CITY OF DILLINGHAM TO ISSUE GENERAL OBLIGATION BONDS IN THE PRINCIPAL AMOUNT OF NOT TO EXCEED $4,053,941 TO FINANCE THE CONSTRUCTION OF ROADS, AND FOR THE CONSTRUCTION OF AN ADDITION TO THE LAKE ROAD FIRE HALL; FIXING CERTAIN DETAILS OF SUCH BONDS; AND AUTHORIZING THEIR SALE

(the "Resolution").

The principal installments of this bond due on or after _____ 1, _____, shall be subject to prepayment, at the City's option, on and after _____ 1, _____, in whole or in part, at a prepayment price of _____% of the principal amount to be prepaid, plus accrued interest to the date fixed for prepayment. If less than all the principal installments of the Bonds 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 each Bond to be redeemed 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.

This bond is transferable as provided in the Resolution, (i) only upon the Bond Register and (ii) upon surrender of this bond together with a written instrument of transfer duly executed by the Registered Owner or the duly authorized attorney of the Registered Owner, and thereupon a new fully registered Bond or Bonds in the same aggregate unpaid principal amount, series, and maturity shall be issued to the transferee in exchange therefor as provided in the Resolution upon the payment of charges, if any, as therein prescribed. 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.

This bond is a direct and general obligation of the City, and the full faith and credit of the City are pledged to the payment of the principal hereof and interest hereon. The City has irrevocably pledged and covenanted to levy and collect taxes upon all taxable property within the City without limitation as to rate or amount, in amounts sufficient, together with other funds legally available therefor, to pay the principal hereof and interest hereon as the same become due and payable.

Reference is hereby made to the Resolution and any resolution supplemental thereto for a description of the rights of the Registered Owner of this bond and of the rights and obligations of the City thereunder, to all of the provisions of which Resolution the Registered Owner of this bond, by acceptance hereof, assents and agrees.

IT IS HEREBY CERTIFIED AND RECITED that all conditions, acts, or things required by the constitution or statutes of the State of Alaska or the ordinances or resolutions of the City to exist, to have happened, or to have been performed precedent to or in the issuance of this bond, exist, have happened, and have been performed, and that the series of Bonds of which this is one, together with all other indebtedness of the City, is within every debt and other limit prescribed by said constitution, statutes, ordinances, or resolutions.

IN WITNESS WHEREOF, THE CITY OF DILLINGHAM, ALASKA, has caused this bond to be signed in its name and on its behalf by its Mayor and its

corporate seal to be hereunto impressed or otherwise reproduced and attested by its Clerk, all as of the _____ day of _____, 2019.

CITY OF DILLINGHAM, ALASKA

_____/specimen/_____
Mayor

ATTEST:

_____/specimen/_____
Clerk

Section 8. The Bonds shall be executed manually or in facsimile in the name of the City by the Mayor, and its corporate seal shall be impressed or otherwise reproduced thereon and attested by the Clerk. The execution of a Bond on behalf of the City by persons that at the time of the execution are duly authorized to hold the proper offices 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 Bond or shall not have held office on the date of the Bond.

Section 9. The Bonds shall be issued only in registered form as to both principal and interest. The City designates the Clerk as Registrar for the Bonds. The Registrar shall keep, or cause to be kept, the Bond Register at the office of the City. The City, in its discretion, may deem and treat the Registered Owner of each 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 this resolution shall be valid and shall satisfy and discharge the liability of the City on the Bonds to the extent of the amount or amounts so paid. Bonds may be transferred only upon the Bond Register. Upon surrender for transfer or exchange of any 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 an equal aggregate principal amount of Bonds of the same series and maturity of any authorized denominations, 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. All Bonds surrendered for transfer or exchange shall be canceled by the Registrar. The City covenants that, until all Bonds have been surrendered and canceled, it will maintain a system for recording the ownership of each Bond that complies with the provisions of Section 149 of the Code.

Section 10. Upon surrender for cancellation to the Registrar of a mutilated Bond, the City shall execute and deliver a new Bond of like series, maturity, and principal amount. Upon filing with the Registrar of evidence satisfactory to the City that a Bond has been destroyed, stolen or lost and of the ownership thereof and upon furnishing the City with indemnification satisfactory to it, the City shall execute and deliver a new Bond of like series, maturity and principal amount. The person requesting the execution and delivery of a new Bond pursuant to 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. Any Bonds issued pursuant to this section in substitution for Bonds alleged to be destroyed, stolen, or lost shall constitute original additional contractual obligations on

the part of the City, whether or not the Bonds alleged to be destroyed, stolen, or lost be at any time enforceable by anyone.

Section 11. The sale proceeds of the Bonds shall be applied to pay Costs of the Project and shall be deposited in the appropriate funds or accounts of the City for such purposes.

Section 12. 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 Bonds from gross income for federal income tax purposes. The City covenants that it will make no use of the proceeds of the Bonds which will cause the Bonds to be "arbitrage bonds" subject to federal income taxation by reason of Section 148 of the Code. The City covenants that it will not take or permit any action that would cause the Bonds to be "private activity bonds" as defined in Section 141 of the Code.

Section 13. The sale of not to exceed $4,053,941 aggregate principal amount of the Bonds, as provided in the Loan Agreement and this resolution, is hereby authorized and approved. The preliminary official statement relating to the Bond Bank Bonds in substantially the form filed with this resolution, 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 hereby approved. The Mayor, the City Manager, and the Clerk are each hereby individually authorized and directed to provide such information for inclusion in such preliminary official statement and final official statement as such officials may deem necessary or desirable in connection with the sale of the Bond Bank Bonds. The Loan Agreement and the Continuing Disclosure Certificate in substantially the form filed with this resolution are hereby approved. The Mayor and the City Manager are each hereby authorized to execute and deliver the Loan Agreement and the Continuing Disclosure Certificate in such forms, together with such changes not inconsistent herewith as may be approved by the Mayor or the City Manager (such approval to be conclusively evidenced by such official's execution and delivery of such document).

Section 14. The Mayor, the City Manager, and the Clerk are each hereby individually authorized and directed execute such documents, agreements, and certificates and to do and perform such things and determine such matters necessary and desirable for the City to carry out its obligations under the Bonds, the Loan Agreement, the Continuing Disclosure Certificate, and this resolution.

Section 15. The Council from time to time and at any time may adopt a resolution or resolutions supplemental hereto, which resolution or resolutions thereafter shall become a part of this resolution, for any one or more of the following purposes: (i) to add to the covenants and agreements of the City in this resolution, other covenants and agreements thereafter to be observed, or to surrender any right or power herein reserved to or conferred upon the City; or (ii) to make such provisions for the purpose of curing any ambiguities or of curing, correcting or supplementing any defective provision contained in this resolution or in regard to matters or questions arising under this resolution as the Council may deem necessary or desirable and not inconsistent with this resolution and which shall not materially adversely affect the interest of the Registered Owners. Any such supplemental resolution may be adopted without the consent of any Registered Owner.

With the consent of the Registered Owners of not less than a majority in aggregate principal amount of the Bonds at the time outstanding, the Council may adopt a resolution or resolutions supplemental hereto for the purpose of adding any provisions to or changing in any manner or eliminating any of the provisions of this resolution or of any supplemental resolution; provided, however, that no such supplemental resolution shall: (i) extend the stated maturity date of any of

the Bonds, or reduce the amount or change the payment date of any principal installment, or reduce the rate of interest thereon, or extend the stated dates for payments of such interest, or reduce any prepayment price, without the consent of the Registered Owner of each Bond so affected; or (ii) reduce the aforesaid percentage of Registered Owners required to approve any such supplemental resolution, without the consent of all Registered Owners of the Bonds then outstanding. It shall not be necessary for the consent of the Registered Owners to approve the particular form of any proposed supplemental resolution, but it shall be sufficient if such consent approves the substance thereof.

Upon the adoption of any supplemental resolution under this section, this resolution shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this resolution of the City and all Registered Owners shall thereafter be subject in all respects to such modification and amendment, and all the terms and conditions of the supplemental resolution shall be deemed to be part of the terms and conditions of this resolution for any and all purposes. Bonds executed and delivered after the execution of any supplemental resolution adopted under this section may bear a notation as to any matter provided for in such supplemental resolution, and if such supplemental resolution shall so provide, new Bonds modified so as to conform, in the opinion of the City, to any modification of this resolution contained in any such supplemental resolution may be prepared by the City and delivered without cost to the Registered Owners, upon surrender for cancellation of such Bonds in equal aggregate principal amounts.

Section 16. Payment of any Bonds may be provided for by the irrevocable deposit in trust of cash, noncallable Governmental 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 the principal, whether at maturity or upon fixed prepayment dates, of and interest on such Bonds. The cash and Government Obligations shall be held irrevocably in trust for the Registered Owners of such Bonds solely for the purpose of paying the principal or prepayment price of and interest on such Bonds as the same shall mature or become payable upon prepayment, and, if applicable, upon the giving of notice of prepayment and notification of all Registered Owners of affected Bonds that the deposit required by this section has been made and that such Bonds are deemed to be paid in accordance with this resolution. Bonds the payment of which has been provided for in accordance with this section shall no longer be deemed outstanding hereunder. The obligation of the City in respect of such Bonds shall nevertheless continue but the Registered Owners thereof shall thereafter be entitled to payment only from the cash and Government Obligations deposited in trust to provide for the payment of such Bonds.

Section 17. All payments made by the City of, or on account of, the principal of or interest on the Bonds shall be made on the several Bonds ratably and in proportion to the amount due thereon, respectively, for principal or interest as the case may be. No recourse shall be had for the payment of the principal of or the interest on the Bonds or for any claim based thereon or on this resolution against any member of the Council or officer of the City or any person executing the Bonds. The Bonds are not and shall not be in any way a debt or liability of the State of Alaska or of any political subdivision thereof, except the City, and do not and shall not create or constitute an indebtedness or obligation, either legal, moral, or otherwise, of said State or of any political subdivision thereof, except the City.

Section 18. If any one or more of the provisions of this resolution shall be declared by any court of competent jurisdiction to be contrary to law, then such provision shall be null and void and shall be deemed separable from the remaining provisions of this resolution and shall in no way affect the validity of the other provisions of this resolution or of the Bonds.

Section 19. This resolution shall become effective immediately.

ADOPTED BY THE DILLINGHAM CITY COUNCIL on April 15, 2019.

Alice Ruby, Mayor

ATTEST: [SEAL]

Cynthia Rogers, Acting City Clerk