

CITY AND BOROUGH OF JUNEAU

RESOLUTION NO. 1586

A RESOLUTION OF THE CITY AND BOROUGH OF JUNEAU, ALASKA, RELATING TO THE ISSUANCE AND SALE OF \$9,435,000 OF HOME MORTGAGE REVENUE REFUNDING BONDS (MORTGAGE-BACKED SECURITIES PROGRAM), 1992 AUTHORIZED BY ORDINANCE SERIAL NO. 92-33; FIXING THE DATE, TERMS, MATURITIES AND INTEREST RATES FOR SUCH BONDS; PROVIDING FOR THE USE AND APPLICATION OF THE PROCEEDS OF SUCH BONDS; AND APPROVING THE EXECUTION OF A BOND PURCHASE AGREEMENT, ESCROW AGREEMENT AND ADDITIONAL DOCUMENTS AUTHORIZED BY SAID ORDINANCE SERIAL NO. 92-33.

Adopted: August 10, 1992

Prepared By: PRESTON THORGRIMSON  
SHIDLER GATES & ELLIS

CITY BOROUGH OF JUNEAU

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Presented by: The Manager  
Introduced: 08/10/92  
Drafted by: Bond Counsel

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WHEREAS, Ordinance Serial No. 92-33 (the "Ordinance") of the City and Borough of Juneau, Alaska (the "City and Borough"), authorized the issuance and sale of not to exceed \$12,000,000 in aggregate principal amount of revenue refunding bonds (the "Bonds"), to refund all of the City and Borough's outstanding Home Mortgage Revenue Bonds, 1979 (the "1979 Bonds"), the proceeds of which 1979 Bonds were used to finance mortgage loans on owner occupied single family homes within the City and Borough, and

WHEREAS, pursuant to the Ordinance, the proper officials of the City and Borough have negotiated a Purchase Contract (the "Purchase Contract") with George K. Baum & Company and Meridian Capital Markets (a Division of Meridian Bank) (collectively, the "Underwriters") which provides, inter alia, for the issuance and sale by the City and Borough and the purchase by the Underwriters of \$9,435,000 of the Bonds as authorized by the Ordinance, and

WHEREAS, the terms and conditions of the Bonds have been agreed upon on behalf of the City and Borough and the Underwriters and are set forth in an Indenture of Trust (hereinafter referred to), a Loan Purchase Agreement (hereinafter referred to), the Pass-Through Origination Agreement (hereinafter referred to), the Escrow Agreement (hereinafter referred to), the Purchase Contract and this resolution, and

WHEREAS, after due consideration it is deemed to be in the best interest of the City and Borough and its inhabitants that the Indenture, the Loan Purchase Agreement, the Pass-Through Origination Agreement, the Escrow Agreement and the

Purchase Contract be approved and their execution and delivery authorized and that the Bonds be sold, issued and delivered;

NOW, THEREFORE, BE IT RESOLVED BY THE ASSEMBLY OF THE CITY AND BOROUGH OF JUNEAU, ALASKA:

\* Section 1. Bond Sale and Purchase Contract. The sale of \$9,435,000 of the Bonds as provided in the Purchase Agreement is hereby authorized and approved. The Underwriters have presented the Purchase Contract to the Assembly, which Bond Purchase Contract is on file with the Clerk of the City and Borough. Under the Purchase Contract, the Underwriters have offered to purchase the Bonds under the terms and conditions set forth therein, in the Ordinance and this resolution. The Assembly finds that entering into the Purchase Contract is in the City and Borough's best interest and, therefore, accepts the offer contained in the Purchase Contract and authorizes the execution of the Purchase Contract by the City and Borough Manager or the Finance Director on behalf of the City and Borough. Capitalized terms in this resolution which are not otherwise defined shall have the meanings given such terms in the Ordinance.

\* Section 2. Bond Date and Payments. The Bonds shall be designated as "City and Borough of Juneau, Alaska, Home Mortgage Revenue Refunding Bonds (Mortgage-Backed Securities Program), 1992." The Bonds, in the aggregate principal amount of \$9,435,000, shall be dated August 1, 1992, and shall bear interest payable on February 1, 1993 and semiannually thereafter on the first days of each February and August at the rates set forth on Schedule A attached hereto and by this reference made a part hereof. Both principal of and interest on the Bonds shall be paid as provided in the Indenture (hereinafter defined).

\* Section 3. Bond Maturity. The Bonds shall mature on August 1 of the years and in the amounts set forth on Schedule A attached hereto.

\* Section 4. Redemption Prior to Maturity. The Bonds shall be subject to redemption in advance of their scheduled maturity at times and prices set forth in the hereinafter referred to Indenture.

\* Section 5. Approval of Loan Purchase Agreement. The Loan Purchase Agreement dated as of August 3, 1992, between the City and Borough and Meridian Capital Markets, a Division of Meridian Bank, in substance in the form on file with the City and Borough Clerk, is hereby approved. The City and Borough Manager and/or the Finance Director may make such

alterations or additions not affecting the substance of the Loan Purchase Agreement as may be deemed necessary or advisable in order to carry out the intent of the Ordinance and this resolution or in his discretion, may elect not to sign and deliver the Loan Purchase Agreement, if another method of securitizing the home mortgages subject to such Agreement appears to be more cost-effective for the City and Borough. Subject to the foregoing, the execution of the Loan Purchase Agreement with any such alterations or additions on behalf of the City and Borough as provided by the Ordinance and this resolution and its delivery are hereby authorized.

\* Section 6. Approval of Pass-Through Origination Agreement. The Pass-Through Origination Agreement dated as of August 20, 1992 between the City and Borough and Meridian Capital Markets, in substance in the form on file with the Clerk of the City and Borough, is hereby approved. The City and Borough Manager and/or the Finance Director may make such alterations or additions not affecting the substance of the Pass-Through Origination Agreement as may be deemed necessary or advisable in order to carry out the intent of the Ordinance and this resolution. The execution of the Pass-Through Origination Agreement with any such alterations or additions on behalf of the City and Borough as provided by the Ordinance and this resolution and its delivery are hereby authorized.

\* Section 7. Approval of Indenture. The Indenture of Trust dated as of August 1, 1992 (the "Indenture") between the City and Borough and Security Pacific Bank Washington, N.A., Seattle, Washington, as trustee (the "Trustee"), in substance in the form on file with the Clerk of the City and Borough, is hereby approved and the selection of Security Pacific Bank Washington, N.A., as the Trustee for the Bonds is hereby ratified and confirmed. The City and Borough Manager and/or the Finance Director may make such alterations or additions not affecting the substance of the Bonds to the Indenture as may be necessary or advisable in order to carry out the intent of the Ordinance and this resolution. The execution of the Indenture with any such alterations or additions on behalf of the City and Borough as provided by the Ordinance and this resolution and its delivery are hereby authorized.

\* Section 8. Call of 1979 Bonds for Redemption. The City and Borough's outstanding 1979 Bonds maturing on and after June 1, 1993 authorized by Ordinance Serial No. 79-23 and Resolution No. 589 and the Trust Indenture dated as of June 1, 1979 between the City and Borough and Rainier National Bank, corporate predecessor of Security Pacific Bank Washington, N.A. (the "1979 Bond Indenture") shall be and the same are hereby called for redemption on September 15, 1992 at

a price of 101.5% of the principal amount thereof. Such redemption shall be conditioned upon the issuance and delivery of the Bonds in accordance with their terms as set forth in the Indenture, the Pass-Through Origination Agreement and the Loan Purchase Agreement. The 1979 Bonds shall be called for redemption in accordance with the terms of the 1979 Bond Indenture and the hereinafter defined Escrow Agreement.

\* Section 9. Approval of Escrow Agreement. The Escrow Agreement to be dated as of the closing and delivery of the Bonds (the "Escrow Agreement") between the City and Borough and Security Pacific Bank Washington, N.A., as Escrow Agent (the "Escrow Agent") in substance and in the form on file with the City and Borough Clerk, is hereby approved and its execution by the City and Borough Manager or the Finance Director on behalf of the City and Borough is hereby authorized.

\* Section 10. Authorization of Additional Documents. The appropriate officers of the City and Borough are hereby authorized and directed to execute such documents and perform such acts as are required by or in connection with the Purchase Contract, the Loan Purchase Agreement, the Pass-Through Origination Agreement, the Escrow Agreement and the Indenture approved by this resolution, or are necessary in connection with the execution and delivery of the Bonds.

\* Section 11. Delivery of the Bonds. The proper officials of the City and Borough are authorized and directed to execute all documents and to do everything necessary for the preparation and delivery of a transcript of proceedings pertaining to the Bonds and the printing, authentication and delivery of the Bonds in definitive form to the Underwriters.

\* Section 12. Application of Bond Proceeds. The proceeds of sale of the Bonds shall be used and applied as provided in Schedule B attached hereto and by this reference made a part hereof.

\* Section 13. Refunding Plan. The proceeds of the Bonds shall be delivered to the Trustee and such proceeds, other than the accrued interest on the Bonds which shall be held by the Trustee in the Bond Fund under the Indenture shall be delivered to the Escrow Agent and shall be used, together with other money held under the 1979 Bond Indenture, to purchase certain obligations specified in the Escrow Agreement ("Escrow Obligations"). Such Escrow Obligations shall be sufficient to pay the remaining outstanding principal of, interest on and redemption premium on the 1979 Bonds on September 15, 1992.



\* Section 14. Approval of Official Statement. The form and content of the Preliminary Official Statement in connection with the Bonds dated July 15, 1992, are in all respects authorized, approved and confirmed, and the previous use of the Preliminary Official Statement by the Underwriters in connection with the sale of the Bonds is hereby in all respects authorized, approved and ratified, and either the City and Borough Manager or the Finance Director are authorized, empowered and directed to execute the final Official Statement in the name and on behalf of the City and Borough to be delivered to the Underwriters for use in connection with the sale of the Bonds with such changes, modifications, additions or deletions as shall seem necessary, desirable or appropriate, the execution thereof by either of them to constitute conclusive evidence of the approval of any and all changes, modifications, additions or deletions from the form and content of the Preliminary Official Statement and the City and Borough Manager and the Finance Director are authorized, empowered and directed to do all such acts and things necessary to carry out and comply with the provisions of the Preliminary Official Statement and of the final Official Statement. The City and Borough hereby deems the Preliminary Official Statement pursuant to Securities and Exchange Commission Rule 15c2-12 as final as of its date except for omission of information dependent upon the pricing of the issue and the completion of the requirements of the Purchase Contract, such as offering prices, interest rates, selling compensation, delivery dates and other terms of the Bonds dependent on the foregoing matters.

\* Section 15. Bonds Initially Issued; The Depository Trust Company.

(a) The Bonds will be issued initially in book-entry only form to The Depository Trust Company, New York, New York, a limited purpose trust company organized under the laws of State of New York, as a depository for the Bonds and a "Securities Depository" (as such term is defined in the Indenture) ("DTC"). In order to induce DTC to accept the Bonds as eligible for deposit at DTC, the City and Borough shall execute and deliver a Letter of Representations in substantially the form attached hereto as Schedule C and by this reference incorporated herein. The Finance Director is hereby authorized to execute the Letter of Representations with such changes as may hereafter be approved by him, and such approval shall be conclusively presumed by his execution thereof. The Bonds initially issued shall be held in fully immobilized form by DTC acting as depository pursuant to the terms and conditions set forth in the Letter of Representations, shall be issued in denominations equal to the

aggregate principal amount of each maturity of the Bonds and initially shall be registered in the name of Cede & Co., as the nominee of DTC.

Neither the City and Borough nor the Trustee will have any responsibility or obligation to DTC participants or the persons for whom they act as nominees with respect to the Bonds in respect to the occurrence of any records maintained by DTC or any DTC participant, the payment by DTC or any DTC participant of any amount in respect of the principal or redemption price of or interest on the Bonds, any notice which is permitted or required to be given to owners of the Bonds under the Ordinance or this resolution (except such notices as shall be required to be given by the City and Borough to the Trustee or to DTC), the selection by DTC or any DTC participant of any person to receive payment in the event of a partial redemption of the Bonds or any consent given or other action taken by DTC as the owner of the Bonds. For so long as any Bonds are held in fully immobilized form hereunder, DTC or its successor depository shall be deemed to be the owner of the Bonds for all purposes hereunder and under the Ordinance and the Indenture, and all references herein and in the Ordinance and the Indenture to the owner of the Bonds or similar terms shall mean DTC and shall not mean the owners of any beneficial interest in the Bonds.

(b) For so long as all outstanding Bonds are held in fully immobilized form by DTC and are registered in the name of Cede & Co. or its registered assigns, payment of principal and interest thereof shall be made as provided in the Letter of Representations, except that no payments of principal shall be made unless DTC tenders the Bond representing such principal to the Trustee. If the Bonds are not or are no longer held in fully immobilized form by DTC and registered in the name of Cede & Co. or its registered assigns, the principal on all Bonds shall be payable upon presentment at the corporate trust office of the Trustee as provided in the Indenture.

(c) So long as the Bonds are held in fully immobilized form by DTC and are registered in the name of Cede & Co. or its registered assigns, all notices of redemption shall be given only as provided in the Letter of Representations.

(d) Concerning the use of DTC,

(1) The Bonds shall be registered initially in the name of Cede & Co. as nominee of DTC, with one Bond maturing on each of the maturity dates established in a denomination corresponding to the total principal amount



therein designated to mature on such date (or may include separate Bonds for sinking fund redemption payments). Registered ownership of such immobilized Bonds, or any portions thereof, may not thereafter be transferred except (i) to any successor of DTC; provided, that any such successor shall be qualified under any applicable laws to provide the service proposed to be provided by it; (ii) to any substitute depository appointed by the Assembly pursuant to (2) below or such substitute depository's successor; or (iii) to any person as provided in (4) below.

(2) Upon the resignation of DTC or its successor (or any substitute depository or its successor) from its functions as depository or a determination by the Assembly that it is no longer in the best interest of owners of beneficial interest in the Bonds to continue the system of book-entry transfers through DTC or its successors (or any substitute depository or its successor), the Assembly may hereafter appoint a substitute depository. Any such substitute depository shall be qualified under any applicable laws to provide the services proposed to be provided by it.

(3) In the case of any transfer pursuant to clause (i) or (ii) of (1) above, the Trustee shall, upon receipt of all outstanding Bonds, together with a written request on behalf of the Assembly, issue a single new Bond for each maturity of such Bonds then outstanding registered in the name of such successor or such substitute depository, or their nominees, as the case may be, all as specified in such written request of the Assembly.

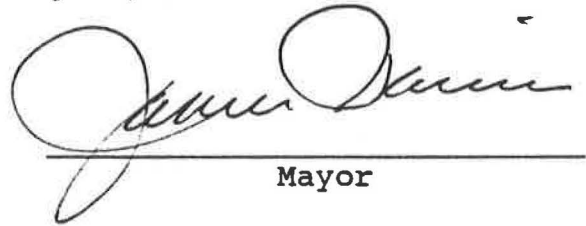
(4) If (i) DTC or its successor (or substitute depository or its successor) resigns from its functions as depository and no substitute depository can be obtained, or (ii) the Assembly determines that it is in the best interest of the beneficial owners of the Bonds that they be able to obtain Bond certificates, the ownership of Bonds may then be transferred to any person or entity as herein provided and the Bonds shall no longer be held in fully immobilized form. The City and Borough shall deliver a written request to the Trustee, together with a supply of definitive Bonds, to issue Bonds as herein provided in any authorized denomination. Upon receipt of all then outstanding Bonds by the Trustee, together with a written request on behalf of the Assembly to the Trustee, the Letter of Representations shall be terminated and new Bonds issued in such

denominations and registered in the names of such persons as are requested in such request.

\* Section 16. Ratification. All actions taken by the City and Borough Manager and the Finance Director relative to the sale of the Bonds are hereby in all respects ratified and confirmed. The City and Borough Manager and/or the Finance Director of the City and Borough are hereby authorized and directed to execute the Purchase Contract and to do all things necessary for the prompt execution, issuance and delivery of the Bonds and for the proper application and use of the Bond proceeds.

\* Section 17. Effective Date. This resolution shall be effective immediately upon adoption.

Adopted this 10th day of August, 1992.

  
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Mayor

Attest:

  
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Clerk